



**United States Department of State
Office of the Coordinator for Counterterrorism**

Country Reports on Terrorism 2005 (Supplement)

**Report to Congress Required under Section 7120(b)
of the 9/11 Commission Implementation Act of 2004**

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Table of Contents

Preface.	3
Chapter 1. Terrorist Safe Havens	4
Chapter 2. Support for Pakistan	23
Chapter 3. Collaboration with Saudi Arabia	29
Chapter 4. Struggle of Ideas in the Islamic World	33
Chapter 5. Outreach through the Broadcast Media	40
Chapter 6. Visas for Participants in United States Programs	53
Chapter 7. Basic Education in Muslim Countries	54
Chapter 8. Economic Reform	65

PREFACE

This report is submitted in compliance with Title 22 of the United States Code, Section 2656f(b), which sets forth certain reporting requirements relating to the Department of State's annual country reports on terrorism. Section 2656f(b) requires the Department of State to the extent feasible to provide Congress an update of the information contained in the report required to be transmitted to Congress under Section 7120(b) of the 9/11 Commission Implementation Act of 2004 (also known as the Intelligence Reform and Terrorism Prevention Act of 2004). This document forms a part of the annual country reports on terrorism but, for ease of review, is provided under separate cover.

Section 7120(b) of the Intelligence Reform and Terrorism Prevention Act of 2004 includes certain reporting requirements relating to terrorist "sanctuaries." Because the term "sanctuaries" is a term commonly associated with places of worship, we have, for greater clarity and for consistency with the terminology used elsewhere in the annual country reports on terrorism, referred instead here to terrorist "safe havens." We interpret terrorist "safe haven" to have the same meaning as terrorist "sanctuary" for purposes of Section 7120(b).

Chapter 1

Terrorist Safe Havens

A terrorist safe haven is an area of relative security exploited by terrorists to indoctrinate, recruit, coalesce, train, and regroup, as well as prepare and support their operations. Country specific examples are useful, but physical safe havens usually straddle national borders in transnational regions where transnational terrorists often seek refuge. They often take advantage of ungoverned sovereign borders, operating in the Sahel, the Sulu and Celebes (Sulawesi) Seas littoral, and the Afghanistan/Pakistan frontier. Indeed, the most intractable safe havens worldwide tend to exist astride international borders or in regions where ineffective governance allows their presence.

Global communications and financial infrastructure, especially those created by electronic infrastructure such as the Internet, global media, and unregulated economic activity, can allow terrorists to fulfill many of the same functions without the need for a physical sanctuary. These “virtual” havens are highly mobile, difficult to track, and difficult to control.

Physical safe havens provide security for many senior terrorist leaders, allowing them to plan and to inspire acts of terrorism around the world. The presence of terrorist safe havens in a nation or region is not necessarily related to state sponsorship of terrorism. In most instances cited in this chapter, areas or communities serve as terrorist safe havens despite the government’s best efforts to prevent them.

Denying safe haven to terrorists requires a regional approach based on coordinated action by partner governments working with the United States as well as with each other, and by regional and multilateral institutions. Corruption, poverty, a lack of civic institutions and social services, and the perception that law enforcement and legal systems are biased or brutal are conditions that terrorists exploit to create allies or to generate a permissive *operating environment*. *Efforts to build partner capacity and encourage partner states to cooperate more effectively with each other at the regional level are key to denying terrorists safe haven.* U.S. Ambassadors, as the President’s personal representatives abroad, have a unique responsibility to bring all elements of national power to bear against the terrorist enemy. They lead interagency Country Teams that develop strategies to help host nations understand the threat, and to strengthen their political will and capacity to counter it.

Regional Strategic Initiative. Building on these efforts, we have worked to develop the Regional Strategic Initiative (RSI), a program designed to develop flexible regional networks of interconnected Country Teams. The State Department’s Office of the Coordinator for Counterterrorism (S/CT) is working with Ambassadors and interagency representatives in key terrorist theaters of operation to assess the threat and devise collaborative strategies, actionable initiatives, and policy recommendations.

The RSI is a key tool in promoting cooperation between our partners in the War on Terror – between Malaysia, Indonesia, and the Philippines, for example, as they deal with terrorist transit across the Celebes (Sulawesi) Sea; or between Mauritania, Algeria, Morocco, Niger, Chad, and Mali to counter a GSPC enemy recruiting and hiding in the desert which sits astride their national borders.

Our terrorist enemies are highly adaptable: defeating them requires both centralized coordination and field authority. Resources and responses must be applied in a rapid, flexible, and focused manner. The RSI helps achieve this.

As of April 2006, three RSI strategy sessions have been held, with more scheduled for coming months. These sessions are chaired by Ambassadors, with Washington interagency representatives in attendance. The sessions focus on developing a common, shared diagnosis of the strategic situation in a region. Using this common perspective, networked Country Teams then identify opportunities for collaboration and self-synchronize efforts across multiple diverse programs in concert with NCTC's operational planning effort to achieve the President's national strategic goals.

Existing and Potential Terrorist Safe Havens

“Virtual” Safe Haven. Terrorists exploit electronic infrastructure such as the Internet, global media, and satellite communications for recruitment, training, planning, resource transfer, and intelligence collection between and among terrorists and terrorist groups. Like many others, terrorists view the Internet as the most powerful and inexpensive form of communication yet developed. Harnessing the Internet's potential for speed, security, and global linkage gives terrorists the ability to conduct many of the activities that once required physical haven, yet without the associated security risks. With the ability to communicate, recruit, train, and prepare for attacks, any computer may function essentially as a “virtual” safe haven. Closing these havens demands concerted action at the global and regional levels.

The Internet also has empowered the enemy with the ability to produce and sustain its own public media outlets and to present its own distorted view of the world to further its agenda. Terrorists are placing encrypted messages in electronic files to hide photos, maps, and messages on innocent third-party websites, chat rooms, and bulletin boards.

There are several thousand radical or extremist websites worldwide, many of which disseminate a mixture of fact and propaganda designed to challenge information gleaned from other sources. Traditions of tolerance, political asylum, and multiculturalism are key elements of open societies. The enemy has been savvy in exploiting this and in having a consistent message easily heard in the cacophony of the global media and the Internet. Countering the messages that terrorists propagate cannot be done quickly or easily; it must become part of a long-term strategy.

Physical Safe Haven. The remainder of this chapter provides a survey of the status of selected potential and physical safe havens worldwide.

AFRICA

The Trans-Sahara. The sparsely inhabited Trans-Sahara region provides safe haven for terrorist groups operating in North and Northwest Africa.

- **Mali.** The Algeria-based Salafist Group for Preaching and Combat (GSPC) maintains a regular but small-scale presence in Mali's northern desert, where it is engaged in recruiting, training, and smuggling activities. GSPC members have been able to move without hindrance in northern Mali; the government has maintained a limited military presence in the north since the negotiated end of a rebellion by elements of the Tuareg population in 1996. The size of the country and the limited resources of the Government of Mali hamper the effectiveness of military patrols and border control measures. There have been no confrontations between the military and the GSPC in 2005 and the government has not taken any steps to modify its military force posture in the region or directly confront GSPC elements in the north. The Malian Government did cooperate fully with neighboring countries in June to try to isolate and capture GSPC cells in its territory, including those responsible for an attack in el-Mreiti, Mauritania.
- **Mauritania.** The GSPC and, to a lesser degree, the Mauritanian Group for Preaching and Jihad (GMPJ) have conducted supply, smuggling, fundraising, and recruiting operations in Mauritania and the region. On June 4 the GSPC attacked a Mauritanian military outpost at el-Mreiti, killing at least 15 members of the Mauritanian security services.

Somalia. Parts of Somalia, which has no functioning central government, have become havens for terrorist and other illicit activities, threatening the security of the region.

- A small number of al-Qaida (AQ) terrorists, responsible for the 1998 bombings of the U.S. Embassies in Kenya and Tanzania, continue to operate in Somalia and are assisted by elements within the complicated Somali clan structure.
- Members of the Somalia-based al-Ittihad al-Islami (AIAI) have committed terrorist acts in the past, primarily in Ethiopia. AIAI rose to prominence in the early 1990s with the goal of creating a pan-Somali Islamic state in the Horn of Africa. Presently, AIAI is highly factionalized and diffuse, and its membership -- or even formal existence -- is difficult to define.
- Other groups have appeared in Somalia that are suspected to have committed terrorist acts against Western interests in the region, or to be capable of doing so. Little is known about movements such as al-Takfir wal-Hijra ("al-Takfir"), but the extremist ideology and the violent character of takfiri groups elsewhere suggests that the

movement merits close monitoring. (Takfiri ideology is an inflexible interpretation of Islam that labels those who do not share the same interpretation as “infidels.”) Some individuals and groups with past AIAI association and/or current takfiri leanings are sympathetic to and maintain ties with al-Qaida.

EAST ASIA

The Sulu/Celebes (Sulawesi) Sea. East Asia includes a maritime safe haven area composed of the Celebes Sea and Sulu Archipelago, which sit astride the maritime boundary between Indonesia, Malaysia, and the Philippines. The physical geography of the thousands of islands in the region makes them very difficult for authorities to monitor. Thus, they are well suited to terrorist operations and activities, such as movement of personnel, equipment, and funds. This area represents a safe haven for the AQ-linked Jemaah Islamiya (JI) group.

- **The Southern Philippines and Sabah, Malaysia.** The Abu Sayyaf Group (ASG), responsible for multiple bombings and kidnappings throughout the southern Philippines in recent years, remains active despite the loss of key leaders and Philippine military operations against the group. In addition, some JI members have obtained safe haven in Mindanao in areas under the control of elements of the Moro Islamic Liberation Front (MILF) and Abu Sayyaf Group. The Government of the Republic of the Philippines (GRP) is addressing the JI presence through military operations and ongoing peace talks with the MILF. The Government of Malaysia is mediating the GRP-MILF peace talks. The U.S. Institute for Peace is supporting the process by facilitating dialogue on contentious issues such as control of territory. The GRP-MILF talks have made progress, and could lead to a formal peace agreement that would be crucial in addressing the issue of safe haven in the long term. Two specific mechanisms have grown out of the peace process to increase cooperation between the Philippine Government and the MILF. The Coordinating Committee for the Cessation of Hostilities (CCCH) allows Philippine Government and MILF representatives to broker cease-fire violations. The Ad Hoc Joint Action Group provides a framework for Philippine Government and MILF representatives to cooperate against terrorists and criminals in MILF areas, and has operated with some success over the last year.
- **Indonesia.** JI has had links to al-Qaida and was responsible for the August 2003 bombing of the Marriott Hotel in Jakarta and the bombing outside the Australian Embassy in September 2004. While Indonesia has significantly improved its efforts to control the maritime boundary area with the Philippines, the area remains difficult to control, surveillance is partial at best, and traditional smuggling and piracy groups provide an effective cover for terrorist activities in the area.

EUROPE

Although most of Europe is not a physical safe haven in a literal sense, domestic terrorist groups, as well as AQ and its associated terrorist cells, remain the principal groups of concern in Europe. North African Salafist groups are especially active, such as the Moroccan Islamic Combatant Group, the Armed Islamic Group, and the Salafist Group for Preaching and Combat. Moreover, extremist groups recruit and proselytize heavily in some major European cities. The presence and activity of such terrorist cells was dramatically highlighted by the London bombings in July. In addition, terrorist groups opposed to the Middle East peace process such as HAMAS and Hizballah have active propaganda, fundraising, and other support activities in Europe.

Mediterranean. Smuggling, illegal immigration, and narcotics trafficking networks traverse the Mediterranean Sea between Europe, North Africa, and the Middle East, providing opportunities for potential terrorist movement and support.

- **Cyprus.** Cyprus forms a transit and support hub for various organizations operating in the Eastern Mediterranean and Levant. The Kongra-Gel/PKK has an active presence in Cyprus on both sides of the buffer zone, which it reportedly uses as both a fundraising and transit point. The Kurdish community in the south of Cyprus is estimated at approximately 1,500.

The Caucasus. Over the past decade, insurgent activities in Chechnya, Daghestan, North Ossetia, and surrounding areas have created opportunities for establishing a terrorist safe haven in the north Caucasus.

- **Georgia.** The Pankisi Gorge area of Georgia was previously noted as a safe haven; however, Georgian authorities were largely successful in eliminating it. Georgian internal troops continued to carry out operations to rid the Pankisi Gorge of terrorists. The identification and safe removal of hidden weapon caches in the Pankisi area enabled Georgian security forces to secure and protect it from terrorist acts or transit. Although border guard and customs reform continued, Georgia was still used to a limited degree as a transit state for weapons and money. Georgia made efforts to close its borders to those who wished to smuggle money, weapons, and supplies, but was hindered in particular by corruption at border checkpoints, as well as by lack of territorial integrity in the separatist areas of South Ossetia and Abkhazia.

SOUTH & CENTRAL ASIA

Afghan-Pakistan Border. Historically, the mountainous and sparsely populated Afghan-Pakistani border has been an autonomous area, with little control by Islamabad or Kabul.

- **Pakistan.** The Northwest Frontier Province (NWFP) and Federally Administered Tribal Areas (FATA) of Pakistan have been a safe haven for AQ fighters since the

fall of the Taliban in December 2001. The FATA also includes Islamist groups and local tribesmen who continue to resist the government's efforts to improve governance and administrative control at the expense of longstanding local autonomy. Through substantial efforts since 2004, the Government of Pakistan has deployed more than 80,000 security forces into the FATA and made some improvements in health care, education, and social services. These operations have disrupted the terrorists but also affected tribal institutions in the area, requiring efforts to build new political and economic institutions. Bringing government services to this region, and turning an AQ safe haven into a regularly-administered province of Pakistan, remains an important objective in the global war on terror.

- **Afghanistan.** The Afghan Government, in concert with U.S. forces and the international community, continues efforts to build security on the Afghan side of the border. The border areas remain a contested region, however, with ongoing insurgent and terrorist attacks and AQ-linked propaganda activity.

MIDDLE EAST

Iraq. Iraq is not currently a terrorist safe haven, but terrorists, including Sunni groups like al-Qaida in Iraq (AQI), Ansar al-Islam (AI), and Ansar al-Sunna (AS), Shia extremists, and other groups view Iraq as a potential safe haven and are attempting to make it a reality. Efforts by the Iraqi Government, the United States, Coalition partners, and the international community are helping to thwart the ambitions of these groups, but the battle is far from over. Not all of Iraq's neighbors have supported the international community in this effort. In particular:

- **Syria.** Designated by the United States as a state sponsor of terror, Syria was used as a facilitation hub for terrorist groups operating in Iraq, traditional tribal groups, smugglers, and border-crossers exploiting the porous border with Iraq and lax immigration controls. Foreign terrorists constituted a small percentage of insurgent forces, but their impact was dramatic. Although Coalition and Iraqi commanders consistently reported that most of the enemy killed or captured were Iraqi citizens, foreign terrorist cells continued to move and kept a low profile while training, equipping, and supporting other terrorist groups. In addition, HAMAS, Hizballah, and several other Palestinian terrorist organizations operate offices in Damascus, and the Syrian Government has taken little effective action to curb this activity.
- **Iran.** Also designated by the United States as a state sponsor of terror, Iran provided political and ideological support for several terrorist and militant groups active in Iraq. Attractive to terrorists in part because of the limited presence of the United States and other Western governments, Iran is also a safe haven in that known terrorists, extremists, and sympathizers are able to transit its territory and cross the long and porous border into Iraq. Iran also equips terrorists with technology and provides training in extremist ideology and militant techniques.

- **Northern Iraq/Southeastern Turkey.** The Kongra-Gel/PKK maintains an active presence in the predominantly ethnic Kurdish areas of southeastern Turkey and northern Iraq. The Kongra-Gel/PKK operates several base camps along the border in northern Iraq from which it provides logistical support to forces that launch attacks into Turkey, primarily against Turkish security forces, local Turkish officials, and villagers who oppose the organization.

Lebanon. The Lebanese Government recognizes several terrorist organizations, including Hizballah, which holds several seats in Parliament, as "legitimate resistance groups" and permits them to maintain offices in Beirut and elsewhere around the country. The Lebanese Government recently agreed to work to disarm Palestinian militias outside the refugee camps within six months and, for the first time, is discussing possible limits to Hizballah's arms. Although Syria withdrew its military forces in April 2005, it maintains an intelligence presence in Lebanon and continues to offer support and facilitate arms smuggling to Hizballah and Palestinian terrorist groups. Because the Government of Lebanon does not exercise effective control over areas in the south and inside the Palestinian refugee camps, terrorists can operate relatively freely in those areas.

Yemen. Several terrorist organizations continued to maintain a presence in Yemen throughout 2005. The Government of Yemen recognizes Hamas and Palestinian Islamic Jihad (PIJ) as legal organizations. Hamas conducted extensive fundraising through mosques and charitable organizations and maintains offices in Yemen. In December, Hamas leader Khaled Mishal visited Sanaa and met publicly with President Saleh. Al-Qaida's operational structure in Yemen has been weakened and dispersed, but concerns remain about the organization's attempts to reconstitute operational cells there. Yemen continues to increase its maritime security capabilities, but land border security along the extensive frontier with Saudi Arabia remains a problem, despite increased Yemeni-Saudi cooperation on bilateral security issues.

THE AMERICAS

Colombia Border Region. This region includes the borders between Colombia, on one side, and Venezuela, Ecuador, Peru, Panama, and Brazil on the other. Rough terrain, dense forest cover, and lack of government authority and presence in this area create a safe haven for insurgent and terrorist groups, including the Revolutionary Armed Forces of Colombia (FARC). Brazil, Ecuador, Peru, and Panama have adopted an unstated policy mix of containment and non-confrontation with Colombian narcoterrorist groups while Peru pursues the domestic terrorist group Sendero Luminoso (SL). FARC used remote areas to house prisoners and hostages and stage and train for terrorist attacks in cities.

The Triborder Area. Suspected supporters of Islamic terrorist groups, including Hizballah and Hamas, take advantage of loosely regulated territory and proximity to Muslim communities in Ciudad del Este, Paraguay, and Foz do Iguacu, Brazil, to engage in illegal activity and illicit fundraising.

Venezuela. Venezuelan President Chavez has an ideological affinity with two Colombian terrorist organizations, the FARC and the National Liberation Army (ELN), which in turn limits Venezuelan cooperation with Colombia in combating terrorism. The FARC and ELN regard Venezuelan territory near the border as a safe haven and often use the area for cross-border incursions. In addition, splinter groups of the FARC and another designated terrorist organization, the United Self-Defense Forces of Colombia (AUC), operate in various parts of Venezuela and are involved in drug trafficking.

Strategies, Tactics, and Tools for Disrupting or Eliminating the Safe Havens

Whether straddling weak border regions or expanding their reach electronically beyond borders, terrorists operate without regard to borders. This fact dictates that our regional and transnational partnerships must be strengthened and has prompted the U.S. and its allies increasingly to think and plan and operate in regions.

Denying terrorists safe haven undermines terrorists' capacity to operate effectively, and thus is a key element of U.S. counterterrorism strategy and is the cornerstone of UN Security Council Resolution 1373, adopted in September 2001. UNSCR 1373 specifically targets terrorists' ability to move across international borders and find safe haven, to solicit and move funds, and to acquire weapons; it also calls on states that do not have laws criminalizing terrorist activity and support to enact such laws.

Countering Terrorist Funding. Since the terrorist attacks of September 11, 2001, the United States has acted to block funding of terrorists and their supporters and to promote international cooperation against them. On September 23, 2001, the President signed Executive Order (EO) 13224, giving the U.S. Government a powerful tool to impede terrorist funding. This executive order provides a means to disrupt the financial support network for terrorists and terrorist organizations by authorizing the U.S. Government to designate and block assets of foreign individuals and entities that commit, or pose a significant risk of committing, acts of terrorism. In addition, because of the pervasiveness and expansiveness of the financial base of foreign terrorists, the order authorizes the U.S. Government to block the assets of individuals and entities that provide support, offer assistance to, or otherwise associate with designated terrorists and terrorist organizations. The order also covers their subsidiaries, front organizations, agents, and associates.

The Secretary of State, in consultation with the Attorney General and the Secretary of the Treasury, continues to designate Foreign Terrorist Organizations (FTOs) pursuant to Section 219 of the Immigration and Nationality Act, as amended. These designations play a critical role in the U.S. fight against terrorism, and are an effective means of curtailing support for terrorist activities and pressuring groups to get out of the terrorism business. Among other consequences of such a designation, it is unlawful for U.S. citizens or any persons subject to the jurisdiction of the United States to provide funds or material support to a designated Foreign Terrorist Organization. U.S. financial

institutions are also required to freeze the funds of designated FTOs. As of December 31, 2005, the United States had designated since 2001 a total of 424 individuals and entities as terrorists, their financiers, or facilitators; the global community has frozen more than \$150 million in terrorist-related assets.

Executive Order and Foreign Terrorist Organization designations support U.S. efforts to curb the financing of terrorism and encourage other nations to do the same. They internationally stigmatize and isolate designated terrorist entities and individuals. They also deter donations or contributions to, and economic transactions with, named entities and individuals. In addition, they heighten public awareness and knowledge of terrorist organizations and signal to other governments U.S. concerns about named entities and individuals.

Disrupting the Movement of Terrorists. As part of the effort to deny terrorists safe havens, the Departments of State, Justice, and Homeland Security created the Human Smuggling and Trafficking Center (HSTC), which includes U.S. Government intelligence agencies. The HSTC unifies operational efforts against alien smuggling, trafficking in persons, and criminal support to terrorist travel. It is the subject of a separate report to the Congress, under Section 7202 of the Intelligence Reform and Terrorism Prevention Act of 2004, and forms part of a broader, coordinated effort by the federal government to combat terrorist travel.

A comparable process of Federal coordination exists under the National Strategy for Maritime Security, which highlights cooperative international efforts to ensure the security of regional seas. Under the Strategy, the U.S. will continue to promote development of cooperative mechanisms to coordinate regional action against maritime threats that span national boundaries and jurisdictions.

Bringing Terrorists to Justice. Under the Rewards for Justice Program, the Secretary of State may offer rewards of up to \$25 million for information that prevents or favorably resolves acts of international terrorism against U.S. citizens or property worldwide. Rewards of up to \$25 million have been authorized for information leading to the capture of Usama bin Ladin and other key al-Qaida leaders. Rewards also may be paid for information leading to the arrest or conviction of terrorists attempting, committing, conspiring to commit, or aiding and abetting acts of international terrorism.

Since the program's inception in 1984, the United States has paid more than \$62 million to more than 40 people who provided credible information that put terrorists behind bars or prevented acts of international terrorism worldwide. In August 2005, a \$5 million Rewards for Justice payment, authorized by Secretary Rice, was made to a source that provided assistance in the arrest and conviction of several leaders of a major terrorist group. It resulted in the significant disruption of the group's activities and capabilities. Two additional rewards, totaling more than a half million dollars, were also approved in 2005.

U.S. Efforts to Work with Other Countries in Bilateral and Multilateral Fora to Cooperate in Identifying and Addressing Terrorist Safe Havens

Group of Eight (G8) Cooperation. The G8 was instrumental in developing cutting-edge counterterrorism standards and practices. These included enhanced travel document security standards efforts, as well as strengthened controls over exports and stockpile security to mitigate the threat to airports from illicit acquisition of shoulder-fired anti-aircraft missiles (man portable air defense systems, or MANPADS). G8 counterterrorism initiatives often have an impact well beyond the borders of G8 member states, since the group actively seeks to promulgate the standards and practices it develops to international standard-setting organizations. G8 travel document security standards, for example, were adopted by the International Civil Aviation Organization for all its members. A port and maritime security assessment guide created by the G8 was adopted by the International Maritime Organization in December 2004.

At the June 2004 Sea Island Summit, President Bush and the other G8 leaders launched the Secure and Facilitated International Travel Initiative (SAFTI), designed to increase passenger confidence in the security of international transportation, speed the processing of travelers by border authorities, promote international commerce, and reduce the threat of MANPADS to civil aviation. As part of the SAFTI, G8 leaders adopted a 28-point action plan committing members to implement security-enhancing projects in a variety of transportation security fields, including:

- Strengthening international standards for passport issuance;
- Developing new measures to defend against the threat of MANPADS;
- Establishing a Point-of-Contact network to deal with aviation threat emergencies; and
- Expanding training and assistance on transportation security to third-party states.

Virtually all outstanding project tasks were completed by the end of 2005.

Financial Action Task Force on Money Laundering. Throughout the year, the United States also continued to work closely with multilateral partners in numerous counterterrorist financing tracks, including the Counterterrorism Committee of the United Nations, the Egmont Group of Financial Intelligence Units, the Financial Action Task Force (FATF), and the Counterterrorism Assistance Group (CTAG), as well as in international financial institutions. In addition, the United States agreed with the European Union in June on a Declaration on Combating Terrorism that ratified a wide-ranging set of counterterrorism initiatives, including a commitment to establish a regular dialogue on terrorism finance between the European Union and the United States. Since its launch in September 2004, the dialogue has served as the framework for ongoing exchanges to promote information sharing and cooperation on FATF and on technical assistance issues. The World Bank and International Monetary Fund have also pledged to provide countries with training to increase their capacity to combat money laundering and terrorist financing.

The United Nations. The UN continues to provide focus and energy to the international community in its collective fight against terrorism. The Security Council adopted two resolutions related to terrorism in 2005. Resolution 1617, adopted in July, strengthened the current sanctions regime against the Taliban and al-Qaida, and endorsed the Financial Action Task Force standards for combating money laundering and terrorist financing. Resolution 1624, adopted at a Security Council summit, addressed incitement to terrorism.

The Counterterrorism Committee (CTC) was established by Security Council Resolution 1373 after September 11, 2001, with the goal of raising the performance level of the governments of all 191 member states in the fight against terrorism. The Counterterrorism Committee's Executive Directorate (CTED), established by Resolution 1535 in 2004, became fully operational in December, 2005. CTED's mandate is to enhance the Committee's ability to monitor the implementation of Resolution 1373 and to continue its capacity-building work by facilitating technical assistance to member states and promoting closer cooperation and coordination with international, regional, and sub-regional organizations. It is also undertaking visits to certain nations to assess their implementation of obligations under Resolution 1373.

United Nations Security Council Resolution 1267 and successor resolutions require states to impose financial and other sanctions on groups and individuals of those associated with Usama bin Laden, the Taliban, or al-Qaida. In 2005, UNSCR 1617 was passed, clarifying what constitutes association with al-Qaida. UNSCR 1617 also "strongly urges all member states to implement the comprehensive international standards embodied in the FATF 40 Recommendations on Money Laundering and the FATF Nine Special Recommendations on Terrorist Financing." UNSCR 1624, a resolution calling on states to take certain measures relating to the incitement of terrorist acts, was adopted unanimously in September 2005 at a Security Council summit as part of the UN's response to terrorism. We are currently discussing the implementation of this resolution internationally.

The UN General Assembly took several important steps in 2005 on the counterterrorism front. The Outcome Document issued at the high-level plenary meeting held at the United Nations on September 14-16 contains a clear and unqualified condemnation of terrorism "in all its forms and manifestations, committed by whomever, wherever, and for whatever purposes," and sets objectives for UN actions to counter terrorism. It also calls for the adoption and implementation of a comprehensive strategy to promote comprehensive, coordinated, and consistent responses at the national, regional, and international level. The General Assembly also negotiated and adopted four antiterrorism resolutions, 60/43, 60/73, 60/78, and 60/158, and continued work on the negotiation of a Comprehensive Convention on International Terrorism. The General Assembly concluded the International Convention for the Suppression of Acts of Nuclear Terrorism in April. By December 16, 94 states had signed this important new instrument.

European Union (EU). The United States and EU states developed more comprehensive, efficient border security processes to ensure close cooperation among

law enforcement agencies and to improve information-sharing capabilities. Progress has been slower as the United States and European Union worked through regular counterterrorism and terrorist financing engagements to develop mechanisms to implement the 2004 U.S.-EU Summit Declaration on Combating Terrorism. A contributing factor has been member states' reluctance to grant more than token responsibilities to the EU counterterrorism coordinator's office or other Community institution. Following months of analyzing member states' national counterterrorism systems, member state leaders agreed in December, 2005, to revise the EU counterterrorism action plan, which is designed to disrupt terrorist networks and address conditions terrorists exploit to recruit new members, but does not have effective coordinating mechanisms at the EU level.

Organization for Security and Cooperation in Europe (OSCE). European nations are active participants in a variety of multilateral organizations that contributed to counterterrorist efforts, including the G8, NATO, the Financial Action Task Force (FATF), the Organization for Security and Cooperation in Europe (OSCE), the International Maritime Organization (IMO), and the International Civil Aviation Organization (ICAO). The United States and its partners worked through all of these organizations to establish and implement best practices, build the counterterrorism capabilities of "weak but willing" states, and institutionalize the war against terrorism globally. OSCE members committed themselves to becoming parties to the 12 UN terrorism conventions and protocols, to work together to modernize travel documents and shipping container security, and to prevent and suppress the financing of terrorist organizations.

The OSCE held two workshops in 2005 on ICAO's minimum security standards for handling and issuance of passports, sponsored visits by ICAO and other experts to provide technical advice to requesting countries on new travel document security features, and increased OSCE countries' cooperation with Interpol in reporting lost or stolen passports. Also in 2005, the State Department funded an OSCE conference designed to share best practices and discuss combating terrorist financing policy. The 180 participants addressed a broad range of terrorist financing topics, including UN Security Council requirements and FATF standards, building effective domestic regimes, developing Financial Intelligence Units, best practices in prosecuting terrorist financing cases, and safeguarding charities from abuse. The conference already has resulted in the development of improved legislation in OSCE member states.

North Atlantic Treaty Organization (NATO). The North Atlantic Treaty Organization (NATO) played a key role in combating terrorism at the regional level in Europe. First and foremost, NATO continues Operation Active Endeavor (OAE), a naval operation that aims to combat terrorism by monitoring maritime traffic in the Mediterranean. NATO is contributing to the fight against terrorism through military operations in Afghanistan, the Balkans and the Mediterranean and is also engaged in a far-reaching transformation of its forces and capabilities to better deter and defend against terrorism, and is working closely with partner countries and organizations to ensure broad cooperation in the fight against terrorism.

The Trans-Sahara Counterterrorism Initiative. The Trans-Sahara Counterterrorism Initiative (TSCTI) is a multi-faceted, multi-year strategy aimed at defeating terrorist organizations by strengthening regional counterterrorism capabilities, enhancing and institutionalizing cooperation among the region's security forces, promoting democratic governance, discrediting terrorist ideology, and reinforcing bilateral military ties with the United States. The overall goals are to enhance the indigenous capacities of governments in the pan-Sahel (Mauritania, Mali, Chad, and Niger, as well as Nigeria and Senegal) to confront the challenge posed by terrorist organizations in the region, and to facilitate cooperation between those countries and our Maghreb partners (Morocco, Algeria, and Tunisia) in the global war on terror.

The need for TSCTI stemmed from concern over the potential for expansion of operations by Islamic terrorist organizations in the Sahel. TSCTI was developed as a follow-on to the very successful Pan-Sahel Initiative, which focused solely on the states of the Sahel. Ongoing concern that Islamist terrorists continue to seek to create safe havens and support networks in the remote expanses of the Sahel, as well as the public affiliation of some terrorist groups with al-Qaida, led to its formal approval by the U.S. Government early in 2005.

TSCTI was originally envisioned as a five-year program based on counterterrorism, democratic governance assistance, a public diplomacy component, and military assistance. TSCTI's main elements include:

- Counterterrorism (CT) programs to create a new regional focus for trans-Saharan cooperation, including use of established regional organizations like the African Union and its new Center for the Study and Research on Terrorism in Algiers. These programs include training to improve border and aviation security and overall CT readiness;
- Continued specialized Counterterrorism Assistance Training and Terrorist Interdiction Program (TIP) activities in the trans-Sahara region and possible regional expansion of those programs;
- Public diplomacy programs that expand outreach efforts in the Sahel and Maghreb regions, Nigeria, and Senegal and seek to develop regional programming embracing this vast and diverse region. Emphasis is on preserving the traditional tolerance and moderation displayed in most African Muslim communities and countering the development of extremism, particularly in youth and rural populations;
- Democratic governance programs that strive, in particular, to provide adequate levels of USG support for democratic and economic development in the Sahel, strengthening those states to withstand internal threats; and
- Military programs intended to expand military-to-military cooperation, to ensure adequate resources are available to train, advise, and assist regional forces, and to establish institutions promoting better regional cooperation, communication, and intelligence sharing.

African Union (AU). The Addis Ababa-based AU Commission provided guidance in 2005 to its 53 member states' ratification and implementation of continental and international counterterrorism commitments; it also coordinated assistance to cover member states' counterterrorism gaps. The Department of State and the National Defense University's Africa Center for Strategic Studies (ACSS) collaborated with the AU to run counterterrorism workshops. Although AU Commission political will to act as an effective counterterrorism partner is strong, capacity remains relatively weak. The AU seeks to create a counterterrorism unit at its headquarters to promote member state counterterrorism efforts more effectively. The AU welcomes technical and financial assistance from international partners/donors to bolster both AU headquarters and the African Centre for the Study and Research on Terrorism (ACSRT) activities approved by member states.

Association of Southeast Asian Nations (ASEAN). The United States has worked closely with the ten-member Association of Southeast Asian Nations (ASEAN), comprising Brunei, Burma, Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand, and Vietnam to enhance counterterrorism cooperation. In November 2005, President Bush and his ASEAN counterparts announced agreement to launch an "Enhanced Partnership" for more intensive cooperation on a range of important issues including combating terrorism. The ASEAN community has vigorously supported expansion of regional counterterrorism capacities as envisioned in the 2001 ASEAN Declaration on Joint Action to Counter Terrorism. The US-ASEAN Counterterrorism Work Plan is the blueprint for U.S. engagement on this effort. ASEAN members have reached out to neighboring countries to expand cooperation in areas of information exchange and law enforcement cooperation, as well as increasing counterterrorism finance and law enforcement capacity-building efforts through training and education.

The United States has been an active participant in ASEAN Regional Forum (ARF) CT activities, especially in the area of maritime security cooperation. Early in 2005, the United States and Singapore co-chaired an ARF confidence-building measure to prevent and counter terrorist attacks and other unlawful acts in the Strait of Malacca. This measure built on earlier efforts to strengthen agreement among participants on the key elements of maritime security. Subsequent events hosted by India and Japan focused on expanding capacity building for maritime security. In July 2005, the 25 ARF foreign ministers adopted a "Statement on Information Sharing and Intelligence Exchange and Document Integrity and Security in Enhancing Cooperation to Combat Terrorism and other Transnational Crimes," in which the ministers committed to improve cooperation in these areas.

APEC. The 21 member economies of APEC (Australia, Brunei, Canada, Chile, China, Hong Kong, Indonesia, Japan, Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, Philippines, Russia, Singapore, Chinese Taipei, Thailand, the United States, and Vietnam) are committed to creating a safe environment for the movement of goods and services throughout the region. The APEC Counterterrorism Task Force (CTTF) was established to coordinate implementation of the Leaders' 2002 Los Cabos Statement on Fighting Terrorism and Promoting Growth, the Leaders' 2003

Bangkok Commitments on Security; and subsequent counterterrorism and non-proliferation initiatives. In 2005, the CTTF and other APEC fora gained commitment from members to address counterterrorism, non-proliferation, and secure trade; dismantle transnational terrorist groups; and eliminate proliferation of weapons of mass destruction and their means of delivery.

APEC is committed to bolstering regional maritime and port security and strengthening international non-proliferation regimes. In 2005, the APEC Framework for Secure Trade was adopted, and further capacity building was provided to seven APEC economies to help them implement the International Ship and Port Facility Security code. APEC strengthened export control systems through capacity building initiatives such as the 2005 Export Control Conference for APEC Economies. APEC also agreed to implement the International Atomic Energy Agency (IAEA) Code of Conduct and Import/Export Guidelines for Radioactive Sources by the end of 2006. APEC also resolved to undertake Man Portable Air Defense Systems (MANPADS) Vulnerability Assessments based on ICAO or similar international guidelines at international airports. APEC improved travel document security standards and launched a pilot project to share lost and stolen passport data between Australia and the United States. APEC members adopted individual Counterterrorism Action Plans in 2005 to combat terrorist financing in APEC economies. APEC members convened the third Secure Trade in the APEC Region Conference in 2005 to protect sea and air transport from acts of terrorism.

OAS Inter-American Committee against Terrorism (CICTE). At the February 2005 CICTE Fifth Regular Session, CICTE expanded its mission beyond disrupting terrorism financing and enhancing border security to address threats to aviation, seaport, and cyber security. To accomplish this enhanced mission, CICTE launched ongoing counterterrorism capacity-building programs in airport security, customs and border security(land, air, and sea), financial controls, policy engagement exercises, and counterterrorism needs assessments.

CICTE spent more than \$5 million in regional counterterrorism capacity-building assistance. In 2005, CICTE provided training to nearly 500 port and airport security officials to help 29 member states meet the requirements of the International Maritime Organization's International Ship and Port Facility Security code and ICAO new air security standards. CICTE advised 15 member state governments on how to meet the requirements of UNSCR 1373; the 13 international conventions and protocols relating to terrorism; and the Inter-American Convention against Terrorism (IACAT). The U.S. Senate ratified the IACAT in 2005.

Three Plus One Group on Triborder Area Security (3+1). The governments of the Triborder Area (TBA) in South America -- Argentina, Brazil, Paraguay -- have long been concerned with arms and drugs smuggling, document fraud, money laundering, and the manufacture and movement of contraband goods through the region. The United States joined them in 2002 to form the "3+1 Group on Triborder Area Security," which is designed to fight cross-border crime and thwart money laundering and potential terrorist fundraising activities. In October 2005, Paraguay hosted financial intelligence unit

representatives and other experts from Argentina, Brazil, Paraguay, and the United States to discuss the transnational movement of funds. Delegations also discussed and planned to implement of a U.S. program to help uncover discrepancies in customs data that suggest illicit activity. The Three also agreed to strengthen border controls, establish customs databases, share legislative standards, and designate points of contact on bulk cash movements.

Brazil hosted a meeting of the broad 3+1 group in December, 2005, where delegates reaffirmed their commitment to fulfill obligations outlined in UNSCR 1373, including the denial of safe haven to terrorists or terrorist financiers, and to exchange information among governments. Additionally, the four countries reiterated the need to strengthen law enforcement ties by organizing a meeting for TBA public prosecutors in early 2006.

Long-Term Goals and Actions Designed to Reduce Conditions that Allow Terrorist Safe Havens to Form

The Middle East Partnership Initiative. As President Bush noted, when an “entire region sees the promise of freedom in its midst, the terrorist ideology will become more and more irrelevant, until that day when it is viewed with contempt or ignored altogether.” Conversely, systems characterized by an absence of political choice, transparent governance, economic opportunities, and personal freedoms can become incubators for extremism, hate, and violence.

The State Department’s Middle East Partnership Initiative (MEPI) is a presidential initiative launched in 2002 so democracy can spread, education can thrive, economies can grow, and women can be empowered in the Middle East. It has funded more than 350 programs in 14 countries and the Palestinian territories, ranging from support for election monitoring to improvements in the quality of education to efforts seeking a greater role for women in society.

The initiative is a partnership that works closely with academic institutions, the private sector, and non-governmental organizations in the Arab world with the goal of building a vibrant civil society so reform can flourish. Since its launch in 2002, MEPI has received \$293 million to fund initiatives leading to freedom and opportunity. Congress has appropriated an additional \$99 million for the current fiscal year for this successful transformational diplomacy initiative.

Antiterrorism Assistance Program (ATA). The ATA provides partner countries the training, equipment, and technology they need to combat terrorism. ATA programs address specific partner nation needs, such as increasing capabilities to find and arrest terrorists, and building lasting cooperation and interactivity between law enforcement agencies and personnel.

ATA sponsored 217 courses and technical consultations and trained approximately 4,300 students from 78 countries in 2005. In its two decades of existence, ATA has trained

more than 52,300 students from 146 countries. ATA provides programs tailored to the needs of each partner nation and to local conditions. Such training include crisis management and response, cyber terrorism, dignitary protection, bomb detection, airport security, border control, kidnap intervention, and hostage negotiation and rescue, response to incidents involving weapons of mass destruction, countering terrorist finance, and interdiction of terrorist organizations. All courses emphasize the rule of law and respect for human rights.

Terrorist Interdiction Program (TIP). The Terrorist Interdiction Program (TIP) enhances host governments' border security by helping other nations create computerized watch lists to screen arriving and departing visitors. Since 2001, the State Department has provided TIP assistance to 20 countries. This assistance was instrumental in interdicting insurgents in Iraq, stopping hundreds of individuals traveling on stolen passports in Pakistan, and arresting wanted criminals, narcotics smugglers, and human traffickers worldwide. These programs complement other U.S. Government efforts to enhance aviation, border, cyber, maritime, and transportation security; protect U.S. citizens, businesses and government facilities and personnel abroad; and secure critical infrastructure.

Proliferation Security Initiative (PSI). Launched in May 2003, the PSI promotes international cooperation to interdict Weapons of Mass Destruction-related shipments en route. To date more than 60 countries are engaged in PSI activities dozens of countries participate in operational exercises to strengthen states' capacity to work together on interdictions. Announced by the U.S. Government in January 2002, the Container Security Initiative (CSI) is intended to ensure that maritime containers posing a terrorism risk are identified and examined at foreign ports before they are shipped to the United States. CSI originally focused on the top 20 foreign ports that ship approximately two-thirds of the total number of containers to the United States. As CSI has evolved, it has expanded to additional ports based on volume, location, and strategic concerns. Other programs in which the U.S. Government actively participates include the Nuclear Suppliers Group, the Missile Technology Control Regime, the Australia Group, the Wassenaar Arrangement, the Global Partnership Against the Spread of WMD, the Nonproliferation of WMD Expertise, the Export Control and Related Border Security Assistance program, and the International Atomic Energy Association (IAEA).

Counterterrorist Finance Training. In response to new international standards against the growing threat of illicit cash couriers and bulk cash smuggling, the State Department worked with its interagency partners in 2005 to develop a training course on interdicting bulk cash smuggling. This course provided operational training to foreign customs officers, investigators, and other officials on the detection, interdiction, analysis, investigation, and seizure of illicit cross-border cash used to facilitate terrorism and criminal activities. The training, conducted in three Middle Eastern countries, emphasized the need to investigate the source, destination, and organization behind cash smuggling, and stressed FATF requirements on reporting outbound/inbound currency and working with Financial Intelligence Units. As a result of vulnerabilities uncovered during this training, one country moved aggressively to implement new laws and

regulations. In response to high demand, the State Department is planning to increase the number of courses offered and to provide this training to countries in other geographical regions.

Increasing Economic Development. Economic Development is central to the President's National Security Strategy. Expanding the circle of prosperity throughout the world is critical to our national security. Poverty, weak institutions, and corruption can turn nations of great potential into recruiting grounds for terrorists. Well-conceived and targeted aid is a potential leveraging instrument to help countries implement sound policies, and reduce any attraction that anti-Western terrorist groups may have in failing states.

The Millennium Challenge Account, established by Congress in 2004 and based on President Bush's concept, represents a new model to achieve transformational development by providing assistance to countries that rule justly, invest in their people, and encourage economic freedom. The prospect of an MCA Compact is a powerful incentive for the poorest countries to reform. Good governance and sound policies, not foreign aid, are the keys to economic development. U.S. private sector trade and investment in the developing world topped \$450.2 billion in 2004 and dwarfed our foreign aid package of \$19.7 billion. Capital in developing countries unutilized to weak policies and poor property rights, is estimated to be as high as \$9 trillion.

Debt relief for the poorest countries is another element of our development strategy. The Heavily Indebted Poor Countries (HIPC) initiative and the Multilateral Debt Relief Initiative (MDRI) introduced in 2006 promote debt sustainability, reduce the likelihood of debt distress, and enable the poorest countries to devote additional resources to reducing poverty and promoting economic growth. We support both of these programs. In addition our aggressive multilateral and bilateral efforts to open markets and liberalize financial services, transportation, telecommunications and government procurement support development.

The Agency for International Development (USAID), carries out foreign assistance programs that support key U.S. foreign policy interests and have a positive public diplomacy impact in the developing world. USAID's humanitarian aid programs and its activities in promoting economic growth, agriculture, trade, health, democracy, and conflict prevention help reduce the risk of poor countries becoming breeding grounds for terrorism. In Afghanistan, USAID is helping to build a safe, stable society that meets the needs of its people and eliminates the environment in which terrorist groups have flourished. USAID was on the front lines of support to tsunami-affected countries, garnering goodwill toward the United States among people in the hardest-hit areas. Our rapid humanitarian assistance and generous reconstruction pledge in response to the devastating South Asian earthquake helped Pakistan in its hour of need, tangibly changing hearts and minds about the U.S. role in this predominately Muslim country.

Chapter 2

Support for Pakistan

The 9/11 Commission recommended that the United States “make the difficult long-term commitment to the future of Pakistan” and “support Pakistan’s government in its struggle against extremists with a comprehensive effort that extends from military aid to support for better education, so long as Pakistan’s leaders remain willing to make difficult choices of their own.”

Composition and Levels of Assistance, Including Security and Other Assistance

The U.S. Government’s commitment to a long-term relationship with Pakistan is highlighted by President Bush’s pledge to Pakistani President Musharraf to seek from Congress \$3 billion in Economic Support Funds (ESF) and Foreign Military Financing (FMF) for Pakistan during the five-year period from FY 2005 through FY 2009. In addition to ESF and FMF, the USG is also providing other forms of assistance to Pakistan, including funding for Child Survival and Health (CSH), Development Assistance (DA), International Military Education and Training (IMET), International Narcotics and Law Enforcement (INCLE), Anti-Terrorism Assistance (NADR-ATA), Export Control and Border Security (NADR-EXBS), Terrorism Interdiction Programs (NADR-TIP), Food for Peace (P.L. 480 Title I & II), and Emergency Refugee and Migration Assistance (ERMA). The chart below offers a comparison of levels:

Assistance to Pakistan
(\$ in millions)

Account	FY 2005 (incl. Suppl.)	FY 2006 Est.	FY 2006 Suppl. Req. for Earthquake	FY 2007 Request
CSH	21.000	32.172	5.300	21.700
DA	29.000	40.590	10.500	29.000
ESF	297.600	296.595	40.500	350.000
FMF	298.800	297.000	-	300.000
IMET	1.885	2.024	-	2.075
INCLE	32.150	37.620	-	25.500
NADR-ATA	6.051	6.100	-	8.590
NADR-EXBS	1.000	0.700	-	0.600
NADR-CTF	-	-	-	0.100
NADR-TIP	0.900	1.000	-	1.000
P.L. 480 Title I & II	-	22.127	-	TBD
ERMA	-	5.000	-	-
IDFA	-	-	70.000	-
TOTAL	688.386	740.928	126.300	738.565

Approximately \$740.928 million in U.S. assistance is being provided to Pakistan from monies appropriated for FY 2006. In addition, the Administration has made a supplemental FY 2006 appropriation request to Congress for \$126.3 million for Pakistan to meet relief needs from the devastating October 8, 2005 earthquake. The Administration is requesting \$738.565 million in assistance for Pakistan for FY 2007. The mix of U.S. assistance for Pakistan reflects the diverse ways that the U.S. Government is cooperating with Pakistan in pursuit of critical U.S. policy goals. These include prosecuting the war on terror; countering nuclear proliferation; building a stable and democratic Afghanistan; ensuring peace and stability in South Asia through the continuation of the India-Pakistan reconciliation process; supporting Pakistan's efforts to become a modern, prosperous, democratic state; and assisting it in recovering from the October 8, 2005 earthquake.

U.S. FMF funding for Pakistan is designed to enhance Pakistan's capabilities in the war on terror; help it to better control its borders; meet its legitimate defense needs; and make Pakistan more secure, so that it can more readily take the steps necessary to build a durable peace with all its neighbors – thus fostering security and stability throughout the South Asia region. FMF is being used by Pakistan to purchase helicopters, aircraft, weapons systems, munitions, and other equipment, which, inter alia, has enabled Pakistan's armed forces to operate effectively against foreign terrorists and militants in the rugged conditions in the tribal areas along the Pakistan-Afghanistan border. The Pakistani military is continuing major military operations along that border, which to date have resulted in the capture or death of several hundred foreign terrorists and militants, at the expense of the lives of over 200 Pakistani servicemen. The Administration's FY 2007 FMF request is \$300 million, the same amount as requested for FY 2006.

IMET assistance for Pakistan complements FMF by providing training to Pakistani officers with the goal of promoting military-to-military cooperation, increased professionalism, and enhanced military interoperability between Pakistan and the United States. IMET also assists Pakistan in developing expertise and systems to more effectively manage its defense establishment; builds technical skills for better operation and maintenance of U.S.-origin equipment; and promotes military subordination to democratic civilian rule and respect for human rights. For FY 2007, the Administration's IMET request is \$2.075 million, a slight increase over the \$2.024 million requested for FY 2006.

Measures to Ensure that Assistance Has the Greatest Long-Term Positive Impact on the Welfare of Pakistani People and Their Ability to Cooperate Against Terror

ESF, DA, and CSH assistance is being used to improve the lives of ordinary Pakistanis; lay the groundwork for the country's sustained economic growth; and strengthen social, political, and economic institutions. This assistance alleviates the conditions that breed extremism while demonstrating that the U.S. interest in Pakistan extends beyond the war on terror to concern for the Pakistani people as a whole. ESF funds reduced Pakistan's bilateral debt to the United States by \$1 billion in FY 2003 and a further \$460 million in

FY 2004. This debt reduction, together with prior comprehensive donor debt rescheduling, enabled Pakistan to reduce its total sovereign debt from 89% of GDP in 2000 to 64% of GDP in 2004, laying the groundwork for economic reforms designed to stabilize its macroeconomic environment, boost economic growth, and reduce poverty.

During FY2006, more than \$200 million in ESF funds are being provided to the Government of Pakistan to enable the country to carry out further economic and social reforms, expand its poverty alleviation programs, and reform and expand access to public education and health care. Pakistan's use of this money is guided by the Shared Objectives that it agreed to with the U.S. Government.

A total of approximately \$67 million in FY 2006 ESF and DA funds is being used to implement education reform programs in Pakistan, supporting the government of Pakistan's education sector reform initiative. Pakistan's literacy rate greatly hampers its ability to develop and expand its economic base. Literacy averages 49% nationwide, and in Pakistan's remote tribal areas can be as low as 0.5% for women. The dearth of good public schools results in thousands of youth attending private madrassahs, or schools which teach only religious subjects, some of which also inculcate a radical, jihadist ideology. U.S. Government-funded education programs in Pakistan are aimed at improving the quality of education in Pakistani primary and secondary schools, especially in Baluchistan and Sindh provinces; improving early childhood education; training teachers; increasing parental and community involvement in schools; ensuring that teachers have adequate classroom materials; and providing scholarships for disadvantaged students to obtain a higher education. Literacy education programs target out-of-school youth and illiterate adult populations and focus on women and girls.

Democratization is a key focus of U.S. Government assistance toward Pakistan. Democracy is a fundamental tool to combat terrorism over the long term. During FY 2006, the U.S. Government will spend over \$14 million on ESF and DA-funded democratization programs. The programs include several mutually-reinforcing components: legislative training to increase the effectiveness, transparency, and accountability of Pakistan's provincial and national parliaments; identifying and training young political reformers; increasing women's political participation; increasing the capacity of indigenous NGO's to serve as policy watchdogs and promote human rights; and independent media training to make journalists more professional.

Pakistan trails its South Asian neighbors in almost all key health areas: maternal and infant mortality; safe, affordable family planning; and control of infectious diseases. FY 2006 CSH funds are being used to increase availability of maternal and child health services, especially in rural areas; to improve health care at the provincial and district level through better resource management; to help maintain Pakistan's low HIV prevalence rate by increasing awareness; to control other infectious diseases; and to improve water and sanitation.

In addition, \$5 million in ERMA funds and \$22.127 million in P.L.-480 Title II monies are being used to meet humanitarian relief needs from Pakistan's devastating October 8,

2005, earthquake. This does not include the supplemental FY 2006 request for a combined \$126.3 million in ESF, DA, CSH, and International Disaster and Famine Assistance (IDFA) for Pakistan earthquake humanitarian assistance and reconstruction. IDFA funds provide emergency relief including shelter, food, water and sanitation, humanitarian air service, logistical coordination, and transport of supplies to affected populations. Throughout 2006, ESF, DA, and CSH will support reconstruction efforts to rebuild, furnish, and supply health and education sector infrastructure and human resource capacities; re-establish the livelihoods of earthquake victims; relocate displaced victims; and provide vocational training, agriculture and livestock development, asset formation, enterprise development, micro-credit, and market restoration to skilled and unskilled individuals.

The Administration is requesting \$350 million in ESF for Pakistan for FY 2007, an increase of \$50 million from its FY 2006 request. This increase is designed to meet earthquake reconstruction needs, and is focused on rebuilding educational, economic, social and health care infrastructure, including human capital, in the earthquake zone. The Administration is requesting for FY 2007 \$29 million in DA and \$21.7 million in CSH funds, a decline from the estimated \$40.590 allocated for DA and \$32.172 allocated for CSH in FY2006.

INCLE funds for Pakistan continue to strengthen border security and enable law enforcement access to remote areas along the Pakistan-Afghanistan border – thus enhancing the country's capability to interdict traffickers in narcotics, arms, people, and contraband, as well as terrorists. INCLE funds are used to reform, strengthen, and improve cooperation among Pakistan's law enforcement agencies, all of which play an important role in the war on terror. INCLE funds also support a counter-narcotics Air Wing based in Quetta, Baluchistan, operated by Pakistan's Interior Ministry, which includes fixed-wing surveillance aircraft and Huey II helicopters. INCLE funds are used to procure vehicles and communications, surveillance, and related equipment for border control and counter-narcotics activities. Border security roads that facilitate law enforcement access to inaccessible parts of Pakistan's tribal areas (FATA) are also funded by INCLE, as are an Automated Fingerprint Identification System and National Criminal Database, and training and equipment to expand law enforcement investigative skills and forensic capacities. In order to tackle poppy cultivation, INCLE funds also support crop control, alternative livelihood, and demand reduction programs.

The Administration's FY 2007 INCLE request of \$25.5 million represents a decrease from the estimated \$37.62 million allocated for FY 2006, reflecting the maturity of our INCLE programs in Pakistan.

NADR-EXBS (Nonproliferation, Anti-terrorism, Demining, and Related Programs/Export Control and Related Border Security) assistance strengthens Pakistan's export control system and prevents WMD and related technology transfers. NADR-EXBS funds are used for nonproliferation export control training to address legal/regulatory reform, export licensing systems, and customs enforcement; for general inspection and WMD detection training for border control personnel; and for procuring

specialized radiation/chemical-detection equipment. The Administration's \$600,000 FY 2007 request in NADR-EXBS assistance represents a slight decrease from the \$700,000 allocated for FY 2006.

NADR-ATA counterterrorism funding for Pakistan enhances the capabilities of elite national police units responsible for counterterrorism investigations and tactical operations. NADR-ATA trained the Special Investigation Group (SIG) and crisis response teams that were integral in making arrests after the December 2003 assassination attempts on President Musharraf and the May 2004 car bombs near the Karachi consulate. The Administration's FY 2007 request of \$8.590 million for NADR-ATA is an increase over the \$6.1 million allocated in FY 2006.

NADR-TIP funding for Pakistan is being used to support the PISCES (Personal Identification Secure Comparison Evaluation System) automated border control system, sustain ongoing program operations, and expand coverage to additional Pakistani ports-of-entry. The Administration is requesting \$1 million in NADR-TIP funds for Pakistan for FY 2007, the same as it requested for FY 2006.

The Administration is requesting \$100,000 in Counter-Terrorism Finance (NADR-CTF) funds for FY 2007 to support the assignment to U.S. Embassy Islamabad of a resident legal advisor to assist the Pakistani Government in establishing the counter-terrorist finance infrastructure needed to prevent money flows to terrorist groups.

Measures to Alleviate Difficulties, Misunderstandings, and Complications in U.S.-Pakistani Relations

The U.S. and Pakistan engage in extensive consultations to ensure that U.S. foreign assistance has the greatest long-term benefit for Pakistanis and enhances the country's ability to cooperate in the global war on terror. An example is the annual consultations that result in mutually-agreed Shared Objectives for the Government of Pakistan's use of ESF funds. The United States also participates in the annual Pakistan Development Forum, which brings together the Government of Pakistan and bilateral and multilateral donors to discuss Pakistan's development priorities and assistance needs. The U.S. holds regular consultations with major donors, including the EU, Japan, and World Bank, to ensure that assistance to Pakistan is effectively coordinated and that its impact is maximized.

U.S. public diplomacy programs in Pakistan play a critical role in improving mutual understanding; garnering Pakistani support for U.S. policies; supporting Pakistani reforms; and laying the foundation for a stable, productive, long-term U.S.-Pakistan relationship. U.S. public diplomacy efforts include people-to-people exchanges that bring students, journalists, academics, politicians, and other opinion leaders to the U.S. for academic programs and study tours; placement of articles and opinion pieces in the Pakistani media; interaction with journalists to explain U.S. policies; and public appearances by the U.S. Ambassador, other officials, and American exchange visitors.

Chapter 3

Collaboration with Saudi Arabia

Steps to Institutionalize and Make More Transparent Government-to-Government Relations

Former Crown Prince Abdullah's visit to President Bush's ranch in Crawford in April 2005 helped strengthen the U.S.-Saudi relationship. In November, Secretary Rice and Foreign Minister Saud al-Faisal inaugurated the Strategic Dialogue in Jeddah. The Strategic Dialogue consists of six working groups to improve U.S.-Saudi relations in human development, economy, energy, consular affairs, military cooperation, and counterterrorism. These working groups meet periodically to address issues including reform, human rights, visas, child custody cases, energy, economic issues, and security cooperation. As part of the Strategic Dialogue, ministerial level meetings are to be held every six months, alternating between Saudi Arabia and the United States.

Intelligence and Security Cooperation in the Fight Against Islamic Terrorism

The United States and Saudi Arabia have an ongoing and robust dialogue on a full range of counterterrorism issues, including regular high-level discussions and close working-level collaboration. Saudi cooperation in this area is significant, and U.S. law enforcement and intelligence agencies have benefited and continue to benefit greatly from Saudi information and intelligence on individuals and organizations. U.S. law enforcement agencies have provided Saudi security and intelligence officers counterterrorism training in both the U.S. and Saudi Arabia. Saudi Arabia provided the U.S. with critical evidence that led to the November 2005 conviction of an al-Qaida associate for conspiring to assassinate President Bush.

In 2005 Saudi Arabia improved its capabilities to take down terrorist cells. A series of raids throughout the year netted many of the Kingdom's most wanted individuals. Since May 2003, Saudi Arabia has arrested more than 600 terrorist suspects and has conducted more than 60 raids. The information gleaned from these arrests and raids yielded insights into the plans and capabilities of the Saudi al-Qaida network. Saudi Arabia has also jointly designated with the U.S. more entities to the UN 1267 Committee than any other country. Saudi Arabia has instituted new anti-money laundering and counterterrorism finance laws and regulations and has established a Financial Investigations Unit.

Saudi Contribution to Stability in the Middle East and Islamic World, Including the Middle East Peace Process by Eliminating Support for Extremist Groups

Saudi Arabia has been an important partner in the war on terror. It was one of the first countries to condemn the September 11 attacks and provided key logistical support to

investing much of the surplus revenue in social development and infrastructure projects. King Abdullah supports investments to diversify the economy away from its reliance on the petrochemical industry. Saudi Arabia's accession to the World Trade Organization in December 2005 further strengthened the Kingdom's ability to attract foreign investment.

Ways to Promote Greater Tolerance and Respect for Cultural and Religious Diversity in Saudi Arabia and Throughout the Islamic World

The Secretary of State designated Saudi Arabia a "Country of Particular Concern" pursuant to the International Religious Freedom Act. This is an important element of our bilateral dialogue with the Saudi Government. The U.S. is working to promote religious and cultural diversity in Saudi Arabia and counter the spread of extremist ideology through high-level engagement and exchange programs aimed at reaching key population groups. We also support efforts to promote moderation and tolerance, such as the National Dialogue initiative.

On April 25, 2005, following the visit of Saudi Crown Prince Abdullah bin Abd al-Aziz to Crawford, Texas, the United States and Saudi Arabia issued a joint declaration noting that "future relations must rest on a foundation of broad cooperation. We must work to expand dialogue, understanding, and interactions between our citizens." The declaration noted that such cooperation would include programs designed to:

- Increase the number of young Saudi students traveling and studying in the U.S.;
- Increase military exchange programs so that more Saudi officers visit the U.S. for military training and education; and
- Increase the number of Americans traveling to work and study in Saudi Arabia.

In 2005 Saudi Arabia initiated a scholarship program to fund up to 15,000 Saudi students to attend undergraduate and graduate studies in the United States.

Ways to Assist Saudi Arabia in Reversing the Impact of Financial, Moral, Intellectual, or Other Support to Extremist Groups in Saudi Arabia and Other Countries, and to Prevent this Support from Continuing in the Future

The U.S. and Saudi Arabia work closely together to combat terrorism in Saudi Arabia and abroad. The U.S. and Saudi Arabia established a Joint Task Force on Terrorism Finance that has significantly improved our cooperation to combat terrorist financing. The Saudis have announced plans to establish a Commission for Relief and Charitable Works Abroad to oversee the activities of Saudi charities overseas, but this body is not yet functioning.

The United States and Saudi Arabia have jointly designated entities to the UN 1267 Committee, and the Saudis have submitted over 20 names. Saudi Arabia has instituted new anti-money laundering and counterterrorism finance laws and regulations, including

the removal of charity boxes from mosques, restrictions on the amount of cash that can be carried into or out of the Kingdom, and establishment of a Financial Investigations Unit in the Security and Drug Control Department of the Ministry of Interior to investigate money-laundering cases.

Chapter 4

Struggle of Ideas in the Islamic World

The competition of ideas is an important component of the global war on terrorism. In this context, the goal of the United States is to promote the principles of freedom and opportunity. We must offer an agenda of hope for future generations in opposition to the “visions of violence and death,” which, as the 9/11 Commission Report states, is the best offer of terrorist recruiters. As the President said recently, “by standing for the hope and freedom of others, we make our own freedom more secure.” America must offer a positive vision of hope and opportunity to people throughout the world, a vision rooted in our enduring commitment to freedom. We promote the fundamental rights of free speech and assembly, freedom to worship as one chooses, rights for women and minorities, the rule of law, and limits on the power of the state not because we seek to replicate American democracy, but because these are universal human rights.

Goals for Winning the Struggle of Ideas

We seek to convey the message that the United States is an agent of positive change in the world and committed to working in partnership with others to improve the freedom and economic conditions of people across the globe. In addition to offering a positive vision of hope and opportunity, we must isolate and marginalize violent extremists, and undermine their efforts to exploit religion to rationalize their acts of terror. We must work to amplify a clear message from people of every nationality and faith that no injustice, no wrong – no matter how legitimate – can ever justify the murder of innocents. We must also foster a sense of common interests and common values between Americans and people of different countries, cultures and faiths across our world.

Tools to Accomplish Such Goals

The U.S. Government has a broad range of tools applicable to the struggle of ideas. The Department of State conducts academic and professional exchanges, English teaching, media training, information outreach programs, including speaker programs and Electronic Journals, web chats and video conferences, television cooperatives, and American Corners, among other programs. We seek to form strategic partnerships with private sector organizations to expand our traditional reach. Our diplomats in the field are our first line of engagement with media, NGOs, think tanks, academic institutions, as well as governments and the general public. Extensive information about U.S. policy, politics and society is conveyed to journalists and the general public through the Department of State’s comprehensive websites in English and six world languages, electronic publications, pamphlets, and television products.

Through public diplomacy programs we seek to inform others about U.S. policies and actions and about American society and values which provide the basis for our policies

and actions. Through development assistance, we seek to help others achieve a better life, one offering hope and opportunity for the future. Our approach must be humble but effective and based on mutual respect and partnership. We are pursuing tactics that involve a wide range of public diplomacy and advocacy tools. We group these under the label of four “E’s” -- Engage, Exchange, Educate and Empower.

➤ **Engage**

Engage more aggressively, explaining and advocating our policies in ways that are fast, accurate and authoritative. We have done this through some of the following new tools:

- New rapid response unit. This new unit monitors and translates major world media in real-time, produces a daily report on stories driving news around the world and provides the U.S. position on these issues.
- Speaking on the record. A streamlined clearance process eliminates the requirement that Ambassadors obtain pre-clearance from Washington before conducting media interviews. Ambassadors and other senior officials are now encouraged to speak out using common sense and policy guidance from Washington.
- “Echo Chamber” messages. This new product provides U.S. Ambassadors and others clear, common-sense guidance so they are better able to advocate U.S. policy on major news stories and policy issues.
- Regional PD hubs. Planning is underway to create hubs in key media markets where the spokesmen’s full time job will be to advocate U.S. policies on regional media, especially television. The first hub will be opened in Dubai in the summer of 2006.
- “Strategic Speakers” program. This program identifies and recruits prominent speakers to travel to key regions and engage media on USG-funded programs, focusing this year on three key themes -- building democracy, terrorism/security, and trade/development.
- Internet-based initiatives. “Democracy Dialogues” and web chats as a rapid engagement tool.
- Greatly expanded presence on Arab media. State Department officials conducted 148 appearances on Arab and regional media in January and February, 48 of these in Arabic.
- Educational and professional exchanges, and humanitarian and development assistance programs.
- Expanded media training for Arab and Muslim journalists to improve their professionalism.

➤ **Exchange**

We have initiated the following programs:

- Edward R. Murrow Journalism Program in partnership with the Aspen Institute and six leading U.S. journalism/communications schools.
- Fortune/State Department International Women’s Mentoring Partnership to mentor businesswomen from the Middle East.

- Sports Diplomacy Initiative planning major outreach events to reach youth audiences.
- International Fulbright Science Award for Outstanding Foreign Students in Science to attract the world's best science students to the United States.

➤ **Educate**

We are expanding one of our most effective and eagerly sought programs, English language teaching. At the same time, we are becoming more effective in encouraging foreign students to study in the United States and Americans to study abroad.

- National Security Language Initiative (NSLI) – NSLI will work to (1) expand the number of American students and teachers mastering critical need languages; (2) increase the number of advanced-level speakers of all foreign languages; and, (3) increase the number of foreign language teachers for students studying foreign languages, and to begin this instruction at earlier ages.
- NSLI was announced by President Bush at the University President's Summit.
- Additional funding for English Access Microscholarship Program – an innovative program that reaches underserved high school students throughout the Arab and Muslim world.
- “U.S. Higher Education” and “See You in the USA” Electronic Journals.

➤ **Empower**

Recognizing that the voices of government officials are not always the most powerful or the most credible, we are working to empower our fellow Americans and to reach out to Muslim-American communities. We have initiated the following programs:

- Business Women Leaders Summit: Work is underway on a businesswomen's group for a major women's conference in Amman, Jordan later this year. Under Secretary Hughes will also attend major conferences to highlight the empowerment of women.
- Citizen Ambassadors: We are launching a program this summer to encourage and empower citizens to travel on behalf of America.

As we actively prosecute the struggle of ideas, we need to recognize it will require a long-term effort spanning years and generations. For that reason, we are placing increased emphasis on programs directed at younger audiences, including undergraduates and, in select cases, high school students.

The U.S. Government's assistance programs, administered through USAID, MEPI (Middle East Partnership Initiative), MCC (Millennium Challenge Corporation), and other USG entities advance U.S. interests by increasing access to education, improving health care, and empowering people to build better lives. Civic engagement is an important component. Assistance programs to strengthen and professionalize independent media and civic society contribute to opening the “marketplace of ideas,” as well as support development and reform across the board.

Through the Administration's request for \$75 million in supplemental funds, we will dramatically increase our potential to speak directly to the Iranian people, as well as to support the courageous work of reformers and activists in that country.

Additional Resources Necessary to Help Win the Struggle of Ideas

The FY 2007 Public Diplomacy budget request (\$351,001,000) reflects the resource requirements necessary to implement the President's Management Agenda (PMA) with respect to effective and efficient U.S. public diplomacy. The recommended increase of approximately \$21 million (of which \$11 million is wage and price inflation) for PA, IIP and Public Diplomacy activities for the regional and functional bureaus equates to a 6.1% increase over the enacted FY 2006 Public Diplomacy budget appropriation (\$329,734,000).

In an effort to clarify the \$10 million new and expanded program request, Under-Secretary Hughes has identified five "strategic pillars" -- **engagement, education, empowerment, exchange, and evaluation.**

To buttress the **engagement** pillar and support the President's priority of winning the war on terrorism, funding has been requested for:

- **Countering disinformation and discrediting terrorists.** This exemplifies our commitment to use public diplomacy and public affairs tools to engage foreign publics, discredit terrorism, confront hateful propaganda and dispel or counter dangerous myths about our country, our goals and our policies (\$2 million).

The strategic pillars of **engagement and empowerment** complement and support the President's priority of succeeding in Iraq and Afghanistan, and are reflected in the FY 2007 Public Diplomacy budget requests for the Bureau of Near East and North African Affairs, which includes requirements such as:

- **Expanded television cooperatives and foreign journalist tours.** These have proven to be one of the most critical components of the Department's overseas media outreach.
- **Expanded Arabic and Chinese language services.** These will offer more complete policy statements and transcripts in local languages and in formats more accessible to intended audiences. Approval of these requests and related requests will allow the Department to reach audiences in two of the fastest growing regions in the world (\$2.3 million).

Education and empowerment support the President's goal of advancing the freedom agenda, particularly in the Middle East. Our FY 2007 budget request includes funding for:

- **Establishment of new and the continued maintenance and operation of American Corners.** \$3.2 million is required for implementation of these programs.

Similarly, the pillars of **education and engagement** support the advancement of the President's prosperity agenda and are realized in our FY 2007 budget requests for:

- **Dialogue on freedom and prosperity to expand the speakers program by creating a new Youth Speaker Program.** This will aim to recruit Americans from various walks of life to engage younger groups (\$1.2 million).

Engagement and evaluation will be crucial principles to the success of our efforts to explain the President's strategy at home and abroad, and will be accomplished in the FY 2007 budget requests by:

- **Utilizing polling and evaluations of perceptions of America and the American lifestyle.** This aims to outline concepts for other countries to consider in seeking improvements in the quality of life for their citizens (\$1.3 million).

As one of her early steps to firmly establish the culture of measurement within public diplomacy, Under Secretary Hughes created a combined **evaluation** unit under the direction of Bureau of Educational and Cultural Affairs. The Public Diplomacy Evaluation Office (PDEO) strategy is to evaluate all major public diplomacy and exchange programs individually as well as to provide an overall strategic framework for public diplomacy assessment.

The PDEO has completed evaluations or is in the process of evaluating a range of programs focused on the Islamic world:

- Youth Exchange and Study (Cultural Bridges/YES). ECA's groundbreaking program for secondary school students from the Arab and Muslim world is now in its third year. Surveys are conducted on each cohort prior to the start of the program, at its conclusion, and one year after completion.
- "Hi" Magazine. An assessment of Hi Magazine, the Department's monthly Arabic-language publication, is close to completion. Based on preliminary data, the Under Secretary has suspended publication of the magazine. The Internet version is still in operation and being revised.
- American Corners. A formal evaluation is under way on the role and impact of American Corners in several Muslim countries, such as Indonesia and Malaysia.
- English Access Microscholarships. A formal evaluation is under way of this innovative program which involves students from a score of countries with significant Muslim populations

- 9/11 International Visitor Program. PDEO continues to track the impact of ten "Special Initiative" projects carried out after 9/11 by the International Visitor Leadership Program for opinion leaders from the Arab and Muslim world.

Benchmarks for Measuring Success and Linking Resources to Accomplishments

The PDEO has researched other government public diplomacy evaluation and measurement tools and it is considered one of the most advanced in terms of measuring outcomes of public diplomacy. Organizations as diverse as the Peace Corps, Department of Defense, the British Council, The World Bank, and non-profits in Italy, Japan, and the Netherlands, have all consulted with the PDEO on how to measure public diplomacy activities.

The measures used by the PDEO are based upon recognized social and behavioral science methodologies and include measuring changes in audience attitudes (knowledge, skills, perceptions, understanding), behavior, and condition. Examples include:

- Improved or increased understanding of the United States, its policies and values.
- Initiated or implemented "positive" change within an individual's organization -- positive referring to changes that support U.S. ideals and values.
- Institutional partnerships and linkages and ongoing collaboration.
- Changes in editorial content in major media.

Participation in International Institutions for the Promotion of Democracy and Economic Diversification

The United States is a leading participant in many international organizations, such as the United Nations and NATO, important to the struggle of ideas and the war on terrorism. We also play a leading role in other initiatives, such as the Forum for the Future and the Community of Democracies, which stimulate cooperation with other nations to advance the agenda of freedom. For the first time since its creation in 2000, the Community of Democracies, in response to U.S. recommendations, created regional dialogues which brought together governmental and non-governmental organization representatives from each region, including the Middle East, to discuss the particular challenges and solutions unique to their area. We will continue to seek opportunities to build on the momentum coming out of the April ministerial, particularly in support of the Forum for the Future and Broader Middle East and North Africa (BMENA) process.

U.S. Assistance Sufficient to Convince Allies and People in the Islamic World that the U.S. Is Committed to Winning This Struggle

U.S. assistance programs are intended to improve economic conditions and opportunities in developing countries around the world, thereby serving the U.S. national interest in a

more prosperous and secure international community. Our assistance can have the additional impact of demonstrating our commitment to help poorer countries or countries in special need, as we saw after the tsunami of 2004 and the Pakistan earthquake of 2005. There is, however, no set amount we could identify as being sufficient to win the struggle of ideas. That struggle will be a continuing effort of many years.

Chapter 5

Outreach Through Broadcast Media

Initiatives of the Broadcasting Board of Governors with Respect to Outreach to Foreign Muslim Audiences

This section provided by the Broadcast Board of Governors.

The Broadcasting Board of Governors (BBG) has significantly enhanced U.S. international broadcasting to Muslim audiences since 9/11. BBG's planning for 2006 and 2007 continues to reflect this priority.

Through programs that combine the talents of several of the broadcast entities, the BBG is addressing the public diplomacy challenges of the war on terrorism. Emphasizing a more rigorous use of research, new technologies, more frequent program review, and more appealing broadcast formats, BBG broadcasters are adapting commercial broadcast techniques to succeed in competitive international broadcast markets. While each market is researched to determine local audience requirements, the journalistic product remains the same – accurate, objective, and comprehensive.

As BBG resources have shifted from areas of the world where the local media are increasingly free and robust to the Middle East and Southwest Asia, Radio Free Europe/Radio Liberty has become a major broadcaster to Iran, Iraq and Afghanistan. RFE/RL continues to expand its efforts in the Muslim countries of Uzbekistan, Kazakhstan, Turkmenistan, Kyrgyzstan, Tajikistan and Azerbaijan as well as to the majority Muslim populations of Tatarstan, Bashkortostan and the North Caucasus. VOA has similarly reduced its broadcasts to Europe, increasing its focus on Iran, Afghanistan, Indonesia, Pakistan, and other nations critical to the war on terrorism. VOA's daily evening television news broadcast to Iran is having singular success in reaching audiences deprived of objective news coverage. The Administration's proposed budget for FY 2006 included resources to more than double VOA's television output to Iran.

ARABIC BROADCASTING

To effectively communicate with the predominantly young audiences in the Middle East, the BBG created a new concept in international broadcasting – **Radio Sawa** – a 24/7 network of stations specifically designed to reach the large segment of the Arabic-speaking population under the age of 35. Radio Sawa went on the air in March 2002, quickly attracting and sustaining a loyal audience throughout the Middle East, as new transmission sites were added throughout the region. In 2006, Radio Sawa continues to broadcast accurate, authoritative, comprehensive and timely news about the Middle East, the U.S. and the world. In addition to over 300 newscasts per week, Radio Sawa offers discussion and informational programs such as the popular “Sawa Chat” interactive feature and the “Free Zone,” a weekly review and discussion of democracy and freedom

as they relate specifically to the Middle East. Feature programs encourage discussion of key social and political issues in a manner very different from indigenous Arab media. In the weeks leading up to the Iraqi vote on the new constitution, Radio Sawa broadcast "Windows on the Iraqi Constitution." This daily program featured Iraqi experts explaining the meaning of every article of the new Iraqi constitution.

Radio Sawa broadcasts on FM in Morocco (Rabat, Casablanca, Tangier, Meknes, Marrakesh, Agadir and Fes), Jordan (Amman and Ajlun), the Palestinian territories (Ramallah), Kuwait (Kuwait City), Bahrain (Manama), Qatar (Doha), U.A.E. (Abu Dhabi and Dubai), Iraq (Baghdad, Nasiriya, Basra, Mosul, Sulimaniya and Erbil), and Djibouti. Radio Sawa broadcasts on medium wave to Egypt, Yemen, Saudi Arabia and Sudan. In early 2006, Radio Sawa began broadcasting across Lebanon from FM transmitters in Beirut, North Lebanon, South Lebanon and Bekaa Valley.

Building on the success of Radio Sawa, the BBG launched **Alhurra Television** on February 14, 2004, covering 22 countries in the Middle East via the same satellites used by major indigenous Arabic channels. In the two years Alhurra has been broadcasting 24/7, the channel has provided in-depth coverage of historic events, including elections in Iraq, Palestine, Egypt, the Cedar Revolution in Lebanon and the trial of Saddam Hussein. The channel has been a consistent leader in reporting on and analyzing new democratic trends in the Middle East. Through objective and accurate reporting, Alhurra has been an example of a free press to the region and has become a trusted source of news for its more than 21 million weekly viewers. Alhurra gives its audience insights into life in America and the American system of government. During the U.S. electoral campaign in 2004, Alhurra provided daily in-depth coverage of the activities and opinions of the candidates, and live coverage of the Republican and Democratic Conventions. Alhurra's weekly program, "Inside Washington," gives viewers an in-depth look at the American political process and provides viewers throughout the Middle East with fresh perspectives on the U.S. and U.S. foreign policy.

Alhurra has also organized town hall meetings to provide a forum for discussion on sensitive issues. Six members of the Kuwaiti Parliament participated in such a meeting, broadcast live from Kuwait, to discuss the possibility of reforming the laws affecting women's political participation in Kuwait as well as the role of women throughout the Middle East. In a town hall meeting live from Damascus, guests discussed the laws governing the media in Syria and called for the end of interference in the press by the Syrian authorities. Less than 24-hours after Alhurra television broadcast the historic town hall meeting live from Damascus, the Alhurra team that produced the meeting left the country in protest after the Syrian Government attempted to censor the content of Alhurra's future town hall meetings scheduled for the rest of the week. A special two-hour Town Hall Meeting live from Sharm el-Sheikh soon after the terrorist attacks there, presented a frank and open discussion of the war on terror.

Alhurra and Radio Sawa provided extensive coverage of the Egyptian presidential and parliamentary elections, including exclusive reports on the candidates, the debates and violence on election day. Both networks also provided extensive live coverage of the

aftermath of the assassination of former Lebanese Prime Minister Rafik Hariri and the Cedar Revolution in Lebanon including live Town Hall Meetings in Beirut on Alhurra.

Radio Sawa and Alhurra Television continue to grow in popularity and credibility and now reach a total unduplicated audience of 35 million persons 15 and older according to international research firms such as ACNielsen and Ipsos. The surveys show that, despite high levels of anti-American sentiment throughout the region, both Alhurra and Radio Sawa are regarded as credible sources of news and information by their audiences. According to an ACNielsen survey conducted in August, 2005, 77% of Alhurra's viewers and 73% of Radio Sawa's listeners consider the news reliable. Compared to ACNielsen surveys a year ago, news credibility for Alhurra took major jumps in three key markets: in Egypt 70% to 92%, in Jordan from 46% to 68%, and in Lebanon from 53% to 79%. The survey also reported that news on Alhurra and Radio Sawa was a powerful programming factor for their audiences. Some 77% of the Alhurra audience said they were interested in watching Alhurra for the news. Radio Sawa listeners in the broadcaster's key markets ranked the station as one of their top two choices for radio news and information.

IRAQ

Alhurra Iraq, a special television stream containing more concentrated news and information to and about Iraq, began broadcasting in April, 2004. Alhurra has gained a foothold in one of the most competitive TV marketplaces in the world. By the summer of 2006, we expect to launch a customized stream of programming in Europe to serve its large Arabic-speaking population. Alhurra's goal is to help its viewers make educated and informed decisions about political, social, and economic events affecting their lives. To this end, during the historic elections in Iraq, Alhurra produced and broadcast the first televised electoral debate in Iraq's history, featuring six candidates representing the major political parties. This historic debate brought about a candid discussion among the candidates and provided a forum for the viewers to be able to compare and contrast each of the parties' candidates.

On election day in Iraq, Alhurra produced more than 11 hours of continuous live coverage of the voting. Other programs included "Half of Iraq," a show exploring women's issues in the campaign. The channel also broadcast public service announcements encouraging all Iraqis to vote and showcasing the platforms of the various political parties.

Throughout its two-year history, Alhurra has provided a forum for discussion of important topics by a wide variety of experts including the all-important voices of moderation. Alhurra's talk shows, roundtables, and documentaries have routinely tackled vital topics that are taboo on many other stations in the region, including the struggle for human rights, the position of women in Arab society, religious freedom, freedom of the press, and freedom of expression.

RFE/RL's **Radio Free Iraq** continues to provide the Iraqi people with information about events in and around their homeland. A survey in March, 2005 showed listening rates at a weekly level of 19%. RFI appeals to a wide political spectrum of listeners in Iraq, covering the most significant political developments in the country during 2005 through its extensive network of stringers based at its Baghdad bureau, and its editors in Prague.

When the interim government was approved by the parliament on April 28, Radio Free Iraq presented the important components of the story to its listeners in Iraq within an hour of the vote. Starting in June, Radio Free Iraq gave extensive coverage of the preparations for the trial of Saddam Hussein, both in the daily news and weekly programs such as "Human Rights in Iraq." RFI provides daily coverage of the trial when it is in session.

Throughout the summer, RFI closely followed the negotiations on the new Iraqi constitution through a daily special program entitled "Iraq's Constitution." In its five hours of daily original programming, RFI aired press conferences, interviews with politicians and representatives of different factions, and discussions with political experts drawn from inside the country to analyze legal trends, points of controversy, and what agreement would mean for the citizens of Iraq. On October 15, the day of the constitutional referendum, Radio Free Iraq doubled its original broadcast hours to 10 in order to cover the vote, analyze the events for its listeners and provide international reaction. Radio Free Iraq also provided thorough coverage of the historic December 15 parliamentary elections in Iraq, assigning correspondents to a dozen major cities in Iraq, including two Sunni strongholds, to report on the voting. In Baghdad alone, seven RFI correspondents reported live from the polling stations.

VOA KURDISH SERVICE

VOA Kurdish Service, another broadcast service to the Middle East, has garnered a weekly audience of 31% of ethnic Kurds in Iraq. Data from another recent survey also shows VOA Kurdish with a 90% rate of credibility among Kurds in Iraq. VOA also maintains two websites on the Internet in the two major Kurdish dialects, Sorani and Kurmanji. Reaching the Kurds of Iraq in their own language is vital to U.S. efforts to help build a peaceful, democratic Iraq. Through its broadcast journalists in Washington and stringers in Iraq and elsewhere, the Kurdish Service has closely followed the transfer of Iraqi sovereignty to the interim Iraqi Government, the arraignment of Saddam Hussein, and the January and December 2005 elections. VOA provided interviews with voters and candidates and senior Iraqi and U.S. officials and newsmakers, panel discussions with experts and call-in shows on various aspects of the elections and Iraq's ethnic and religious politics.

In September, 2005, VOA Kurdish hosted a Newsmaker press conference with Iraqi president Jalal Talabani at VOA headquarters, which received widespread coverage on Kurdish Internet websites, radio and television stations, and print media. The Iraqi President Jalal Talabani, who says he is a longtime listener to VOA's Kurdish, Persian, and English broadcasts, recently remarked: "VOA's continuous promotion of values of democracy, freedom, and human rights has influenced our positive view of the United

States as a champion of liberation from dictatorship and totalitarianism.” According to a recent survey conducted by InterMedia, VOA netted a 24% audience share among the Kurds of Iraq. The survey reported: “In fact, no radio station ranks higher in terms of reliability,” and added: “VOA occupies a unique position among Iraqi Kurds as it is the only major international broadcaster offering programs in the Kurdish language.”

IRAN

In 2006, broadcasting to Iran remains a key BBG priority. Based on its experience with **Radio Farda**, the BBG is expanding VOA television service in the Persian language. The combined resources of RFE/RL and VOA supply 24 hours of programming each day to Iran. Farda’s newscasts focus on Iran-related news, including interviews with Iranian dissidents and pro-democracy advocates. Radio Farda reaches significant audiences in Iran, in spite of Iran’s consistent jamming. Listening remained stable at 13.6% -- the highest weekly reach rate of any international broadcaster, and more than double that of BBC’s Persian service. Among its key target group, persons aged 18-29, Farda’s weekly reach was 30%.

State Department Deputy Spokesman Adam Ereli came to RFE/RL’s Washington studios on April 30, 2005, to participate in a call-in show devoted to press freedom in Iran. The one-hour program was broadcast on May 3, to coincide with World Press Freedom Day. Mr. Ereli spent more than two hours in the studio with moderator Behruz Nikzat, answering phone calls and e-mails from listeners in Iran that began to flood in as soon as it was announced that Ereli was in the studio.

Throughout May, 2005, Radio Farda reported on university student protests in Tehran, which began when members of the "Office for Fostering Unity," Iran's biggest student organization, staged a sit-in on the campus of Amir Kabir University. On May 3, Radio Farda secured exclusive interviews with four of six activists banned from public speaking by the Iranian Government – all outspoken critics of the Islamic Republic's constitution and advocates of a national referendum.

Radio Farda provided the Iranian people with balanced, thorough coverage of their Presidential election. On the day of the election, Farda altered its programming schedule to provide reports every half hour throughout the day on turnout, polling and the election process. Radio Farda's Tehran correspondent toured polling stations, reporting live during newscasts. Outside Tehran, Radio Farda correspondents in four provinces filed reports on the presidential race, while broadcasters in Prague phoned voters in Iran's 20 other provinces throughout the day to gauge the popular mood and to monitor proceedings at the voting booths.

In addition to Radio Farda, VOA Persian broadcasts four hours of daily radio programs to Iran. In 2005, the service revamped its programming into a new format that provides even more in-depth coverage of news and current events, along with a daily call-in segment featuring experts and callers from within and outside of Iran.

VOA has also stepped up its television offerings to Iran. Now, in addition to its roundtable and feature programs, VOA produces a live, daily, evening news program for Iranian television viewers. In May 2005, this program was increased from half an hour to an hour each day. This direct satellite program, *News and Views*, features news on Iran, the U.S., and the world, with views from regional experts, conversations with experts inside Iran, a weekly *View from Washington* on U.S. policy, and a daily segment showcasing the thoughts and comments of Iranians as they email to Washington. In 2005, 21.4% of respondents reported viewing VOA Persian TV during the previous week.

In June 2005, VOA Persian presented an unprecedented three-hour block of live television coverage of the Iranian elections, which included live correspondent reports from Washington, New York, Los Angeles, and key capitals around the world. Commentary from guest experts and analysts examined the impact of the election on the Iranian people.

VOA's 30-minute weekly youth-oriented TV magazine show, *Next Chapter*, changed its format in 2005 to include more original news pieces on major international developments and cultural issues of special interest to young Iranians. New to VOA Persian's TV line-up in 2005 is the live, monthly, 90-minute *Negahi Faratar (Looking Ahead)* program, which focuses on U.S.-Iran relations, human rights, and the pro-democracy movement in Iran. The program allows U.S. officials and policy experts to engage in a direct dialogue with the Iranian people. In 2006, VOA plans to expand its popular talk show, *Roundtable With You*, from a weekly 90-minutes to a daily 60-minute broadcast, and launch *Late Edition*, a 60-minute daily news and cultural magazine TV show that will provide news and information aimed at Iran's youth. VOA is also developing *NewsTalk*, a daily reporter's roundtable featuring top journalists and experts who will discuss Iranian and regional news. VOA Persian's web site continues to be one of VOA's five most frequently visited sites. In 2005, traffic to the site grew 18% over the previous year, despite efforts by the Iranian Government to block the site.

While listening and viewing rates are hard to survey in Iran, telephone surveys indicate that there are sizable audiences for BBG programming in spite of Iran's efforts to jam the broadcasts. BBG's weekly combined radio and television audience share currently tops 29%.

PAKISTAN

Since VOA introduced a new, youth-oriented, 12/7 radio station called *Radio Aap ki Dunyaa (Your World)* in 2004, the station has continued to attract a growing number of listeners with its contemporary format that includes news, information, roundtable discussions, call-in shows, interviews, features, and music. Recent research indicates that *Radio Aap ki Dunyaa's* listenership doubled since its debut. The programs target Pakistani listeners between the ages of 15 and 39 – which account for some 60 million of Pakistan's 150 million residents – as well as millions more potential listeners in India, the Gulf, and the diaspora. To increase *Radio Aap ki Dunyaa's* reach, VOA recently

introduced a bilingual web page that offers live audio streaming of news and entertainment programming. The web page will be expanded to include a separate television presence.

VOA's Urdu Service entered the television market in November, 2005 with a 30-minute program, *Beyond the Headlines*, a news magazine featuring current affairs, discussions of issues behind the news, and feature stories illustrating shared values between Pakistanis and Americans. The show airs every weekday during prime time on GEO, Pakistan's most widely watched satellite TV channel. The program includes in-depth reports from VOA's Islamabad bureau on Pakistani politics and cultural issues; hard-hitting interviews with newsmakers, policy experts, diplomats and journalists; and stories examining the similarities between life in Pakistan and the United States, including Pakistani-American life and its contribution to both cultures. Despite having been on the air for only three months, *Beyond the Headlines* newsmaker interviews have generated widespread coverage in the Pakistani press. According to GEO-TV's market research, VOA's *Beyond the Headlines* is the most widely watched program in Pakistan during the 7:30 to 8:00 p.m. time slot.

Through its Urdu radio and television programs, VOA provides comprehensive coverage of a wide variety of stories, including U.S. assistance and relief efforts following the October 2005 Pakistan earthquake that left more than 70,000 people dead. In addition, the VOA Urdu Service regularly presents radio programs that cover the full spectrum of the lives and activities of American Muslims.

AFGHANISTAN

Since 9/11, the BBG has also moved to increase radio broadcasting to Afghanistan pursuant to the **Radio Free Afghanistan** Act. RFE/RL now provides 12 hours a day of news and information to that country in the Dari and Pashto languages. VOA also increased its broadcasts to the Afghan people to 12 hours daily. Together, VOA and RFE/RL now provide a 24-hour, daily radio service to an audience that comprises the majority of the adult population of Afghanistan using a network of stringers and bureau staff on the ground in Afghanistan. In addition to radio, VOA provides a 60-minute weekly program of branded TV news and cultural features to state-owned Kabul TV.

In an Intermedia survey in December, 2004, RFE/RL's Radio Free Afghanistan was found to have the highest weekly reach of any communications medium in Afghanistan, including domestic radio and TV, at 78.1%. This is the only country in the RFE/RL broadcast region where a U.S. Government-funded broadcaster is the dominant communicator.

After a Newsweek article about the alleged desecration of the Quran at the Guantanamo Bay prison sparked protests and violence in the country, Radio Free Afghanistan correspondents filed live reports from six locations where riots erupted. News and analysis programming was expanded by five hours at the peak of the crisis in mid-May.

In addition, Radio Free Afghanistan worked closely with RFE/RL's central newsroom to provide exclusive interviews for use by RFE/RL's 17 other language services.

In conjunction with Afghan President Hamid Karzai's visit to the United States in late May, Radio Free Afghanistan invited Zalmay Khalilzad, then U.S. Ambassador to Afghanistan, to its studios for a live call-in show. Ambassador Khalilzad answered questions on topics ranging from allegations of Quran abuse in the U.S. military to the future of U.S.-Afghan relations. Although the Ambassador's appearance was scheduled to last one hour, he remained on the air for two hours to continue the give-and-take with callers from Afghanistan, England, Denmark, and Saudi Arabia.

Six weeks before the September 18 parliamentary elections, Radio Free Afghanistan began expanding and adapting programming to provide information to voters on every aspect of the elections. Special programming included a 24-hour election hotline where listeners could record their questions; and a live, call-in show from the Kabul bureau. Radio Free Afghanistan's website launched a special "Afghanistan Votes" site dedicated to the parliamentary and provincial elections. On the day of the elections, Radio Free Afghanistan was the prime source of news for the people of Afghanistan, updating listeners on breaking election news every 30 minutes.

Through its network of stringers, VOA also provides comprehensive on-the-scene coverage of events in Afghanistan. In May 2005, in a joint news conference with President Bush at the White House, Afghan President Hamid Karzai cited the VOA Afghanistan Service's coverage of the anti-American demonstrations in his country regarding the alleged Quran abuse at Guantanamo.

Throughout 2005, VOA continued to provide weekly 30-minute TV packages in Dari and Pashto to air on Kabul State TV. In 2006 VOA plans to launch a daily 60-minute TV news program (30 minutes each in Dari and Pashto) to be broadcast directly to viewers via satellite. The new program will include elements of two 2005 pilot TV initiatives, one that combined the Dari and Pashto languages and another that included a simulcast call-in program with an Afghan TV station. VOA's radio and TV unduplicated reach in Afghanistan is about 55%.

INDONESIA

VOA has built a network of more than 200 radio and 17 television affiliate stations in Indonesia, increasing its audience ten-fold. Broadcasting 17.5 hours of weekly shortwave radio at the time of 9/11, VOA has expanded to 66.5 hours of AM and FM radio and 6 hours of TV programming every week. To further strengthen its presence in the area, VOA recently opened a news bureau in Jakarta. The latest research indicates that 28% of university-educated Indonesians in Jakarta and 19% of Indonesians throughout the country listen to and/or watch VOA weekly.

AC Nielsen research indicates that **VOA Indonesian radio** reaches 1.14 million adults in the top nine media markets on a weekly basis, surpassing the BBC by more than 100,000

listeners. Regular **VOA Indonesian television** programming reaches 3.8% of adults weekly. During special events such as the Indonesian President's U.S. visit in September, VOA Indonesian TV reached 24% of adult viewers (7.3 million people) in the top nine media markets. VOA TV reports were aired on 21 national and regional television stations in Indonesia. Overall, the number of affiliate radio and TV stations rebroadcasting VOA increased to more than 200.

On radio, VOA's Indonesian Service began feeding five-minute headline news packages to its network of 200+ affiliates every half hour, 28 times a day. VOA Indonesian also revamped its popular youth-oriented radio program, *VOA Direct Connection*, expanding its news and information content. Sixty stations now air this program every Thursday, Friday and Saturday night. In addition, VOA launched a daily live interactive news segment during morning prime time that airs on a top national radio network aimed at young urban listeners. On both TV and radio, new VOA Indonesian programming emphasizes the connection between the U.S. and Indonesia.

During the month of Ramadan, all Indonesian national networks carried eight special VOA Indonesian TV packages about the lives of Muslims in the U.S. Several top Indonesian networks also aired a 10-part VOA television series on successful Indonesian Americans. These profiles ranged from Indonesia's youngest-ever physics professor currently teaching in the U.S. to an Indonesian-born sheriff in Riverside County, California.

CENTRAL ASIA

In order to reach Muslim audiences in Uzbekistan, the most populous Muslim country in Central Asia, with a total population of 27 million, VOA resumed its daily 30-minute radio broadcasts in June 2005. **VOA Uzbek** radio is currently carried on short wave (SW), as well as one FM frequency in Osh, Kyrgyzstan and a medium wave (MW) frequency from Tajikistan. Two local TV stations in Kyrgyzstan near the border with Uzbekistan and a TV station in Mazar-e Sharif broadcast the VOA Uzbek weekly TV program, "Exploring America." VOA Uzbek maintains an Internet web site with daily updates.

RFE/RL's programming to Uzbekistan, Turkmenistan, Tajikistan, Kyrgyzstan and Kazakhstan continues despite various forms of harassment and even repression against its correspondents and editors. RFE/RL's Uzbek bureau was recently closed when the Uzbek Government denied further accreditation to the bureau in December, 2005. However, the services continue to feature in-depth news coverage and interviews, such as that with U.S. Assistant Secretary of State for Europe and Eurasian Affairs Daniel Fried about U.S. policy towards Central Asia and U.S. impatience with the refusal of Uzbek President Islam Karimov to permit an international investigation into the violence in Andijon.

AZERBAIJAN

VOA Azerbaijani broadcasts a daily 30-minute radio program on SW and FM, a daily TV news roundup, and a weekly TV magazine show. Both TV programs are carried by ANS, Azerbaijan's largest TV news and information network. VOA Azerbaijani also maintains two websites, one using the Persian alphabet to reach Azeri-speaking Iranians who comprise a quarter of Iran's total population of over 70 million. A recent survey indicates that VOA Azerbaijani garners 18.7% of Azerbaijan's total population of 8 million in unduplicated radio/TV weekly reach.

AFRICA

VOA reaches a large percentage of the almost 250 million Muslims in Sub-Saharan Africa. One in every five Muslims in the world lives in Africa, and one-third of Sub-Saharan Africa's population is Muslim. **VOA Hausa** reaches 51% of the Hausa-speaking Muslim population in Nigeria (about 18 million), and about 65% of the Muslim population in Niger.

In addition to its daily reporting, VOA's Hausa Service opened reporting centers in the northern Nigerian cities of Kano and Abuja to train Nigerian reporters and provide professional space to those covering Nigerian news developments and health issues for VOA. Local leaders in Kano praised the center, located in the heart of Nigeria's Muslim community. To further expand its reach, VOA Hausa launched four new radio programs in August, 2005 on SW, MW, and FM frequencies through affiliates in Nigeria, Niger, and Ghana. VOA Hausa has also expanded its breakfast show from half an hour to one hour, and added a popular new program, *Political Cross-Fire*. Through VOA, audiences are able to voice their views on a wide range of local and international issues. VOA Hausa has also enhanced coverage of Nigeria's volatile oil region of the Niger Delta, and plans to open a reporting center there in the near future.

CHINA

Radio Free Asia provides service to Muslim audiences through its Uyghur language service launched in December, 1998. It is the only international radio service providing accurate local news and information to the Uyghur Muslim population in Western China in the Uyghur language. The Xinjiang Uyghur Autonomous Region (XUAR) comprises roughly one-sixth of China's territory and an estimated 10 million Uyghur speakers. Consistent with RFA's mandate, the Uyghur service acts as a substitute for indigenous media reporting on local events in the region. The service, broadcasting two hours daily seven days a week, breaks many stories that go unreported by China's state-run media or foreign news organizations, including programs on human rights, corruption in the educational system, AIDS and other health issues, and Internet control in China.

RFA provides a forum for a variety of opinions and voices from within the XUAR and provides information to Uyghurs who are deprived by the Chinese Government of access to free news media. Programming includes breaking news, analysis, in-depth reporting,

interviews, commentary, a hotline call-in show, and feature stories. A listener call-in hotline airs five days per week, allowing callers a platform to discuss current events in the region.

RFA's Uyghur service website is the only non-Chinese Uyghur news website and the only Unicode Uyghur news website updated on a continuous basis. The website streams the daily RFA broadcast in Uyghur and offers ongoing coverage of events in the XUAR. Over the last year, the site has introduced a number of innovative features destined to make it easier for all Uyghurs to read and listen to RFA programs. For example, a conversion tool was developed, allowing – at the click of a button – to switch the text display from Arabic to Latin or Cyrillic script. All three scripts are commonly used by the Uyghur community, although Arabic remains the most popular.

Presenting the U.S. Point of View through Indigenous Broadcast Media

At the Department of State, the Bureau of Public Affairs, Office of Broadcast Services uses television and video products as strategic tools for bringing America's foreign policy message to Middle East and worldwide audiences. A state-of-the-art, digital broadcast television facility enables the State Department to deliver messages instantly, using the same technology as professional broadcast television networks. Public Affairs facilitates the distribution of live and taped interviews with the Secretary of State and other State Department principals to all the major Arab networks such as Middle East Broadcasting Corporation (MBC), Al Arabiya, Al Iraqiya, Abu Dhabi TV, Dubai Television, Arab Radio and Television Network (ART), Al Hurra, Kuwait TV, Egyptian TV (ETV), and Lebanese Broadcasting Corporation (LBC). This investment in people and technology has been developed to give senior U.S. Government officials an opportunity to engage and inform the widest audiences possible on matters relating to our foreign policy and public diplomacy objectives.

Furthermore, to specifically enhance the capacity of the U.S. Embassy in Iraq, the Department of State recently opened a television studio inside Embassy Baghdad. This fully-functioning studio enables top U.S. Government officials to conduct live interviews via satellite with national and international media on a broad range of topics related to the current situation and future of Iraq as well as America's role in the greater Middle East.

The Department of State Near East Asia Public Affairs and Public Diplomacy Directorate's **Arab/Regional Media Outreach Program** has achieved tremendous success in directly engaging Middle East media and broadcast services. Since its creation it has recorded an ever-increasing number of interviews with Arab and regional media outlets. During January-February, 2006, NEA/PPD registered the highest numbers to date for interviews during a two-month period -- 148 interviews with Arab and regional media comprising about 300 journalists/media outlets, mostly from the region, with a record 48 interviews conducted in Arabic. Networks aired many of the interviews repeatedly and the broadcasts were often picked up by other outlets or wire services.

This capacity will be further enhanced by the creation of **Regional Public Diplomacy Hubs**. Planning is currently underway to create hubs in key media markets where the full-time job of spokesmen will be to advocate U.S. policies on regional media, especially television. The first hub will be open in the Middle East – probably in Dubai – by the summer of 2006.

The State Department created a **Rapid Response Unit (RRU)** within the Bureau of Public Affairs to monitor and translate major world media in real-time, produce a daily report on stories driving news around the world, and give the U.S. position on these issues. It is distributed daily to U.S. cabinet and sub-cabinet officials, U.S. ambassadors, public affairs officers, regional combatant commanders, and others across the U.S. Government.

Another tool used to enhance communications not just within the Middle East, but with the entire world, is the use of **“Echo Chamber” Messages**. These messages have given U.S. ambassadors and other U.S. Government Officials clear, common-sense guidance that enables them to better advocate U.S. policy on major news stories and policy issues. Additionally, these messages are provided to the Voice of America Policy Office for use in crafting editorials reflecting the views of the U.S. Government.

The **“Strategic Speakers” Program** is used to identify and recruit prominent speakers to travel to key regions and engage media on USG-funded programs, focusing this year on three key themes -- building democracy, terrorism/security, and trade/development. This program represents a collaboration among the Bureau of International Information Programs (IIP), our regional bureaus, and embassies worldwide. The program ensures that our speakers are deployed for maximum effect and impact in advancing policy goals, rather than just dispatched on an ad-hoc basis, without real messages.

Major Themes of Biased or False Media Coverage of the U.S.

The Department of State is taking a leading role **countering misinformation** and falsehoods about the United States and its policies or intentions. Among these major recent false themes about the United States in foreign media are:

- Rogue elements within the U.S. Government launched the September 11 attacks.
- The United States has devised an “American Koran,” which it is pressing Muslims to adopt.
- The United States “created” Usama bin Laden.
- Depleted uranium, which the United States uses in its anti-tank ammunition, has caused a massive upsurge in cancers and birth defects.
- 4,000 Jews stayed away from the World Trade Center on September 11, 2001 because they had been forewarned about an attack.

The actions the Department of State has taken to address these false allegations include:

- Launching a Department of State webpage entitled “Identifying Misinformation,” appearing in English and Arabic, which provides truthful information and analysis to the public to debunk these false allegations. (English-language website url: <http://usinfo.state.gov/media/misinformation.html>)
- Instructing Public Affairs Officers at our Embassies around the world to use this information on the website to counter false stories in the local media.
- Creating a Counter-Misinformation Team in the Bureau of International Information Programs (IIP) to respond to Embassy requests regarding false stories about the United States.
- Deploying the IIP Coordinator to provide interviews to broadcast and print media on this subject.
- Making the Chief of the Counter-Misinformation Team available to speak with foreign broadcast media outlets to counter or correct false anti-American allegations.

Chapter 6

Visas for Participants in United States Programs

According to the State Department's Bureau of Consular Affairs, current visa processing guidelines are sufficient to meet any requirements for the issuance of appropriate visas to individuals from predominantly Muslim nations to participate in any new exchange program, as envisioned by the Intelligence Reform and Terrorism Protection Act of 2004.

In general, U.S. consulates overseas are able to process exchange visitor visa requests in one or two days. In fact, the Bureau of Consular Affairs policy is to expedite all student and exchange visitor applications as a rule, with the goal of giving every student and exchange visitor applicant the opportunity to meet their program start date in the United States. This policy is in place at every consulate worldwide. In those countries with a significant waiting period for a visa appointment due to high demand, this policy reduces the wait time for students and exchange visitors from weeks to mere days. In all cases requiring a separate security clearance, the average processing time is now 15 days.

The most important factor in expediting visa applications is for the applicants, in conjunction with their program sponsors, to initiate their visa applications well in advance of their planned travel. Most problems in the visa process can be resolved given sufficient time. New exchange programs should be planned well-enough in advance to allow the necessary time for visa processing.

The Bureau of Consular Affairs is prepared to work with the Bureau of Educational and Cultural Affairs, or any other government and/or private sector implementing agency to facilitate the timely issuance of visas to these exchange visitors.

Chapter 7

Basic Education in Muslim Countries

Over the last few years, building on best practices from international experience, USAID and other elements of the USG have significantly increased support for education both in predominantly Muslim countries and elsewhere. The major tenets of the approach focus on mobilizing public and private partners and their resources to improve access, quality and the relevance of education. There continue to be considerable challenges to achieving a rapid scale up to ensure universal access to primary education in these countries. They lack absorptive capacity and struggle with limited budgets, to meet mushrooming enrollments and needs for quality upgrading. USAID programs work to promote quality, relevance, and access to education, and to complement investments of partner countries and other donors.

In general, most countries have a sincere commitment to Education for All (EFA) goals, as well as a tendency toward very centralized education systems, which are poor in quality and which lack accountability. In 2006, the Asia/Near East Bureau's total education assistance for the ANE region was approximately \$371 million, of which \$351 million was targeted in predominantly Muslim regions -- Afghanistan, Bangladesh, Egypt, Indonesia, Jordan, Lebanon, Morocco, Pakistan, Mindanao (Philippines), West Bank/Gaza, and Yemen. Under Congressional guidelines for use of FY 2006 "plus-up" funding under the Basic Education earmark, USAID increased planned basic education funding by an additional \$14 million, dedicated wholly to the Philippines program in its Muslim Mindanao region and to Indonesia, the world's most populous Muslim country.

How U.S. and International Community Resources Are Used to Achieve Free Universal Basic Education

The U.S. Government, primarily through USAID, is an active member of several international bodies and activities to achieve universal primary education (UPE), including the International Working Group on Education, which originally proposed the EFA initiative in the late 1980s. USAID continues to provide technical guidance to the EFA effort through the UNESCO-aligned International Institute for Educational Planning. The USAID Administrator represents the USG at the annual High Level Group meeting for EFA and the USAID Office of Education participates in the annual EFA Working Group meeting. In 2004, USAID served as the G8 co-chair of the global EFA Fast Track Initiative (FTI) focused on universal primary education; the Agency has participated in all FTI meetings since its inception in 2000.

Regarding support for education in fragile states, USAID represents USG as part of the FTI and OECD Development Assistance Committee (DAC) Working Groups on Fragile States – the latter of which has a specific sub-group on education support. These Working Groups identify a linear relationship from fragile states to states in conflict to the emergence of terror states. Both Working Groups recommend that support to

education and other services must foremost be to lessen the root causes of state fragility vs. the primacy of reaching sector-specific goals. For example, support to basic education services is less to achieve EFA goals than to achieve lowered state fragility through education services.

Education Ministers of the Broader Middle East and North Africa (BMENA) and the G8 met in Jordan in May, 2005, and confirmed their commitment to the process of cooperation under the umbrella of the Forum for the Future launched in Rabat in December 2004. In response and in assisting the BMENA countries in developing education reform plans, USAID collaborates closely with State and key cooperating USG agencies, engaging with G-8 partners and Muslim country governments for Broader Middle East and North Africa (BMENA) initiatives. Based on a follow-up meeting in Jordan of BMENA education ministers, where a common Framework for Literacy Action was adopted, USAID has developed the BMENA 'Literacy Hub' database of global best practices in promoting literacy. As a key deliverable to the USG's BMENA partners, USAID, in partnership with State/MEPI, Sun Microsystems, and the Academy for Educational Development has developed the Arabic Global Learning Portal.

Leveraging Other Donors. Among bilateral donors, G8 or others, the USG assigns the greatest percentage of its total bilateral aid – 22.4% of the total – to basic education. Moreover, the USG, principally through USAID funded programs, is in absolute terms the largest bilateral donor supporting basic education. On a proportional basis, among the G8 only the UK (at 85%) assigns a higher percent of its total education support to basic education than the USG, at 72%.

Countries committed to the principles set forth in Monterrey and the DAC Agreement that wish to benefit from additional U.S. Government assistance to basic education are well placed to apply to the Millennium Challenge Corporation for funding, as well. Many countries will have to reform their education policies and improve education data and their absorptive and administrative capacity to make effective use of additional financial assistance.

Private Sector Contributions. The U.S. Government uses its official development assistance to leverage other resources for basic education including development alliances with the private sector – between 2000-2004 USAID received greater than a 2-to-1 match for assistance to basic education. In the education sector in FY 2005, a global USAID investment of \$56 million leveraged \$120 million in total partner assets, a better than 2:1 ratio. Several Global Development Alliance (GDA) partnerships are underway or being developed and directed toward Muslim countries or regions to support universal basic education. Each partnership is unique.

In the Autonomous Region of Muslim Mindanao in the Philippines, there are currently six GDA partnerships to increase educational opportunities for children by ensuring access to quality education; to improve the capacity of teachers, and raise math, science and English skills among elementary school beneficiaries; to increase employment opportunities and engage young leaders; and, to provide business and skills training for

out-of-school youth. With approximately \$12 million in USAID funding, an additional \$42.7 million was leveraged (more than a 1:3 ratio) from private businesses, local NGOs, foundations, and national government agencies.

In Morocco and Jordan, a USAID information technology partnership with CISCO Systems, UNIFEM, and the Governments of Morocco and Jordan has introduced CISCO Certified Network Associate and job-readiness training to eleven Moroccan institutions and to over 600 students in Jordan. In both countries, there is a focus on job skills and placement for women. In Jordan, the program for youth technology training with CISCO was awarded the Secretary of State's Award for Corporate Excellence (ACE) on November 2, 2005.

Public-private partnerships are important to support education programs, particularly as a means of garnering programmatic and financial support for countries in the Middle East and other countries with predominantly Muslim populations. The Asia/Near East Bureau (ANE) has launched or is developing *key regional initiatives* that will impact basic education and related employment goals:

- **The Education and Employment Alliance (EEA)** involves private sector participation in Egypt, Morocco, Pakistan, India, Indonesia, and the Philippines to improve education and employment opportunities among underserved youth.
- **Jobs for the 21st Century** is an expanded regional initiative that is designed to build a competitive workforce that can meet the demands of tomorrow's job market in both the formal and informal sectors, including all areas that lead to worker preparedness, entry, and adaptability in the labor market. At the same time, it will expand trade and investment opportunities and increase productivity to produce quality new jobs, giving families an opportunity for a better life. In addition, the initiative will focus on the school-to-work transition and training, including internships, mentoring, career counseling, and career development opportunities. Training in information and communications technology will play an important role. The approach that is being developed aims to match education and training with labor market demand through a combination of interventions that support job-relevant education, trade initiatives, and private-sector engagement.

The State Department has created the English Microscholarship Access Program, which provides English classes for deserving high school students from non-elite sectors in countries with significant Muslim populations. The program helps students compete for future job and educational opportunities and prepares them to for consideration in a U.S. exchange program. In addition, the State Department's Youth Exchange and Study Program (YES) and Future Leaders Exchange Program (FLEX) bring high school students from Muslim countries to live with American host families and attend American public high schools for an academic year.

The State Department's Bureau of Educational and Cultural Affairs (ECA) is supporting a project to improve the educational and economic conditions of women and young girls

in the Federally Administered Tribal Areas of Pakistan (FATA) through a cooperative American-Pakistani effort to train Pakistani teachers of grades one through five. The project includes workshops for teacher trainers in the FATA, the introduction of new educational curricula and techniques to be piloted in area classrooms, and the creation of a broad network of teacher-trainers and teachers to reach out to elementary-aged children, with a special focus on girls in the FATA.

Another State Department exchange program supports a Pakistani educator development project, which includes a five-week U.S. program for Pakistani secondary school educators in the U.S., with special attention to mathematics, science, and classroom technology.

Other initiatives also have the potential to engage partnerships with private groups and companies. Concerning a critical subset of Muslim countries, the Arab Human Development Report (2003) identified the critical information gap in the Arabic-speaking world compared to developed regions. Notwithstanding pervasive mass media, access to published information translated into Arabic is alarmingly limited, creating a sharp knowledge gap that impedes progress in all areas, making Arab populations less competitive in the world economy, less likely to make informed decisions, and potentially more open to extremist calls that threaten regional stability and U.S. interests.

University students comprise the most critical population segment as they can best serve as change agents. But the poor quality of higher education across disciplines is reflected in poor quality textbooks and learning materials that reinforce rote versus interactive learning and critical thinking. The current knowledge gap and limited information access makes them vulnerable to developing inaccurate worldviews and less able to compete successfully in the international marketplace.

- USAID has carried out a feasibility study on **Arab Publishing and Higher Education Text and Learning Materials Improvements** for a regional, demand-driven program. The Study helped specify interest in Arabic and English language textbooks, hybrid and e-books, reference books and other materials, and identified the needs for improved quality and lowered costs as key elements of an approach. This effort will address the serious information gap in the Arab world and will seek to create partnerships among U.S. and Middle Eastern publishers and universities, expanding private sector book publishing and distribution and helping build a more coherent regional market of high quality books.

Through the Fulbright Program and related educational exchanges, the State Department's Bureau of Educational and Cultural Affairs (ECA) provides scholarships for students from the Middle East, North Africa, South Asia, and other world regions to study in U.S. higher educational institutions; and it sends American lecturers and graduate students to teach and study in these regions. ECA also supports teacher exchanges that bring educators from the Muslim world to the U.S. for professional development.

In addition, ECA's the International Visitor Leadership Program (IVLP) brings hundreds of educators, professors, administrators, and student leaders from countries in the Near East, North Africa, and South Asia regions to the United States every year. These programs enable educators from Muslim countries to interact with their professional counterparts through meetings, seminars, and school visits to learn about public, private, and religious education in the United States. IVLP's "Leaders in Education Program" is specifically designed to bring K-12 educators and administrators from all regions of the world, including Muslim countries, to visit U.S. schools, meet with teachers, administrators, and representatives of PTAs, and other community organizations.

Achieving the goals of Education For All will require that countries more effectively meet the educational needs of the segments of their populations currently least able to access and succeed in school. Complementary education programs – often formed in partnership with NGO, business and other non-government partners – are designed specifically to extend the reach of formal public schooling in developing countries to better serve the most disadvantaged and/or remote areas. Through such programs, non-governmental actors support these underserved communities in creating and running their own schools. Among Muslim majority countries, complementary education models in Afghanistan, Bangladesh, Egypt, and Mali, for example, are helping address issues of access in their underserved regions. The complementary programs are also proving more effective than regular public schools at assuring completion and learning.

Coordination to Reduce Duplication and Waste

USAID works jointly with the Departments of State and Defense under the Fragile States Strategy's "3Ds" approach – Diplomacy, Development, and Defense. USAID also has collaborated closely with State and key cooperating USG agencies in engaging the G-8 and Muslim country governments for Broader Middle East and North Africa (BMENA) initiatives. In September, 2005, a literacy workshop was held in Cairo to advance agreements. USAID will launch the BMENA Literacy Hub at the May 2006 Ministerial in Egypt. The BMENA Literacy Hub is designed specifically for donors, policymakers, researchers and literacy practitioners. The aims of the database include assisting donors in making informed decisions about the use of their resources; helping policy makers and practitioners in adapting and designing initiatives, and assisting the BMENA countries in achieving their Millennium Development and other goals.

USAID collaborates actively with the Middle East Partnership Initiative (MEPI) to promote basic education in Muslim countries within the Asia/Near East region. They share common education support objectives to build a knowledge society and improve literacy rates, especially for women, and to assist populations to acquire the knowledge and skills necessary to compete in today's economy and improve the quality of their lives and that of their families. In 2006, commitments made by MEPI, alongside USAID programs, planned investments of \$13.4 million across the portfolio (including multi-country programs). In Morocco, for example, eighteen of these activities were managed by the USAID/Morocco Mission for key human resources and related initiatives.

Examples of collaboration with MEPI across the region include: women's literacy in Morocco; the integration of MEPI strategy into a new program design to support Egypt's education reform initiative, and in distributing supplementary reading materials to classrooms; e-learning modules for English language and civics in Jordan; and, in Yemen, design and implementation of an Internet communication and collaborative learning network for 20 high schools as well as support for an adult literacy and life skills program. MEPI is also providing funding for an Arabic version of the Global Learning Portal, which will provide new means for professional collaboration and benefit educators and idea leaders across the Arab world.

State has cooperated with USAID in developing a major new exchange initiative to bring hundreds of Pakistani students to the United States for graduate study, plus educational exchange initiatives to bring Indonesian students to study in the United States.

The U.S. Strategy to Meet Challenges in Achieving Universal Basic Education

USAID's Agency-wide Education Strategy and the Asia/Near East Bureau Framework for Education target hard to reach groups with education opportunities through a range of activities addressing key education challenges in the region. The common thread in USAID's formal and non-formal education programs in predominantly Muslim countries is to help learners gain the general skills and knowledge needed to function effectively in all aspects of life. Improving basic education encompasses the majority of USAID's programs, generally focusing on three areas:

- **Increasing Access:** Targeting groups that have been marginalized in the education system such as minority, rural, out-of-school youth, girls, and young adults, and those who have been impacted by conflict or disaster is of primary importance for ensuring equitable access to learning opportunities and the continuation of skills development.
- **Improving Quality:** Improving the quality of education is pivotal for ensuring attendance and learning outcomes of basic education.
- **Improving Relevance:** Key education programs are those which develop human capacities and livelihood skills, and aim to link learning with skill development and employment opportunities, particularly in areas with high youth unemployment.

Countries That Might Be Eligible for Assistance

The USAID/Asia/Near East Bureau has education programs in the following Muslim majority areas, which potentially overlap those which might be targeted by the President under an International Youth Opportunity Fund (section 7113): Afghanistan, Bangladesh, Egypt, Indonesia, Jordan, Lebanon, Morocco, Pakistan, Mindanao (Philippines), West Bank and Gaza and Yemen. Within the Europe/Eurasia and Africa Bureaus, the Central Asian Republics, Mali and Nigeria are examples of countries that

might be targeted. Program areas span from early childhood education initiatives to improving the quality and opportunity to gain literacy and lifelong learning skills in primary schools to gaining marketable skills for livelihood opportunities in secondary and post-secondary education programs. Gender concerns are a cross-cutting focus for all of our programs.

USAID programs diminish the underlying causes of terrorism by helping to increase literacy rates, supporting basic education opportunities, and using technology to improve the quality and relevance of education. Funding for education increased by 188% (FY 2002 - FY 2006) to support Muslim majority country program efforts that are parallel to, and address the key issues identified in the International Youth Opportunity Fund.

USAID/ANE EDUCATION PROGRAM IMPACT IN ELEVEN MUSLIM MAJORITY COUNTRIES (2002 – 2006)

TYPE OF PROGRAM	MAJOR PROGRAM COMPONENTS	% OF PROGRAMS WITH THIS COMPONENT	REGIONAL IMPACT (approximate numbers)
Increase Access to Education Opportunities	<ul style="list-style-type: none"> • School and classroom construction and rehabilitation 	90%	<ul style="list-style-type: none"> • Built or rehabilitated 15,000 schools in 10 programs (all except Lebanon)
	<ul style="list-style-type: none"> • Accelerated learning programs 	20%	<ul style="list-style-type: none"> • Currently, there are 720,000 students in AL programs in Afghanistan and Iraq
	<ul style="list-style-type: none"> • Increase Early Childhood Education Opportunities 	55%	<ul style="list-style-type: none"> • Sesame Street reaches 8.5 million children (not including parents) in Egypt and Bangladesh • 7,000 Kindergartens supported, reaching approximately 120,000 students in Bangladesh, Jordan, and Pakistan
	<ul style="list-style-type: none"> • Literacy opportunities (non-formal programs) 	35%	<ul style="list-style-type: none"> • 165,000 women, girls, and boys now literate in Afghanistan, Egypt, Morocco, and Pakistan • 4,000 literacy and/or community centers opened same 4 countries
Increase the Quality of Education	<ul style="list-style-type: none"> • Teacher training 	75%	<ul style="list-style-type: none"> • 120,000 pre-school, primary and secondary school teachers trained in 8 programs (Afghanistan, Egypt, Jordan, Indonesia, Iraq, Morocco, Pakistan, Yemen)
	<ul style="list-style-type: none"> • Textbook and/or education materials printed and/or distributed 	20%	<ul style="list-style-type: none"> • 60 million textbooks printed and/or distributed in Afghanistan and Iraq • 50,000 back to school kits distributed to teachers in Afghanistan and Iraq
	<ul style="list-style-type: none"> • Community 	75%	<ul style="list-style-type: none"> • 11,000 school management committees

	and parental involvement		strengthened in 8 programs (Afghanistan, Bangladesh, Egypt, Indonesia, Iraq, Morocco, Pakistan, Yemen)
	<ul style="list-style-type: none"> • Education Monitoring and Information System (EMIS) in place 	65%	<ul style="list-style-type: none"> • In 7 education reform programs, EMIS support and development used to better monitor education-related progress (Afghanistan, Egypt, Indonesia, Iraq, Morocco, Pakistan, Yemen)
	<ul style="list-style-type: none"> • Model school program 	45%	<ul style="list-style-type: none"> • 1,100 “Model Schools” to exemplify the importance of girls’ access to education, technology improvements in schools, relevant curricula, and active teaching methods in 5 programs (Egypt, Indonesia, Iraq, Jordan, Morocco)
Increase the Relevance of Education Activities	<ul style="list-style-type: none"> • IT in the classrooms 	65%	<ul style="list-style-type: none"> • 110,000 students with access to technology in classrooms and/or schools in 7 programs (Egypt, Indonesia, Jordan, Morocco, Pakistan, West Bank and Gaza)
	<ul style="list-style-type: none"> • School-to-work programs 	45%	<ul style="list-style-type: none"> • 70 centers supported to bridge links between school and work in 5 programs (Egypt, Jordan, Indonesia, Morocco, Pakistan)
	<ul style="list-style-type: none"> • Life skills program 	75%	<ul style="list-style-type: none"> • Life skills training provided for 100,000 participants in 8 programs (Afghanistan, Egypt, Indonesia, Iraq, Jordan, Morocco, Pakistan, Yemen)
	<ul style="list-style-type: none"> • Public-private partnerships created 	55%	<ul style="list-style-type: none"> • 250 public-private partnerships established to support various education activities in 6 programs (Afghanistan, Egypt, Indonesia, Jordan, Morocco, Pakistan)
Professional Development/ Higher Education	<ul style="list-style-type: none"> • Scholarships (long-term training) 	90%	<ul style="list-style-type: none"> • Scholarships for long-term study in U.S. and other countries provided for 5,500 students in 10 programs (All except Yemen)
	<ul style="list-style-type: none"> • Short-term training 	75%	<ul style="list-style-type: none"> • 40,000 professionals provided support for short-term training opportunities in 8 programs (Afghanistan, Egypt, Indonesia, Iraq, Jordan, Lebanon, Pakistan, West Bank and Gaza)
	<ul style="list-style-type: none"> • University partnerships 	65%	<ul style="list-style-type: none"> • 25 ALO partnerships established in 7 programs (Afghanistan, Bangladesh, Egypt, Indonesia, Jordan, Morocco, West Bank and Gaza)

The sub-Saharan Africa region contains a number of important Muslim and Muslim-majority countries, in which support to basic education activities and improved learning

opportunities for in-school and out-of-school youth figure prominently. A summary of the programs that are a part of USAID's Africa Bureau include:

- **USAID/Ethiopia** is implementing various activities in the Muslim-dominated areas, including the Somali region, where 67% of the children are not in school.
- **USAID/Kenya's** program targets Muslim communities in the northern and coastal regions.
- **USAID/Tanzania's** program focuses on Zanzibar and aims to improve access and the quality of learning by enhancing government mentoring and training capabilities, supporting communities in school management, strengthening teachers' skills, promoting participation of local civil society organizations in education systems, and equipping classrooms with learning materials.
- **USAID/Uganda** supports programs that provide life skills and HIV/AIDS education messages to all primary school students in the country; work with parents and community leaders to engage them more fully in the education of their children; and provide classroom furniture for younger children who now must sit on the floor.

The State Department's ECA Bureau has created the Fulbright Trans-Sahara program to bring undergraduate students from Mali, Chad, Senegal, Nigeria, Niger, Mauritania, and Burkina Faso to the United States for degree study to prepare them for careers as teachers.

USAID also has basic education programs targeting Muslim communities in non-EACTI countries, including Somali, Sudan, Djibouti, Nigeria, and Mali.

- **USAID/REDSO** began to support Somalia's education sector in FY 2002. The Agency's new program builds on the use of radio to deliver high-quality, interactive instructional programs with broadcasts to schools and non-formal or alternative education settings such as community centers to target the large number of out-of-school children. USAID also aims to improve teacher education by supporting teacher training institutions and structures and will support limited classroom rehabilitation.
- **USAID/Sudan** efforts are focused on southern Sudan and engaging in national development. USAID continues to implement programs to enhance inter-religious peace-building through fortifying teacher education programs; increasing the capacity of primary and secondary schools to deliver quality education, especially for girls; improving non-formal education systems; expanding education opportunities through use of technology; and strengthening the Secretariat of Education (SOE) of the Sudan Peoples Liberation Movement (SPLM). Conflict resolution, recovery and prevention are integrated to support the peace process and HIV/AIDS education is mainstreamed through all education activities to increase general awareness.
- **USAID/Djibouti's** education program aims to increase access; improve the quality of teaching and learning, with an emphasis on enhancing English-language training; expand opportunities for girls' education; and integrate entrepreneurship and employability skills training for in-school and out-of-school youth.

- **USAID/Nigeria's** new program will improve student attendance, retention, and achievement at the primary level, with an emphasis on girls; support improvements in school management; and provide instructional materials, including the use of interactive radio instruction.
- **USAID/Mali.** Combating terrorism is the top priority of the U.S. Mission in Mali. USAID's program focuses on improving the quality of the education system through teacher training; assistance to improve national primary school curriculum; mobilization of communities to manage and advocate more effectively for public schools, community schools and Islamic schools; scholarships for 5000 disadvantaged girls each year; adult literacy, and reinforcement of management skills for local control of schooling.

Efforts to Encourage Development and Implementation of a National Education Plan

In countries with predominantly Muslim populations, the effectiveness of basic education systems is at the crux of their development future and potential to moderate the influence of low growth, joblessness, lagging social services and despair. The U.S. encourages countries to develop and implement national education plans by offering assistance to support education reform developments and program funding once reforms have moved into the implementation phase. USAID has influenced national education plans and reform by way of pilot programs that model best practices in education. These positive experiences galvanize support for broader change and can impact the education system beyond the pilots programs' localities. Model programs also potentially have an impact outside of targeted interventions. For example, in Indonesia, 2,100 schools benefiting 650,000 students have adopted USAID models using their own resources after visiting communities and schools where USAID pilot programs are active.

Potential Activities to Help Close the Digital Divide and Expand Vocational/Business Skills

USAID, State, and other agencies recognize that high unemployment rates, especially for youth and females, remain a key concern in many Muslim-majority countries. Promising activities that could help to close the digital divide and expand workforce training include:

- *Public-private partnerships* – Involving the private sector as a financial and technical resource in educational development activities has the added value of bringing technology and business skills into learning environments and linking students to potential employment opportunities.
- *IT in the classrooms* – Information technology (IT) is one way to change the way students learn and how teachers teach. In addition to providing infrastructure and hardware, training teachers how to use IT in the classroom encourages critical

thinking and increases access to knowledge sources. The State Department's Global Connections and Exchange program seeks to promote mutual understanding and civic education in countries with significant Muslim populations by bringing together more than 1,000 schools from 16 countries for online collaborative projects that focus on professional development, media literacy, and civic education.

- *School-to-work programs and workforce training* – Linking education to the real needs of the job market gives students adaptable and portable skills needed to confront the job market, and support livelihoods.
- *Science, math and English curriculum* – Improving the quality of these curriculums provides students with the needed foundation for advanced study in technical subjects to build human capacity in technology-based fields.
- *Post-secondary and higher education improvements* – Creating community-based vocational and technical learning centers and modernizing higher education institutions contributes to more access to global information and state-of-the-art skills training.
- *Scholarships* – Building the advanced technology and management skills that are essential in the 21st century requires long-term training in U.S., other nations, and host country colleges and universities.

Funds Needed to Achieve Universal Education

UNESCO estimates that \$5.6 billion is needed per year to achieve Education for All by 2015, funds that support reforms to assure sustainable financing which guarantees access for all. Globally UNESCO estimated that 103 million children were out of school in 2002. For the countries in the Muslim world, this figure is estimated to be around 45 million. Estimating that it costs roughly \$50 per year per child to complete basic education (6 years of schooling), it would cost \$2.2 billion per year in Muslim countries as a whole to achieve universal basic education.

U.S. Strategy for Programmatic and Financial Support from Middle East Countries

The principal advantage of working with countries on sector-wide education programs is that in this process, donors gain an opportunity to influence national policies and political decision-making, especially in countries in reconstruction where donors become key players in the development of education policy. Involvement at the national policy level has a larger impact than implementing traditional "projects," which tend to be more limited in their objectives, duration, and budget. As countries build their education sector reform or action plans to achieve Education for All by 2015, donor agencies can better judge where their technical and financial assistance can be most efficiently and effectively applied through a sector-wide approach.

Jordan offers a good example. In July 2003, the Government of Jordan launched a five-year, \$380 million program, developed with USAID assistance, Education Reform for the Knowledge Economy (ERfKE) initiative. This is one of the most ambitious education

reform programs in the Arab region to date. The goal of Jordan's education reform program is to re-orient education policy, restructure education programs and practices, improve physical learning environments, and promote learning readiness through better and more accessible early childhood education. USAID, in coordination with Jordan and eight other donor nations and multi-lateral organizations, will provide \$14.2 million during this strategy period to support reform efforts through ERfKE. USAID's efforts under this initiative will (1) assist the GOJ's early child care initiative, creating 100 public kindergartens, field-test curriculum, and develop an accreditation system; (2) develop school-to-work programs and an IT curriculum stream for high school students; (3) connect 100 'Discovery' schools to broadband and test e-learning modules for all subjects; and, (4) expand youth and life skills programs to secondary schools in new underserved areas in Jordan.

Chapter 8

Economic Reform

The U.S. Government, operating primarily through USAID/Asia and Near East programs that also support Presidential and State Department initiatives including the Middle East Partnership Initiative (MEPI) and Broader Middle East and North Africa (BMENA), is encouraging development and promoting reform in predominantly Muslim countries by addressing the most critical economic issues facing these countries. Many of these countries have high unemployment and underemployment as a result of slow economic growth.

USG reform programs encouraging development and promoting reforms in predominantly Muslim countries are included in USAID's annual survey of Trade Capacity Building (TCB), which is part of the broader economic growth strategy for the region. TCB programs are "activities in the areas of policy, human resources, institutional infrastructure, and physical infrastructure that are designed to promote trade and/or have a direct link to promoting a country's ability to conduct trade within the WTO rules-based system." Within this broad definition, there are a number of efforts on the part of the U.S. Government to address USAID/Asia and Near East Bureau's predominantly Muslim countries integration into the global trading system and promotion of regional trade and rule of law. USAID/Asia and Near East Bureau currently funds nearly 95% of the USG's Trade Capacity Building activities in these countries.

USAID Trade Capacity Building

	USG FY2004	FY2004 USAID % of total USG	USG FY2005	FY2005 USAID % of total USG
Afghanistan	\$57,668,356	97.1%	\$50,430,513	98.0%
Bangladesh	\$2,358,830	89.0%	\$2,590,606	77.2%
Egypt	\$82,867,159	99.1%	\$68,792,850	98.8%
Indonesia	\$11,356,381	55.5%	\$15,367,993	70.2%
Iraq	\$30,937,093	97.0%	\$101,300,000	97.5%
Jordan	\$17,317,757	88.3%	\$13,719,000	91.1%
Lebanon			\$487,000	100.0%
Morocco	\$10,700,737	46.7%	\$15,784,450	94.1%
Pakistan	\$1,900,000	100.0%	\$6,082,800	30.4%
West Bank/Gaza	\$8,108,964	100.0%	\$35,142,907	100.0%
Yemen	\$1,300,000	100.0%	\$923,000	100.0%
TOTAL TCB	\$224,515,277	92.7%	\$310,621,119	94.9%

In addition, the United States provides assistance through the Millennium Challenge Corporation (MCC). The MCC selects low income and lower middle income countries to be eligible for assistance based on their performance on independent objective indicators that measure the extent to which they govern justly, invest in their people, and promote economic freedom. Of the countries currently approved or eligible for MCC "compacts"

(grant agreements) or “threshold programs,” ten are Muslim-majority countries: Albania, Burkina Faso, the Gambia, Indonesia, Jordan, Kyrgyzstan, Mali, Morocco, Senegal, and Tanzania.

A significant benefit of MCC, in addition to its programs, is the incentive it provides to candidate countries to improve their policies in the areas tracked by indicators. By providing tangible benefits to countries that adopt good governance, it reduces the potential for influence by radical ideologies that underpin terrorism.

Efforts to Integrate Countries with Predominantly Muslim Populations into the Global Trading System

FY 2005 USAID programs with components dealing with WTO awareness and accession were being implemented in Iraq (\$6,000,000) and Lebanon (\$487,000). The programs included a private sector development program that supports progress toward WTO accession in Iraq and technical assistance for WTO accession in Lebanon.

USAID global export promotion programs in FY 2005 included Afghanistan (\$4,838,940), Bangladesh (\$400,000), Egypt (\$18,400,000), Jordan (\$1,850,000), Morocco (\$717,950), Pakistan (\$1,650,000), West Bank Gaza (\$9,248,281), and Yemen (\$73,000).

- USAID/Afghanistan’s Rebuilding Agricultural Markets Program emphasizes interventions that increase agricultural productivity and develop regional and international market access for Afghan agricultural products. In addition, three industrial parks are being constructed to support industrial investment and export growth.
- In Bangladesh, USAID’s Agro-based Industries and Technology Development Project facilitates integration into the global marketplace, and the Competitive Export Development project assists high-potential sectors to improve competitiveness and increase exports.
- USAID/Egypt’s Commodity Import Program provides Egyptian private sector importers with foreign exchange to finance trade and investment.
- USAID/Jordan supports the Jordan-U.S. Business Partnership (JUSBP) that facilitates trade with the U.S. and other global partners.
- USAID assists Morocco in successfully responding to the challenges and opportunities of the more liberalized trading environment that will be brought about by the Free Trade Agreements (FTA) with the United States. Results include: (1) increased productivity in agriculture and agribusiness, (2) creation of new business opportunities outside of agriculture and agribusiness, and (3) improved business environment.
- USAID/Pakistan’s Competitiveness Project provides technical assistance and training to enhance the capacity of Pakistani businesses and agriculture to participate in the global trading system. In addition, the Embroidery Export Market Promotion activity

assists home-bound women export embroidery to the diaspora in other countries in the Middle East.

- USAID/West Bank & Gaza's PAPA project contributes to expanding exports of fresh fruits and vegetables from the West Bank and Gaza. PAPA introduces technology in production, marketing and food processing, and training farmers and agribusinesses.
- USAID/Yemen's Institutional Arrangements to Promote Trade Activity develops the country's analytic capacity to identify trade options and to promote non-petroleum exports in potential markets.

Customs reforms are supported by programs in Afghanistan (\$14,850,000 in FY 2004), Egypt (\$3,600,000 in FY 2003 and \$400,000 in FY 2004), Iraq (\$7,800,000 in FY 2005), Jordan (\$1,500,000 in FY 2004 and \$2,850,000 in FY 2005), and Morocco (\$163,006 in FY 2004 and \$358,975 in FY 2005).

- Afghanistan's customs program is imbedded in USAID's Economic Governance Program that promotes an overall competitive economy.
- USAID/Egypt's Assistance for Customs Trade Facilitation targets customs and trade facilitation areas, including trade services, standards, inspections, export and import procedures, and port services.
- Customs-related assistance is part of a much larger and broader program of USAID assistance for good economic governance in Iraq.
- Jordan's customs program is part of USAID's Achievement of Market Friendly Initiatives and Results (AMIR), which supports trade capacity building.
- Morocco Customs Modernization is a program funded by USAID and implemented the U.S. Commerce Department.

USAID Africa Bureau Programs

Programs managed within the USAID Africa Bureau include Sub-Saharan integration into the global trading system, the driving forces of which are the African Growth and Opportunity Act (AGOA) and the Presidential Initiative – Trade for African Development and Enterprise (TRADE). AGOA helps set the broad objectives while TRADE contains the funding for Trade Assistance (TA) activities. Program efforts run the gamut of helping countries meet their WTO obligations, understanding the terms of AGOA, building business linkages with U.S. companies, improving transportation corridors, improving the climate for foreign investment, and helping countries diversify their export base.

USAID Europe and Eurasia Bureau Programs

Albania: With USAID funding, the Institute for Contemporary Studies (ISB) has established the Albanian Center for International Trade (ACIT). This center assists the government to improve the quality of trade policies as instruments of growth and development, and to take greater advantage of trade opportunities created by globalization trends and integration processes. In FY 2005, USAID/Albania provided

\$500,000 in Trade Capacity Building Assistance focusing on such categories as World Trade Organization awareness, export promotion, business services, and training.

The Albanian-American Enterprise Fund (AAEF) created the American Bank of Albania (ABA) which is widely recognized as the best and most technically-superior bank in Albania. This wholly-owned banking subsidiary has 14 branches throughout the country, handles no-fee remittances from abroad, introduced ATMs, retail Point of Sale, as well as customer debit cards with overdrafts, and is now offering free, after-hours cash deposit service using Night Safes. The ABA was also able to respond to an urgent request from the Government of Albania during the energy crisis that followed the country's June, 2005 elections by syndicating a loan of \$8 million within a critical 24 hour period to enable the government to buy emergency power from Italy. In 2005, AAEF celebrated its 10th anniversary. Since 1995, it has doubled its \$30 million USAID grant and its portfolio companies have created 3,000 jobs and paid \$61 million in taxes to the government.

Azerbaijan: The U.S. Government, through work funded by the Trade and Development Agency, has assisted Azerbaijan in the management of its accession to the World Trade Organization (WTO). Through such assistance, a resident advisor has been working with the Azerbaijan Ministry of Economic Development and, most recently, this effort resulted in submission of all WTO documentation required to schedule accession talks in Geneva in April, 2006.

In addition, USAID's program places an emphasis on economic reform, with a focus on developing the non-oil sectors of the economy. The program is developing a stable and competitive financial sector, and improving producers' access to credit for SMEs and to markets. USAID is also helping to lay the foundation for Azerbaijan's long term prosperity by helping improve its fiscal management through improved budget development and execution, the quality of its capital investments, and the automation of its treasury system.

Bosnia-Herzegovina: USAID has been instrumental in building the capacity of the central bank, providing liquidity to the economy, producing competent bank managers, establishing functioning bank supervision, and capitalizing deposit insurance. Today, banks from Austria, Italy, Turkey, and Slovenia are firmly in place, accounting for 90% of deposits. USAID's two competitiveness projects are working on trade and investment promotion in agribusiness, wood processing, and tourism by improving the competitiveness of firms and industries and training firms to meet European Union standards.

Kazakhstan: USAID's Trade Facilitation and Investment (TFI) Program has provided assistance to Kazakhstan during the WTO accession process. TFI was directly involved in the drafting of Kazakhstan's Customs Code and our intervention brought it into greater compliance with WTO principles and agreements. TFI is also providing the financing to train front-line customs officers in the identification and seizure of pirated goods, which will help Kazakhstan meet the standards set by the Trade-Related Aspects of

Intellectual Property Rights (TRIPS) agreement and achieve removal from the Special 301 Watch List, both of which will help Kazakhstan's accession process.

Kosovo: Assistance to the Ministry of Trade and Industry in promoting good trade policies and developing capacity to implement trade laws and agreements has laid the foundation for future progress in this area. USAID support to privatization culminated in late 2004. Much of USAID's assistance is focused on human capacity development through intensive technical assistance and training, supported by public education in each area. USAID continues efforts to increase the capacity of the Ministry of Trade and Industry in trade policy, developing free trade agreements and in implementation of trade agreements. USAID's competitiveness cluster projects are working on productivity, trade and investment promotion – primarily in the agriculture sector -- by identifying trade, marketing and import-substitution opportunities and training mostly small and medium-sized enterprises to meet European Union standards.

Kyrgyz Republic: USAID's TFI Program has focused on Kyrgyz implementation of its WTO accession commitments with respect to drafting WTO compliant legislation, customs procedures and technical regulations and standards. TFI provides support to the WTO Department within the Kyrgyz Ministry of Economic Development and Industry & Trade (MEDIT) to increase its technical capacity in the legal and regulatory process. TFI provided consultations on the new Kyrgyz Customs Code and continues to promote its effective implementation. TFI supports MEDIT, National Institute of Standards and Metrology (NISM), and other government counterparts on compliance with the New Technical Barriers to Trade (TBT) Agreement and reform of the GOST system.

Tajikistan: TFI has worked directly with the Tajik Government to prepare replies to additional questions submitted by the WTO in regard to Tajikistan's progress towards its accession commitments; to organize training sessions for the officials responsible for drafting Tajikistan's required offers of market access to its goods and services; to revise and update the Legislative Action Plan to bring trade-related legislation into conformity with the provisions of the WTO Agreements; to establish the WTO Information Center/GATS enquiry point; and to continue to revise patent, copyright, trademark, and geographic indication legislation to bring it into conformity with the provisions of TRIPS.

Turkmenistan: USAID's Enterprise Development Project (EDP) has breathed life into its Regional Trade Promotion (RTP) Program over the last several months. The Regional Trade Advisor for EDP has continued to facilitate trade deals.

Uzbekistan: Uzbekistan continues its WTO accession process through the following actions: (1) USAID has prevailed upon the Government of Uzbekistan (GOU) to create a permanent WTO Council and a representative office at WTO headquarters in Geneva; and, (2) legislation is being developed with USAID assistance that will establish the legal principle that under a market economy, quality standards are to be set through the market, and not by mandatory state requirements.

Stability Pact for Southeastern Europe: The Stability Pact for Southeastern Europe (SP) has several relevant programs related to global trade that affects the predominately Muslim nations of Albania and Bosnia-Herzegovina and the region of Kosovo. These programs include the SP's Trade Working Group, which encourages the negotiation, ratification, and implementation of bilateral foreign trade agreements. It supports negotiations of a single regional trade agreement aimed at harmonizing bilateral trade agreements among SP members. The United States supports this process by providing technical assistance to lower non-tariff barriers within the region, consistent with WTO principles.

The SP has also helped develop a common energy market between the European Union and Southeastern Europe. Albania, Bosnia-Herzegovina, and the region of Kosovo (among other Southeastern European nations) signed in Athens the Energy Community Treaty in October 2005, which, when ratified, will establish a common regulatory framework for trade in electricity and gas and facilitate financing and investment by both International Financial Institutions, donors and private investors in the rehabilitation, and construction in new infrastructure. The SP's Investment Compact is another initiative aimed at improving the region's investment conditions. Albania and Bosnia-Herzegovina (among other Southeastern Europe nations) are signatories to this Compact. It sets out commitments for policy reform, which countries need to implement in order to create a robust and sustainable market economy and to encourage increasing local and foreign direct investment.

Actions that the U.S. Government, Acting Alone and in Partnership with Governments of the Middle East, Can Take to Promote Interregional Trade and Rule of Law in the Region

Supporting interregional trade is an important part of USAID/Asia and Near East Bureau, and the broader U.S. Government's work in predominantly Muslim countries. USAID is providing technical assistance, funding feasibility studies grants, and aiding increased capacity. The U.S. Government has been able to support interregional trade initiatives and rule of law through various programs and projects, some of which are represented below.

Interregional Trade

- The U.S.-Middle East Free Trade Area (MEFTA) is a U.S. Government initiative to engage the Middle East to promote and expand intraregional trade and integration with the global economy. The proposed free trade zone will be anchored by existing FTAs with Israel, Jordan, and Morocco, pending FTAs with Bahrain and Oman, and the FTA being negotiated with the United Arab Emirates.
- The State Department's Middle East Partnership Agreement (MEPI) and USAID Missions in the Middle East provide support for MEFTA by assisting host governments and their respective private sectors understand the benefits that accrue from free trade agreements. MEPI and USAID Missions in the Middle East are

supporting Trade Investment Framework Agreements (TIFAs) with Egypt and Yemen and developing and/or implementing U.S. FTAs with Jordan, Morocco, Bahrain, Oman, and the United Arab Emirates with the eventual goal of creating a U.S.-MEFTA.

- USAID/Jordan's Achievement of Market Friendly Initiatives and Results (AMIR) supports implementation of the FTA between the United States and Jordan. It also offers support to Jordan as it liberalizes its economy and tries to meet the requirements of regional and global trade opportunities. USAID/Morocco assists the government and private sector to successfully respond to the challenges and opportunities that will be brought about by its FTA with the United States.
- The Market Access Program (MAP), funded by USAID/West Bank & Gaza, targets specific sectors to make their products competitive in regional and international markets.
- U.S. agencies are supporting trade and investment integration in Central Asia through the U.S.-Central Asia TIFA signed in 2004. In addition, the United States is promoting infrastructural development and integration to link Central Asia with Afghanistan and other countries of South Asia through a Joint Economic Commission.

Rule of Law

- Department of Treasury programs provide technical assistance to develop good governance in the areas of budget and debt (Afghanistan), banking (Bangladesh), and tax (Indonesia).
- USAID/Afghanistan's Economic Governance Program supports policy reforms in the fiscal, banking, trade, legal, and regulatory sectors.
- USAID/Egypt's Administration of Justice Support II project promotes the rule of law by reforming and modernizing the commercial court system, and improving the access to quality legal services.
- USAID/Indonesia funds the Economic Law, Institutional and Professional Strengthening (ELIPS II) project, which supports the rule of law and improved economic governance at both the local and national levels.
- USAID/Iraq's Economic Governance activity supports reforms that stimulate trade and employment.
- Morocco has two rule of law activities. The State Department/MEPI funds a U.S. Commerce Department project, Improvement of Moroccan Legal and Regulatory Environment, which supports the U.S.-Morocco Free Trade Agreement by giving

technical assistance to improve the legislative and regulatory framework. The second project is USAID's Morocco Improved Business Environment, designed to make the government more transparent.

- One of West Bank/Gaza's rule of law activities has been USAID's Audit Capacity Building program which promotes transparency in the Ministry of Finance, Department of Customs and the General Petroleum Company by developing audits and capacity to improve management processes and controls. The second project is USAID/West Bank and Gaza's Financial Markets Reform - Phase II, which provides technical assistance to promote improved access to capital for the private sector.