

## II. REQUEST BY REGION

Africa  
East Asia and the Pacific  
Europe and Eurasia  
Near East  
South Asia  
Western Hemisphere

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# AFRICA

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**Angola**  
(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
CSH	8,100	7,586	6,800
DA	6,171	4,740	4,544
ESF	3,479	2,976	3,000
IMET	300	300	400
NADR-HD	5,300	5,907	6,000
P.L. 480 Title II	68,395	33,252	10,000

The United States has strategic and humanitarian interests in ensuring that Angola makes a successful transition from postwar recovery to an economically strong and democratic nation. U.S. assistance policies and programs support Angola's progress toward stable multi-party democracy, sound governance based on free-market principles, and citizens that are healthier, more productive, and increasingly prosperous. A democratic and economically dynamic Angola will have a major positive impact on the continent, and can contribute to the international fight against terrorists, drug traffickers, and organized crime. Already a significant U.S. energy supplier, Angola is expected to double oil production to two million barrels per day by 2008. Significant and growing U.S. investment in Angola's energy sector calls for economic and political stability. During its tenure on the UN Security Council, Angola was supportive of U.S. efforts in Iraq. With one of Africa's largest and most experienced militaries, Angola can potentially contribute to international peacekeeping efforts.

The humanitarian emergency caused by 27 years of civil war has eased, but international assistance will remain essential for several more years. As efforts to mitigate immediate suffering of Angola's people are successfully completed, U.S. assistance aims to help ensure that national elections in 2006 are free and fair, and that the Angolan government improves its management of the economy, moves toward a free-market system, and takes major steps to enhance transparency, anti-corruption efforts, and adherence to the rule of law. Equally essential to the country's recovery and growth will be a healthy population; the United States will help fight against HIV/AIDS, infectious disease, and malaria. As Angola's transition advances, U.S. assistance will increasingly emphasize economic growth, health, and the judicial system.

FY 2006 Child Survival and Health (CSH) funds will support maternal and child health (MCH) and HIV/AIDS programs to reduce morbidity and mortality among target populations. The MCH component supports activities to monitor and eradicate polio, protect children and pregnant women from malaria, and build the capacity of Angola's Ministry of Health (MOH) to provide MCH services. The HIV/AIDS component aims to decrease the incidence of HIV/AIDS through promotion of activities such as behavioral change, counseling, social marketing of condoms, and voluntary testing for HIV/AIDS.

FY 2006 Development Assistance (DA) will strengthen the financial sector's contribution to economic growth. The United States will continue to fund activities that improve transparency and banking services, and will strengthen the banking sector's operational capacity to offer financial services to entrepreneurs. We will also strive to increase agricultural productivity through activities to promote linkages between farmers and input suppliers, strengthen credit facilitation mechanisms, and promote the evolution of farmers' associations into agriculture cooperatives. These programs will allow Angolans to feed themselves, revitalizing rural economies and improving the food security of subsistence farmers.

The end of the civil war offers a window of opportunity to introduce multi-party democratic reforms in Angola. Through technical assistance and training, the United States will continue strengthening the capacity of selected civil society organizations (CSOs) to lobby and engage government institutions. We will also continue training traditional leaders, local government officials, community groups, provincial-level journalists, churches, women, and youth to identify reconciliation issues and needs and to develop and implement corresponding community development plans.

FY 2006 Economic Support Funds (ESF) will be used to help solidify the peace, advance the development of an independent judiciary, strengthen the legislature, and encourage an active civil society. Angola still struggles with the peaceful resettlement of Angolans displaced by war, so ESF will support resettlement projects. Funding will be used to further support Angola's democratic transition through additional training for non-governmental organizations (NGOs) and CSOs, political party development, efforts to strengthen independent media, and technical assistance to the electoral process. ESF resources will also support economic reforms that lessen corruption, promote macro-economic stability, and support private sector-led growth, bolstering Angola's efforts to remain eligible for benefits under the African Growth and Opportunity Act.

Angola is one of the world's most heavily mine-affected countries. Lack of access to vulnerable populations and to arable land due to landmines continues to be one of the greatest problems facing the Angolan people, limiting the movement of humanitarian and development agencies and denying rural populations the opportunity to end their dependence on assistance. Landmine and unexploded ordinance removal saves lives and promotes economic development. U.S. assistance has helped Angola train and equip deminers to clear land for the return and reintegration of its four million former refugees and internally displaced persons (IDPs). FY 2006 Non-Proliferation, Anti-terrorism, Demining, and Related Programs - Humanitarian Demining (NADR-HD) funds will be used to support continued NGO demining efforts and assist the Government of Angola in building a national humanitarian demining capability within the military.

Funding for the International Military Education and Training (IMET) program in FY 2006 will advance initiatives to raise Angolan military awareness of democracy, human rights, the rule of law, and effective civil-military relations. Training will also support maritime security efforts, and will provide English language courses to improve the Angolan military's ability to interact with U.S. officials. IMET will be used to provide Professional Military Education training -- e.g., Command and Staff College -- to field grade officers. Angola has been identified as a possible candidate for the African Contingency Operations Training and Assistance (ACOTA) Program, which will help prepare the military to respond to crises, engage in peacekeeping operations, and perform civic action.

Angola will be eligible in FY 2006 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. Transfer of grant EDA to Angola will be used to help Angola protect and patrol its territorial waters and integrate its efforts into regional coastal security programs.

**Benin**  
(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
CSH	7,550	7,750	7,250
DA	8,209	6,602	7,077
IMET	-	250	50
P.L. 480 Title II	4,701	2,668	3,067
Peace Corps	2,622	3,266	3,544

The primary U.S. interests in Benin are economic growth and development, social and environmental welfare, and global health. The strategy for addressing these interests is to support economic reform and growth, strengthen education and civil society, and improve maternal and childhood health. While small, Benin plays an outsized role as an example both of a functional democracy and an increasingly free-market economy in a region struggling to make permanent progress in these important areas of U.S. interest. It should also be commended for its active participation in peacekeeping operations in the region, and its willingness to participate in them worldwide. Benin's economy has been pressured during the past year, suffering a combination of external border actions by neighboring Nigeria and troubles with unions as various parastatals move through the privatization process. Benin has, however, qualified to compete for Millennium Challenge Account funding in both FY 2004 and FY 2005.

In FY 2006, Development Assistance (DA) will focus on building the institutional capacity of Benin's civil society. Child Survival and Health (CSH) funding will support governmental and non-governmental health institutions, HIV/AIDS prevention and family planning strategies, as well as improve school attendance and enhance child health care. Education funding promotes teacher training programs, the publication of textbooks, community participation in school management, enrollment of girls, and technical support for the Ministry of Education.

DA from the West Africa Regional Program (WARP) will help implement a comprehensive program to confront the pervasive problem of Trafficking in Persons. Professional traffickers operating in Benin send children to work in cocoa plantations in Cote d'Ivoire and Ghana, in rock quarries in Nigeria, and to work as domestic servants in Cotonou and Gabon. These traffickers often abuse the traditional practice of *vidomegon*, which involves the placing of less fortunate children in the homes of more fortunate relatives for education and welfare. In 2002, regional INCLE funds helped begin the process of building a repatriation center designed to assist children and other trafficked persons returning from neighboring countries. The Government of Benin has begun to reform inadequate laws and educate rural parents with the assistance of DA. The special Brigade for the Protection of Minors has also started keeping statistics of traffickers caught, tried, and convicted. The statistics already show improvement over last year.

In FY 2006, International Military Education and Training (IMET) will reinforce civilian control of Benin's military and help develop a professional, non-political and well-trained military force contributing to Benin's stability and regional peacekeeping capacity. IMET courses will continue to focus on command and Staff College, civil-military relations, English language training, and technical specialty training. IMET training as well as the Peacekeeping Operations (PKO)-funded regional African Contingency Operations Training and Assistance (ACOTA) program was instrumental in Benin's ability to support peacekeeping operations in Cote d'Ivoire, Liberia, and soon the Democratic Republic of Congo. Benin will be eligible for Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. EDA would support Benin's participation in regional peacekeeping activities. Benin also hopes to be an active participant in the Gulf of Guinea Initiative of the U.S. Navy's Maritime Partnership Program.

Benin is eligible for trade benefits under the African Growth and Opportunity Act. Although it is certified to export apparel to the United States market duty-free under the Act's apparel provision, Benin is still working to start exporting textiles to the United States. Benin also benefits from the Highly Indebted Poor Countries Initiative and receives substantial debt reduction and stabilization assistance from multilateral lending institutions.



**Botswana**  
(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
FMF	500	496	500
GHAI	8,806	27,543	40,505
IMET	922	700	700
Peace Corps	1,430	1,747	2,006

The primary U.S. national interests in Botswana are global/humanitarian issues and trade/investment. Botswana is well recognized for taking action to confront the HIV/AIDS epidemic. As a member of the Southern African Development Community and as an exemplary market-oriented democracy, Botswana advances regional stability and supports U. S. goals in Southern Africa. It has assisted the United States in fighting terrorism, particularly terrorism financing, and is a signatory to all 12 UN anti-terrorism conventions. Botswana cooperates with U.S. law enforcement agencies and hosts the only International Law Enforcement Academy in Africa.

U.S. efforts in Botswana focus on expanding U.S. business opportunities, developing local capability to combat the HIV/AIDS epidemic, and encouraging active leadership in the region. Botswana has an important role to play in regional security and conflict resolution matters. As a signatory to Article 98, Botswana will continue to receive assistance to help foster professionalism in its military.

Botswana is prosperous, especially in comparison to many of its neighbors because it has used its natural resources (diamonds) to develop the country. It “graduated” from bilateral Development Assistance (DA) programs in 1995. The income gap is wide, however, and at least 30 percent of the population lives below the poverty line. Moreover, the HIV/AIDS pandemic threatens to undo many of the nation’s social and economic gains. U.S. goals in the areas of democracy, economic development, and global issues such as HIV/AIDS and the environment are generally supported by a variety of regional funding programs. Botswana qualified for textile/apparel preferences under the African Growth and Opportunity Act (AGOA) in August 2001 and, in 2003, exported about \$6.3 million in apparel to the United States. Botswana’s AGOA exports in the first nine months of 2004 totaled \$15.5 million.

Botswana is a focus country of the President's Emergency Plan for AIDS Relief (Emergency Plan). In FY 2006, increased Global HIV/AIDS Initiative (GHAI) funding will be provided to expand comprehensive and integrated prevention, care and treatment programs, which are further described in Section I under the heading Global HIV/AIDS Initiative.

Botswana has one of the region's most professional and responsible military establishments and offers a model for civilian-military relations for the rest of the continent. Botswana has provided a venue for regional military exchanges that have fostered a spirit of regional cooperation. Through the International Military Education and Training (IMET) program the United States seeks to expand connections with Botswana's military leaders and support their interest in strengthening both regional civil-military and military-to-military relations, as well as improve their capacity to participate meaningfully in peacekeeping operations. The FY 2006 IMET program will continue to train Botswana Defense Force (BDF) officers.

Botswana will continue to receive Foreign Military Financing (FMF) in FY 2006. These funds will be used for C-130 parts and maintenance, allowing the BDF to more rapidly deploy troops for both peacekeeping and disaster relief. In addition, funds will provide equipment, including spare parts, communications equipment, and individual gear and training to assist the BDF in establishing a counter-terrorist and/or rapid

response unit. Botswana will be eligible in FY 2006 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. Grant EDA will primarily support Botswana's peacekeeping activities.

## Burkina Faso

(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
IMET	115	100	110
P.L. 480 Title II	8,812	13,337	14,646
Peace Corps	2,719	3,055	3,429

The primary U.S. national interest in Burkina Faso is to see that the Government of Burkina Faso (GOBF) contributes to regional stability, an area where the GOBF has improved its policies and played a constructive role over the past few years. Other interests include: promoting democracy, responding to humanitarian crises, establishing respect for human rights, speeding economic development, combating child labor, reducing poverty, and eradicating disease, including HIV/AIDS.

Burkina Faso continues to be among the poorest of African countries. The economy is dominated by subsistence agriculture. This emphasizes how the country balances on a climatic knife's edge as the cycles of drought and desertification have severely affected agricultural activities, population distribution and economic development. In FY 2004 - FY 2005, locust invasions caused marked crop damage in parts of the country. Only 13 percent of the land is arable and the already-poor soil is degraded by overgrazing, depletion of nutrients, and deforestation.

The Government of Burkina Faso has ratified all of the 12 international anti-terrorism conventions, making Burkina Faso one of the few countries that has met the UN's call for speedy ratification of these conventions after the tragedies of September 11, 2001.

The United States continues to support economic development and democracy through a variety of targeted resources. In FY 2005, Burkina was granted access to the benefits of the African Growth and Opportunity Act and is working through its new threshold status under the Millennium Challenge Account. The largest Ambassador's Self-Help Program in Africa provides grass-roots assistance in the building of schools, clinics, and water supplies; regional funds from USAID help combat the spread of HIV/AIDS; grants from the Democracy and Human Rights Fund in FY 2006 will continue to support distribution of materials in local languages on democracy, human rights, and rights under Burkinabe law. In FY 2004 and FY 2005 Burkina Faso showed positive steps towards supporting regional stability. In order to support these initiatives, FY 2006 International Military Education and Training (IMET) funds will provide opportunities for increased understanding and defense cooperation between the military forces of the United States and Burkina Faso. IMET funding is intended to establish English language labs and training. In addition, funding will focus on civilian control of the military, respect for human rights, the role of the military in a democracy and military justice.

Burkina Faso is a member of the African Union (AU) and the Economic Community of West African States (ECOWAS), and was the fifth country in the Heavily Indebted Poor Countries Debt Reduction Initiative to reach its completion point and receive maximum debt forgiveness.

**Burundi**  
(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
CSH	700	800	700
DA	2,270	2,118	1,543
ESF	3,479	3,224	3,850
IMET	-	50	50
NADR-SALW	-	200	-
P.L. 480 Title II	19,881	7,923	-

The primary U.S. national interests in Burundi are safeguarding U.S. citizens and their interests; promoting peace, economic development, democratic governance, and observance of human rights; alleviating conflict-based human suffering; and preventing the outbreak of widespread communally-based violence.

The Burundi peace process has made major progress over the last year, but significant obstacles still remain. Building on the Arusha Peace Accord of August 2000, two political integration agreements in October and November 2003 brought the largest remaining rebel group into a transition government. The result has been the effective cessation of hostilities in over 90 percent of the country. Local and national democratic elections are scheduled for early 2005, including the first presidential election since 1993 when Burundi's civil war began. Successful elections would complete the transition as set forth under the Arusha Accord, and would further consolidate the peace process. The result would be a stable climate for Burundi's freely elected government to pursue sustainable and broad-based economic development, and begin to address the country's daunting social and humanitarian problems, including among other things its growing epidemic of HIV/AIDS, and the reintegration of substantial numbers of ex-combatants, child soldiers, refugees, and Internally Displaced Persons (IDPs).

The United States' diplomatic and financial support for the Burundi peace process has played a key role in securing its progress. In prior years, the United States has provided Economic Support Funds (ESF) under regional programs to support the peace negotiations in Tanzania, to aid conflict resolution throughout the country, and to augment the Implementation Monitoring Committee that oversees the implementation of the peace agreement. The United States has also supported the United Nations peacekeeping operation in Burundi (UNOB), which is made up of 5,650 troops from South Africa, Ethiopia, Mozambique and Pakistan. The UN mission helps to administer disarmament, demobilization and reintegration programs, and secure the peace.

FY 2006 assistance goals will focus on consolidating an enduring and equitable peace in Burundi. This will enhance regional stability, support the development of effective government and a market-oriented economy, promote human rights, and help prevent a humanitarian catastrophe. ESF will help promote the resettlement and reintegration of displaced persons and returnees, and support conflict mitigation projects and programs to promote democracy, good governance, the rule of law, and human rights. Specifically, ESF will support the peace process, confidence-building measures that lessen the likelihood of conflict, and programs that strengthen procedures and institutions, such as the administration of justice, the national parliament, and civil society. ESF funds will also be used to put into place the economic policies and programs necessary to stimulate broad-based and sustainable growth. FY 2006 Child Survival and Health (CSH) funds will be used to expand the availability of basic social services and an integrated disease surveillance and response capability, focused on tuberculosis and malaria. CSH will also support polio immunization, prevention of infectious disease and HIV/AIDS, and community-based care programs. In FY 2006 regional Migration and Refugee Assistance (MRA) funds will support activities of the UN High

Commissioner for Refugees (UNHCR) and other international and non-governmental organizations in supporting refugees outside Burundi, and in preparing communities for the reintegration of refugee returnees. Development Assistance (DA) funding in FY 2006 will expand opportunities for productive livelihoods in Burundi through increased access to agricultural inputs, the promotion of agro-enterprise and training on improved farming practices. In addition, DA resources will continue to support efforts to encourage accountable and transparent governance.

One component of the Burundi peace agreement requires the formation of a new, ethnically balanced military. As political and security conditions continue to evolve, particularly once elections occur and coup sanctions have been lifted, the United States will assist the military in its integration and reform efforts. FY 2006 International Military Education and Training (IMET) program funds will possibly be used to provide high-level military personnel orientation tours of U.S. military training institutions and access to courses covering civil-military relations, human rights, military justice, and the management of defense resources. Following free and fair elections, Burundi will be eligible in FY 2006 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. EDA grants will be used to reform Burundi's military. The human rights records of current military personnel as well as former rebels integrating into the new armed forces are poor. Any potential military assistance to Burundi will be aimed at instilling a new culture of respect for human rights and subordination to civilian control.

The President determined that Burundi was not eligible to receive trade benefits under the African Growth and Opportunity Act (AGOA) in 2005.

**Cameroon**  
(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
IMET	361	225	250
Peace Corps	3,142	2,990	2,828

The primary U. S. national interests in Cameroon are promoting democracy, good governance, respect for human rights, and economic development. Though Cameroon has the largest and most diverse economy in the Central African sub-region, its democratic institutions are weak, corruption remains a real problem, and human rights abuses by Cameroon's police and gendarmes forces are a concern. Cameroon's strategic location and improving port facilities make it ideal as a base for regional programs.

Cameroon will receive funds to deal with HIV/AIDS through the Ambassadors' Fund Program implemented by USAID. This program provides grants to non-governmental organizations (NGOs) that work to prevent mother-to-child transmission of HIV/AIDS as well as to provide voluntary counseling and testing.

Cameroon is eligible to receive trade benefits under the African Growth and Opportunity Act. Cameroon is also defined as a Heavily Indebted Poor Country (HIPC), but it must re-engage with the International Monetary Fund (IMF) before it is eligible to receive debt relief under the enhanced HIPC initiative.

International Military Education and Training (IMET) funds for FY 2006 will be used for professional military development courses stressing resource management, civilian-military relations, officer professionalism, and English language proficiency. The IMET program promotes positive military-to-military relationships between Cameroon and the United States.

Cameroon will also be eligible in FY 2006 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. EDA material will support Cameroon's internal security, counter-narcotic activities, peacekeeping deployments, and military professionalization and modernization efforts.

## Cape Verde

(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
IMET	200	120	120
P.L. 480 Title II	4,362	4,154	4,189
Peace Corps	1,519	1,665	1,743

Cape Verde is a model of stability and democracy in a region of instability. Supporting democracy and improving food security in this arid island nation are the principal U.S. national interests. Cape Verde has been an enthusiastic supporter of the war against terrorism; it has delivered full cooperation and adopted anti-money-laundering measures at our suggestion. With almost 40 percent of its citizens living in the United States and a significant number of U.S. citizens resident on the islands, protection of American citizens' welfare is another important interest.

The Peace Corps is active on all of Cape Verde's inhabited islands. Volunteers are involved in projects ranging from English language teaching and education to urban planning and assisting local governments to enter the Information Age. The services they provide are essential to the viability of some of Cape Verde's most important efforts to improve its standards of living and productivity.

After 27 years of independence, Cape Verde remains free of internal and external conflict, and its military consistently plays a constructive role in civil society. FY 2006 International Military Education and Training (IMET) funds will support officer development training programs, a low-cost investment to help ensure the continued professionalism and English language capabilities of Cape Verde's military under civilian, democratic leadership. In addition, IMET will support the establishment of a professional military police unit.

Cape Verde will be eligible in FY 2006 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. Cape Verde is interested in EDA transfers and other U.S. assistance to enhance its ability to protect its fisheries, to combat drug smuggling, and to develop a rapid reaction anti-terrorism force for the international airport (which carries direct flights to the United States). Cape Verde remains eligible for trade benefits under the African Growth and Opportunity Act (AGOA) and is eligible for Millennium Challenge Account (MCA) funding from the FY 2004 appropriation. Taking further advantage of these opportunities will boost economic growth and provide employment. Cape Verde has received substantial reductions in debt payments and associated stabilization assistance from multilateral lending institutions through the Heavily Indebted Poor Countries (HIPC) Initiative. The United States also is assisting Cape Verde's efforts to accede promptly to the World Trade Organization. We will use modest Africa Regional Economic Support Funds to help Cape Verde implement World Bank recommendations on eliminating administrative barriers with local municipalities and promoting e-governance.

## Central African Republic

(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
IMET	-	50	50
P.L. 480 Title II	996	-	-

Key U.S. interests in the Central African Republic (CAR) are the restoration of democracy, economic development, conservation of natural resources and humanitarian assistance. U.S. goals include the holding of free and fair elections and economic, political, and military reforms to promote democratic governance, including respect for human rights, and to prevent further instability in the CAR, which is undermining regional stability and encouraging military incursions.

For several years the CAR has suffered from political instability and coup attempts, culminating in General Bozize seizing power in March 2003 from democratically elected President Patasse. General Bozize appointed himself President, suspended the Constitution, and dissolved the National Assembly. He appointed a consultative National Transition Council, including political parties and civil society groups, to prepare for new elections in February 2005. Following a nearly two-year hiatus in resident American diplomatic presence in the country, normal operations will resume in January 2005 with the arrival of a charge d'affaires in Bangui.

Coup-related military and rebel actions have resulted in disruption of the economy, destruction of property, and a large out-flow of refugees into neighboring countries. Progress has been made in restoring order in the capital and reinstating a functioning government. However, civil unrest in response to the poor economic situation, the vulnerability of the CAR to interference from other countries, and other economic disruption resulting from the conflict continue to hinder the country's recovery. Moreover, the government has occasionally responded to continuing budgetary woes and resulting labor unrest by using its security forces to crack down on the country's free press, labor unions, and opposition party leaders, leading to human rights abuses.

CAR is defined as a Heavily Indebted Poor Country (HIPC), but it must re-engage with the International Monetary Fund (IMF) and establish a track record of good performance under a disbursing IMF program before it is eligible to receive debt relief from Paris Club creditors, including the United States, under the enhanced HIPC initiative.

The CAR receives Africa Regional ESF resources to promote democratic elections and public participation in democratic processes, and to support biodiversity conservation through the Central African Regional Program for the Environment. We envision similar programs for FY 2006. The CAR is currently not eligible to receive trade benefits under the African Growth and Opportunity Act (AGOA).

In FY 2006, International Military Education and Training (IMET) programs will help promote basic democratic values and respect for human rights in the CAR's armed forces. IMET programs would include English language training, professional military education and training on civil/military relations, and military justice. The CAR will be eligible to receive FY 2006 Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. Excess equipment will be used to help CAR meet basic troop support equipment needs, improve communications and enhance mobility.



**Chad**  
(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
IMET	574	245	250
NADR-HD	950	1,000	3,000
P.L. 480 Title II	18,103	15,541	2,397
Peace Corps	1,569	1,709	1,909

U.S. interests in Chad are counter-terrorism, economic prosperity and security, environmental protection and mutual understanding, promotion of democracy, good governance and respect for human rights. Significant U.S. investment in the petroleum sector is being leveraged to promote economic prosperity and appropriate governance strategies.

Occupying a strategic position, Chad is vulnerable to its neighbors Libya and Sudan. U.S. assistance provides a counter-balance by promoting a stable and democratic society. Democratic institutions are developing slowly. Chad is pursuing political reconciliation with former rebel groups and exiled opposition political leaders. Chad hosts over 200,000 refugees from the Darfur region of Sudan. It has played a key role in the international effort to meet their security and humanitarian needs and serves as mediator in peace negotiations between rebel factions and the Sudanese government. A U.S. majority-owned consortium's investment of some \$4 billion in petroleum development in southern Chad and the related Chad-Cameroon pipeline project is among the largest infrastructure projects in Sub-Saharan Africa. Additional U.S. interest arises from the Export-Import Bank's support for the project and international financial institutions' interest in assuring transparency in the allocation of oil revenues and their use to benefit local communities and protect the environment through poverty alleviation programs and project-related environmental safeguards.

Chad is eligible to receive trade benefits under the African Growth and Opportunity Act. Economic Support Funds (ESF) provided in prior years through the Africa Regional Fund and the Education for Development and Democracy Initiative supported commercial law training, educational programs for girls and reforestation.

Respect for human rights and appropriate civil/military relations will be supported through FY 2006 International Military Education and Training (IMET) programs for courses on civil-military relations, military justice, and human rights issues. The IMET program enables U.S. trainers to build important military-to-military contacts that help combat anti-U.S. influences in Chad, encourage an apolitical role based on the rule of law within the Chadian military, and serve as a basis for future counter-terrorism and regional peacekeeping efforts. Chad is a participant in the Pan-Sahel Initiative, which assists Chad along with Mali, Niger and Mauritania to protect their borders, thus supporting the U.S. national security interests of waging war on terrorism and enhancing regional peace and security.

Chad is eligible to receive FY 2006 Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. Grant EDA will be used to help Chad secure its borders through improved communication, mobility for its troops and troop support equipment.

FY 2006 Nonproliferation, Anti-terrorism, Demining, and Related Programs (NADR) funds will enable Chad to continue humanitarian demining operations that eliminate injuries and loss of life, restore land to productive use, and permit improvement of regional infrastructure, thereby advancing opportunities for economic development.

**Comoros**  
(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
IMET	121	80	100

The primary U.S. national interests in the Union of Comoros are promoting democracy and strengthening our counter-terrorism cooperation. Comoros has been plagued by political instability and civil strife through numerous coups and secession attempts since independence from France in 1975. In early 2001, with the assistance of the Organization of African Unity, disputing factions crafted a framework agreement that called for a new constitution based on a confederation arrangement. In a December 2001 referendum, the electorate voted overwhelmingly in favor of the new constitution. The leader of the 1999 bloodless coup, Azali Assoumani, won the national presidential election in April 2002 in flawed but fair elections. President Azali signed a power-sharing agreement with the three island presidents in December 2003 that initiated a plan to settle power sharing disputes and should reduce the instability among the islands. In March and April 2004, a National Assembly was elected in elections international observers deemed free and fair. In October 2004, the National Assembly began working on legislation outlining the power sharing arrangements between Azali and the island presidents. A newly formed Constitutional Court challenged the constitutionality of the law in December 2004, and in January, President Azali called for a special session of the National Assembly to continue working on the bill. Resolution of political instability and cooperation in counter-terrorism activities in the Union of Comoros are the foundation on which we will build to advance other U.S. interests in the Comoros.

The Comoros is a Muslim country with historic trade ties to the Middle East that condemned the September 11, 2001 terrorist attacks on the United States. Comoros-born Fazul Abdullah Mohammed, also known as Harun Fazul, has been indicted in U.S. court for his alleged involvement in the 1998 bombings of the United States Embassies in Dar es Salaam, Tanzania, and Nairobi, Kenya. After several months of discussions with the American Ambassador, President Azali decided to close the offices of Saudi NGO Al-Haramain's offices in Comoros in August 2004. On September 9, the Department of Treasury's Office of Foreign Assets Control designated the Comoros-based branch of Al-Haramain as a terrorist finance organization. On September 28, the United Nations Security Council followed suit. The closure of this organization's operations in Comoros has left a significant aid gap in that country. Proposed Africa Regional Fund ESF projects will target economic development programs. The USG is also establishing an "American Corner" in the University of Comoros library to give young Comorians better access to American culture and values.

Re-educating military factions that have grown accustomed to participating in recurring cycles of armed insurrection is one of the greatest challenges in the Comoros. FY 2006 International Military Education and Training (IMET) programs will help build a professional military that respects civilian rule. These courses include professional military education and training on civil-military relations, military justice and defense resources management. IMET training courses also will contribute to the maintenance of bilateral military-to-military relations in a predominantly Muslim country in which the United States has no resident diplomatic presence. Comoros is eligible to receive Excess Defense Articles (EDA) on a grant basis in FY2006 under Section 516 of the Foreign Assistance Act (FAA). EDA may be used to help improve communications, mobility, and coastal security measures.

## Cote d'Ivoire

(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
GHAI	7,523	20,912	29,906
IMET	-	-	50
P.L. 480 Title II	7,632	-	-

The primary U.S. national interest in Cote d'Ivoire is regional and national stability. To that end, the principal goals are the restoration of peace, the return of civilian rule to areas occupied by rebel forces since September 2002, and the reunification of the country, which has been divided between the government-held south and rebel-held north for over two years. These goals suffered a serious setback in early November 2004, when the Ivoirian government initiated a series of air strikes against rebel-held cities in the North. The situation in Côte d'Ivoire has implications for regional stability as well as terrorism in West Africa. The involvement of ethnic nationals of neighboring countries and concerns for their safety has the potential to involve the entire region in the ongoing strife. Persistent reports of foreign involvement in the fighting contribute to the potential for the conflict to pull in neighboring countries. Following settlement of these issues, ongoing goals are strengthening democracy, restoring economic growth, dealing with refugees and internally displaced persons (IDPs) resulting from regional instability, and combating the spread of HIV/AIDS and child trafficking. The United States will also selectively seek to more actively engage Côte d'Ivoire in the war on terrorism. Until September 2002, Côte d'Ivoire was West Africa's hub for aviation and banking, but now control of its borders is limited and oversight of its financial institutions is weak. Abidjan is host to a large community of overseas Lebanese, some of whom support organizations with terrorist links, including Hizballah.

FY 2006 International Military and Education Training (IMET) funds will be used to assist Cote d'Ivoire's transition to a more stable democracy and focus on human rights, defense resources management, military justice, and civil-military relations. Côte d'Ivoire will be eligible in FY 2006 for Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. Transfer of grant EDA will be used to support the country's efforts to secure its borders and to provide a tangible indication of our cooperative relationship.

USAID has not had a bilateral presence in Côte d'Ivoire for many years because Cote d'Ivoire has a much higher average GDP than most African countries. Several regional programs (including ones to combat trafficking in persons and HIV/AIDS), as well as assistance to internally displaced persons and refugees, were active and will continue through non-governmental organizations in FY 2006.

Cote d'Ivoire is a focus country of the President's Emergency Plan for AIDS Relief (Emergency Plan). In FY 2006, increased Global HIV/AIDS Initiative (GHAI) funding will be provided to expand comprehensive and integrated prevention, care and treatment programs that are further described in Section I under the heading Global HIV/AIDS Initiative.

In December 2004, President Bush determined that Côte d'Ivoire was no longer eligible to continue receiving benefits under the African Growth and Opportunity Act (AGOA). Côte d'Ivoire had initially qualified in 2002 and was again certified as eligible in FY 2004. However, by late 2004 it was decided that the government of Côte d'Ivoire had made insufficient progress in a number of long-standing trade and investment issues, and that the November 2004 ceasefire violation had seriously undermined any possibility of meeting the AGOA eligibility criteria.

Cote d'Ivoire is defined as a Heavily Indebted Poor Country (HIPC), but it must re-engage with the IMF before it is eligible to receive debt relief under the enhanced Heavily Indebted Poor Countries initiative.

## Democratic Republic of Congo

(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
CSH	22,404	24,765	20,950
DA	12,699	8,152	7,427
ESF	4,971	4,960	5,000
IMET	332	157	150
P.L. 480 Title II	30,813	1,863	8,000

Consolidating peace, democratic reform and human rights (particularly those of women and other vulnerable groups) are the most significant U.S. interests in the Democratic Republic of Congo (DRC). Ending the humanitarian crisis, protecting American citizens, economic development and advancing global issues, including health and environmental protection, are issues that will be addressed in pursuit of these interests. The installation of a transitional government in June 2003 and its focus on holding democratic elections in 2005, security sector reform, and a large disarmament, demobilization, and reintegration program have signaled a significant change for the DRC and the Great Lakes region as a whole. Complete and effective government control over all DRC territory, particularly the east, is still to be achieved and remains a key objective of the transition process. As stability and peace returns to the DRC and the Great Lakes region in general, political and economic reform will increasingly become a focus, and will serve to attract additional U.S. investment in the DRC.

The United States worked with the international community to pursue a negotiated end to the war and a transition to democratic rule in the DRC. In 2003, the last foreign troops, including from Rwanda and Uganda, formally withdrew from Congolese territory. In September 2004, the UN Security Council reauthorized for six months the UN peacekeeping operation in the DRC, with an increased troop ceiling of 16,700. A transitional government, which included representatives from all the 1999 Lusaka Agreement signatory parties, as well as the political opposition and civil society, was sworn in July 2003. Outstanding issues including military integration, demobilization and reintegration, a post-transition constitution and elections scheduled for 2005, are being addressed. With peace and security, hundreds of thousands of Congolese in neighboring countries, hundreds of thousands of internally-displaced persons (IDPs), and tens of thousands of demobilized combatants are expected to return to their homes, and will require substantial assistance for successful reintegration.

Returning one of Africa's largest countries to full peace and stability will require significant U.S. investments in support of national elections, the reintegration of former combatants, the return and reintegration of refugees and IDPs, establishment of central government control over vast territories, and promotion of national reconciliation and good governance. FY 2006 Economic Support Funds (ESF) will offer important leverage to attract contributions from other donors and, when used in a timely manner, will help keep DRC's return to stability on track. FY 2006 ESF investments will also help create fertile ground for future promotion of the full range of U.S. interests in this resource-rich country.

FY 2006 International Military Education and Training (IMET) funds will provide training in military justice, human rights, officer and non-commissioned officer professionalism, and other functional areas. Increasing attention will be given to how these programs can most effectively support overall security sector reforms. These training programs will assist in the continued integration and professionalization of the military, composed of former government and rebel troops. IMET will also facilitate military-to-military contact and the establishment of beneficial relations and defense cooperation between the militaries of the DRC and the United States. Expanded International Military Education and Training (E-IMET)

courses will focus on professional training and development in areas of civil-military relations, the rule of law, respect for human rights and defense resources management. The DRC is eligible in FY 2006 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. Grant EDA will be used to support efforts to reform and restructure the military, assist with maintaining internal security and help the DRC begin preparations to participate in peacekeeping activities in the future.

FY 2006 Child Survival and Health (CSH) funds, programmed through non-governmental channels, will support activities addressing child survival, maternal health and mortality, family planning, basic health, HIV/AIDS and other infectious diseases, as well as expand immunization coverage throughout the country. In FY 2006, Development Assistance (DA) funds will be used to support the transition to democracy, accountability and governance, agriculture and food security, victims of gender-based violence and other vulnerable populations, environmental conservation efforts, the reintegration of ex-combatants, and improvement in the quality of basic education. In addition, humanitarian non-food and food assistance will be provided to vulnerable populations to help support the more than 370,000 DRCongolese refugees outside the DRC and prepare for their return and reintegration.

The President determined that the DRC was eligible to receive virtually the full range of trade benefits under the African Growth and Opportunity Act (AGOA) in late 2003, following installation of the transitional government. The DRC does not yet qualify for textile benefits, as it lacks an approved visa scheme to prevent transshipment of textiles from other countries.

**Djibouti**  
(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
ESF	-	1,984	5,000
FMF	6,378	3,968	4,000
IMET	406	325	325
NADR-TIP	271	-	-
P.L. 480 Title II	994	-	-

The primary U.S. national interests in Djibouti are counter-terrorism, security and promoting economic prosperity, development, human rights and democratization. Djibouti hosts the only U.S. military base in sub-Saharan Africa with approximately 1,000 U.S. military personnel physically on the ground at the headquarters for the Combined Joint Task Force-Horn of Africa (CJTF-HOA), which directs Coalition counter-terrorism operations in several countries in East Africa and Yemen, and several hundred more offshore with the Combined Task Force 150 (CTF-150), which is headquartered in Bahrain. A predominantly Muslim country (95 percent) and Arab League member, Djibouti has responded positively to U.S. requests to interdict terrorists, their supporters, and their financial resources. Djibouti is a front-line state in the war on terrorism and stands shoulder-to-shoulder with the United States and its coalition partners.

Djibouti currently hosts military forces from several counter-terrorism coalition partners, including the largest French military base outside of France, and naval contingents from Germany, Spain, and the United Kingdom. Djibouti's deep-water port enhances its usefulness to U.S. military planners. Its location at the strategic straits of Bab el Mandeb at the entrance to the Red Sea directly across the Gulf of Aden from the Arabian Peninsula affords excellent force projection features.

The Arabic language program, Radio Sawaa, currently broadcasts from Djibouti to Sudan and the Middle East 24-hours-per-day, 7 days per week. Two FM channels broadcast the Voice of America (VOA) in Djibouti in Arabic, French and English. In addition, the International Board of Broadcasters (IBB) is currently pursuing an agreement with Djibouti to broadcast Somali-language programming from the two medium-wave transmitters recently rehabilitated by IBB under the Sawaa contract. Negotiations are progressing smoothly, and it is expected that these broadcasts will be on the air by the summer 2005, pending funding. These programs will broadcast in Djibouti, southern Ethiopia and Somalia.

Djibouti is eligible to receive trade benefits under the African Growth and Opportunity Act (AGOA). This offers Djibouti – a low-income country almost devoid of natural resources – an opportunity to develop its trade and investment sectors to generate employment and revenue.

As a result of Djibouti's growing importance to U.S. security concerns in the region, it has received a significant increase in assistance. FY 2006 Economic Support Funds (ESF) will expand existing programs in democracy, education, health and food security, thus advancing existing gains in democracy and development. ESF will also be used to advance Muslim outreach efforts and assist private enterprises around the Port of Djibouti. The U.S. Agency for International Development (USAID) opened a country office in Djibouti in 2003 and will use additional FY 2006 ESF to fund workforce development programs and education programs to increase the country's 40 percent literacy rate.

In order to continue our robust military relationship with Djibouti, the United States continues to provide International Military Education and Training (IMET) in FY 2006 to promote professionalism and respect

for civilian rule. IMET courses include instruction on civil-military relations, military justice, officer professionalism, defense resources management, and coastal security. Djibouti is eligible to receive Excess Defense Articles (EDA) in FY 2006 on a grant basis under Section 516 of the Foreign Assistance Act. Provision of grant EDA such as vehicles, radios, field equipment, patrol vessels and small craft, will support counter-terrorism and other security requirements resulting from Djibouti's upgraded security profile as a front-line state in the war on terrorism.

Djibouti is also a major participant in the East Africa Counter-Terrorism Initiative (EACTI). A critical aim of the EACTI is to enhance border and coastal security and to improve coordination within Coalition forces and with those of neighboring countries. FY 2006 Foreign Military Financing (FMF) will be used to sustain these important efforts, continue programs focusing on regional security and counter-terrorism, and enhance border and coastal security. Specifically, funds will provide services and support defense articles such as: vehicles, small craft and patrol vessels, communications equipment, fencing, guard towers, and night-vision goggles to enhance interoperability with Djiboutian forces. These funds will help Djibouti secure its borders and coastline from the increased threat of terrorism. By helping Djibouti improve its own security, these funds will also enhance force protection for Coalition forces there.



## Equatorial Guinea

(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
IMET	-	-	50

The U.S. national interests in Equatorial Guinea are promoting democracy, good governance, human rights, economic prosperity, and energy security in the context of a flood of petroleum revenues to one of Africa's poorest countries. Democratic institutions are very weak. While the economy has experienced strong petroleum-based growth in recent years, fiscal discipline and transparency are lacking. Equatorial Guinea was also a coup target by outside mercenaries because of its oil wealth, making security a high priority for the country. A top U.S. policy goal is to encourage the Equatorial Guinean Government's investment in the country's health and education programs. The Equatorial Guinean Government has recently requested assistance from the World Bank and International Monetary Fund to increase transparency in its fiscal management. The country's worker and human rights record is poor.

FY 2006 International Military Education and Training (IMET) projects include beginning a program that will increase respect for civilian rule and human rights through the development of a professional military. IMET will also support efforts to ensure regional stability and energy security by enhancing the military's ability to maintain control of its territorial waters. IMET programs would enhance contact between U.S. and Equatorial Guinea military forces and improve understanding and cooperation.

Since December 30, 2002, the President has determined that Equatorial Guinea is ineligible to receive trade benefits under the African Growth and Opportunity Act (AGOA).

**Eritrea**  
(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
CSH	5,000	5,300	5,200
DA	1,739	1,051	781
FMF	-	496	500
IMET	42	450	450
NADR-HD	1,452	2,800	-
P.L. 480 Title II	64,584	35,328	13,137

The primary U.S. national interests in Eritrea are democracy and human rights, humanitarian assistance, and counter-terrorism. The most important U.S. strategic goal is promoting regional stability through the consolidation of the Ethiopian-Eritrean peace process. The United States helped broker the Peace Agreement between Eritrea and Ethiopia following a disastrous two-year conflict that left Eritrea economically devastated and in dire need of humanitarian assistance. Nurturing recovery from the war and overcoming the deep-seated bitterness between the former combatants will require considerable diplomatic and financial support. Eritrea is a coalition partner in the war on terrorism, and has been helpful in the past, but has slowed its active cooperation due to the erroneous perception that the United States sided with Ethiopia on the border dispute. The Eritrean position toward the United States has begun to change as a result of USG efforts. As a result, the Eritrean military now claims it is ready to assist the counter-terrorism effort and has offered use of its facilities for logistical and/or operational purposes.

However, Eritrea's position on U.S. policy on its border dispute and its troubling record on democratization and human rights will remain obstacles to improved relations. Eritrea was designated a "Country of Particular Concern" (CPC) for its lack of respect for freedom of religion. A stronger bilateral relationship with Eritrea would be advantageous to both the United States and Eritrea and is the preferred avenue we have for tackling these serious concerns.

Eritrea's deteriorating human rights and democracy performance as well as its role in the war on terrorism is taken into account in programming FY 2006 International Military Education and Training (IMET) and FY 2006 Foreign Military Funding (FMF) funds. FY 2006 IMET funds will provide training on civil-military relations, military justice, officer professionalism, and human rights. IMET may also include naval and coast guard courses in support of coastal security counter-terrorism cooperation. The IMET program enables U.S. trainers to build important military-to-military contacts that strengthen the rule of law within the Eritrean military and serve as a basis for regional peacekeeping efforts. FY 2006 FMF funds will finance procurement of coastal security and related counter-terrorism training and equipment, such as patrol craft, enabling the Eritreans to continue their important participation in counter-terrorism activities.

The FY 2006 Development Assistance (DA) resources will finance economic growth, citizen participation, and agriculture. FY 2006 Child Survival and Health Programs (CSH) will support increased access to quality health care services, including safe births, immunization, and prevention of malaria and HIV/AIDS. The range of specific goals includes integrated management of childhood illness, HIV/AIDS prevention, and malaria surveillance, as well as addressing the acute shortage of health care personnel. USG support to the Eritrean health sector over the past five years has contributed to decreasing morbidity due to malaria by 86.5 percent and mortality due to malaria by 85 percent. Substantial improvements in immunization coverage and an apparent stabilization of HIV prevalence has also occurred.

Eritrea was eligible for African Growth and Opportunity Act (AGOA) benefits in 2002 and 2003, but lost its eligibility in December 2003 because of its poor performance.

Eritrea will be eligible to receive Excess Defense Articles (EDA) in FY 2006 on a grant basis under Section 516 of the Foreign Assistance Act. EDA will be used to help strengthen Eritrea's demining and counter-terrorism programs by providing such items as vehicles and field equipment.

**Ethiopia**  
(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
CSH	33,600	20,490	20,590
DA	18,426	30,500	-
ESF	3,971	4,960	5,000
FMF	2,480	1,984	2,000
GHAI	15,231	55,560	91,855
IMET	542	600	600
P.L. 480 Title II	271,024	50,333	22,027
TI	-	-	25,000

Primary U.S. interests in Ethiopia include ensuring counter-terrorism support, promoting economic growth, fostering democracy and respect for human rights, supporting regional stability, and alleviating human suffering. Ethiopia is an African front-line state in the war on terrorism, supporting efforts to apprehend terrorists in Ethiopia and beyond. U.S. support (financial, diplomatic, political) is needed to keep the peace process between Ethiopia and Eritrea on track. Ethiopia's young democratic institutions are fragile and need U.S. support to grow and mature. In FY 2006, Ethiopia will receive funding from USAID's Transition Initiatives account (TI), which provides support to countries, usually fragile states, which are in transition from crisis to development. This account provides a mechanism that retains the responsiveness and flexibility of humanitarian aid, but with a focus on addressing the causes of fragility, advancing democratic governance and managing conflict with transition environments. In Ethiopia, the cycle of famine has repeated itself over the last 30 years, necessitating substantial and cyclical emergency food aid. USAID has developed a strategy to manage the transition from a largely emergency response program to one that proactively builds capacity to prevent famine by increasing capacity of the government, the private sector, nongovernmental organizations, communities and households to generate economic growth and to build a foundation for permanently reducing famine vulnerability, hunger and poverty. The Transition Initiatives account will complement food aid (food for work, food for relief) to support the growth of effective and sustainable markets and provide the chronically food insecure with income generation opportunities. Finally, it is in the U.S. interest to assist Ethiopia to combat the devastating effect of the AIDS pandemic; Ethiopia has one of the highest numbers of HIV-positive adults in the world.

The Horn of Africa is a turbulent region. In addition to facing domestic challenges, Ethiopia must contend with neighbors who are emerging from civil war (Sudan), have no central government (Somalia), and have fought with Ethiopia in the past (Eritrea). Ethiopia's severe poverty, exacerbated by recurrent drought conditions, makes it difficult for the country to feed its relatively large population. Past U.S. food assistance has saved millions of lives. However, the current drought-induced food shortage in Ethiopia has left approximately 15 million people in need of food assistance in FY 2005. The long-term effects of the food crisis will continue to be felt in FY 2006.

The most important short-term goal of the United States is the demarcation of the Ethiopia-Eritrea boundary and full implementation of the peace agreement between the two antagonists. Renewed conflict would set back U.S. bilateral relations with Ethiopia, potentially endangering counter-terrorism cooperation and negatively affecting the region.

Ethiopia anchors regional organizations and programs such as the Intergovernmental Authority on Development (IGAD), the Greater Horn of Africa Initiative, the World Bank's Nile Basin Initiative, and the headquarters of the African Union. U.S. support for these organizations and activities will improve

prospects for stability throughout the greater Horn and promote regional and Ethiopian economic development and democratization.

A long-term U.S. goal is to eradicate sources of terrorism in the region in order to protect U.S. national security. Ethiopia has provided outstanding cooperation in the war on terrorism. Ethiopia enhanced security for the U.S. Embassy, shut down avenues of terrorist funding, and is cooperating in the effort to counter terrorism in and emanating from Somalia. To diminish the opportunities for terrorists to exploit poverty and other societal divisions, FY 2006 Economic Support Funds (ESF) will be used to support programs on good governance and respect for human rights, anti-corruption activities, trade competitiveness, reform of the banking and capital market systems. FY 2006 ESF will also be used for conflict mitigation programs in troubled regions of the country, such as Gambella, and to support the regional and local elections that follow the national elections in May 2005. ESF funds will be used to help prevent trafficking in persons and to strengthen civil society and local government decentralization.

Ethiopia has a large and professional military that has provided support for the war on terrorism (including an offer of troops for the US-led effort in Afghanistan). It is the fifth largest contributor to United Nations peacekeeping missions around the world. The United States will use the African Contingency Operations Training and Assistance (ACOTA) Program, along with other military assistance funding to increase Ethiopia's capacity and willingness to participate in future peacekeeping missions. Although not a member of the International Criminal Court, Ethiopia signed an Article 98 agreement on October 8, 2004, which is awaiting ratification by the Parliament. FY 2006 International Military Education and Training (IMET) funds will be used for training that will further increase the professionalism of the Ethiopian military, focusing on senior level professional military education courses (War College and Command and General Staff level schools) and instructor training to assist in the development of Ethiopia's own military training institutions. FY 2006 Foreign Military Financing (FMF) will be used to provide Ethiopia with additional equipment and spare parts to increase its counter-terrorism and peacekeeping abilities and to finance the existing vehicle and C-130 aircraft maintenance contracts. Ethiopia is eligible in FY 2006 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. EDA will be used to enhance Ethiopia's ability to control its borders with Sudan and Somalia, execute humanitarian mine action operations and participate in regional peacekeeping missions.

In FY 2006, TI funding will support sustained economic growth through agricultural programs and enable private sector growth, building on programs started with DA funds. The challenges are enormous, but food security policy reforms are underway with the USG's strong encouragement. The problem of chronic food insecurity will be addressed in efforts to focus Government of Ethiopia programs on the poorest rural households, using both TI and innovative programming of P.L. 480 resources. The latter will assist micro-enterprise development at the community level, and food for education will encourage families to keep primary school-age children in school. TI funds will strengthen public finance management systems, improve the capacity of public sector managers and improve planning. Funds will also be used to improve livelihoods for pastoralists and agro-pastoralists in southern Ethiopia, and to mitigate the effects of disaster, thus promoting U.S. humanitarian interests. Twenty teacher education institutes and other programs such as in-service training for principals to improve the quality of basic education will be supported with TI in FY 2006.

FY 2006 Child Survival and Health (CSH)-funded population programs will continue to assist family planning efforts to slow Ethiopia's population growth, which at present outstrips the growth of agricultural production. CSH funds also will be used to build capacity in the health system, improve maternal nutrition using Vitamin A supplements, improve child health through breast feeding programs, immunizations and nutritional supplements, as well as combat infectious diseases such as tuberculosis and malaria using treated bed-nets and other programs. CSH funds will also be used in conjunction with DA funds to improve emergency preparedness contingency planning at the local level and disaster mitigation.

Ethiopia is a focus country of the President's Emergency Plan for AIDS Relief (Emergency Plan). In FY 2006, increased Global HIV/AIDS Initiative (GHAI) funding will be provided to expand comprehensive and integrated prevention, care and treatment programs, which are further described in Section I under the heading Global HIV/AIDS Initiative.

Ethiopia is a Heavily Indebted Poor Country (HIPC). In 2004, it qualified for debt reduction from its Paris Club creditors under the enhanced HIPC initiative, which resulted in a dramatic reduction in its external debt, including to the United States.

**Gabon**  
(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
IMET	283	210	200
Peace Corps	2,372	2,500	2,609

U.S. national interests in Gabon are democracy, good governance, economic prosperity, the protection of American citizens, mutual understanding, and the conservation, through responsible management and sustainable use, of rich environmental resources. Bilateral military cooperation is important and enhanced through the use of Gabon as a safe haven and staging base for regional evacuations of U.S. citizens in case of need. The United States and Gabon cooperate through combined military exercises and training, which will be strengthened since Gabon has been named eligible to participate in the African Contingency Operations Training and Assistance (ACOTA) program. Gabon has been influential in promoting regional stability through mediation of regional conflicts.

The United States seeks to strengthen Gabon's democratic institutions, particularly the election process. Organizational flaws and problems with the application of electoral law marked the December 2002 legislative elections. Since the December 2005 presidential elections will be an important test of the electoral process, the United States has sought to improve election administration through Economic Support Fund (ESF) grants channeled through the Africa Regional Fund. The United States will continue to support Gabon's involvement in mediation efforts that promote regional stability and Gabon's efforts to protect its environment through projects developed in synergy with the President's Congo Basin Forest Partnership (CBFP) initiative. The United States is also encouraging Gabon to reform and diversify its economy as oil production declines, as well as open doors to U.S. investment and exports. We support ongoing privatization efforts. Gabon's Stand-by Arrangement with the IMF will help promote these goals. In June 2004, the United States participated in a Paris Club debt rescheduling agreement with Gabon, and expects to conclude the implementing bilateral agreement in early 2005.

Close military cooperation enhances Gabon's role as a regional peacekeeping leader under the African Union Regional Brigade concept. The FY 2006 International Military Education and Training (IMET) program will increase understanding and defense cooperation between the United States and Gabon through programs in military justice, staff training, defense resources management, military health affairs, officer and non-commissioned officer professionalism, and English language training.

In FY 2006, Gabon is eligible in to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. Grant EDA can help support modernization of Gabon's military and participation in peacekeeping efforts; it can also help strengthen coastal security. The EDA program will reinforce the U.S.-Gabon political/military relationship, thereby also reinforcing appropriate civil-military relations.

Gabon is eligible to receive trade benefits under the African Growth and Opportunity Act (AGOA).

**Gambia**  
(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
IMET	183	75	100
P.L. 480 Title II	485	-	-
Peace Corps	1,936	1,886	1,906

The major U.S. interests in The Gambia are democracy, human rights and humanitarian concerns. The Gambia's presidential and legislative elections in 2001 and 2002 were internationally recognized as free and fair, despite some shortcomings. Recognizing The Gambia's progress in consolidating its constitutional democracy in 2002, the United States lifted sanctions resulting from Section 508 of the Foreign Assistance Act and made it eligible for African Growth and Opportunity Act (AGOA) benefits. The President of The Gambia, Yahya Jammeh, spoke out strongly in support of the war on terrorism and has instituted laws to block terrorist financing. The Gambia was among the first countries in Africa to sign an Article 98 agreement with the United States. It is in the interest of the United States to remain engaged with The Gambia to promote democratic reforms.

The FY 2006 African Regional Economic Support Fund (ESF) request for The Gambia will focus on support for democratization, market-based economic reforms, and humanitarian assistance. It will support efforts to maintain a strong independent media. ESF assistance will also be targeted to strengthening political parties and the Independent Electoral Committee in advance of the 2006 presidential and 2007 legislative elections. This will build on work that was done with previous ESF funds that helped strengthen the national parliament.

FY 2006 International Military Education and Training (IMET) funds will be used to encourage the efforts of the military leadership and the country's civilian government to return the military to its traditionally constructive role. The Gambia is eligible in FY 2006 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. Provision of grant EDA may be used to support The Gambia's participation in peacekeeping operations. Gambian troops play an important role in regional peacekeeping missions, including a company of Gambians that has recently deployed in Darfur. Previously, Gambians have participated in peacekeeping missions in Sierra Leone, East Timor, Kosovo and peacekeeping missions in Liberia.

The Gambia is a member of the Economic Community of West African States (ECOWAS) and the African Union (AU). It has received substantial reductions in debt payments and associated stabilization assistance from multilateral lending institutions through the Heavily Indebted Poor Countries Initiative.



**Ghana**  
(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
CSH	18,620	18,920	18,000
DA	18,645	17,443	11,500
FMF	737	496	500
IMET	921	595	575
P.L. 480 Title II	17,663	18,206	22,421
Peace Corps	2,545	2,824	2,848

The primary U.S. interests in Ghana are democracy, human rights and humanitarian concerns, particularly HIV/AIDS, and regional security. Ghana is the fourth largest market for U.S. exports in sub-Saharan Africa and has the capability of attracting new U.S. investment. Its successful series of multi-party elections over the last decade make Ghana a model for regional stability. Ghana also has a proud history of military professionalism and peacekeeping, especially in West Africa, a tradition that continues with Ghana's January 2003 contribution to the Economic Community of West African States (ECOWAS) peacekeeping force in Cote d'Ivoire, and its summer 2003 deployment to Liberia to participate in the UN peacekeeping mission there. Ghana's national HIV/AIDS prevalence among the adult population is 3.64 percent.

FY 2006 Child Survival and Health (CSH) funding will support activities to reduce the rate of HIV/AIDS transmission through aggressive workplace-based education of workers and employers and by training community-health NGO's, funding mass media AIDS awareness campaigns, and distributing condoms to the most at-risk populations. Prevention of mother-to-child transmission through anti-retroviral therapy provided to pregnant mothers will be funded, as will voluntary counseling and testing services. CSH funding will also improve access to family planning services, generate demand for such services through social marketing, and improve basic public health care by placing trained nurses in local communities. Childhood immunizations, the continued development of an Integrated Disease Surveillance system, and the continued combat against malaria in concert with the Ministry of Health are also parts of the program.

FY 2006 Development Assistance (DA) funds will be used to promote fiscal reform, plan financial/exchange rate market reforms, establish commercial dispute mediation services, and promote investment-oriented regulatory reforms. DA funds will also be used to strengthen local government and parliament by tackling corruption and improving transparency by training non-governmental organizations (NGOs) to fulfill a "public watchdog" role. DA will continue to fund Ministry of Education efforts to improve access to and the quality of public schools. Aside from the intrinsic value of education, more children in school plays a role in preventing child labor. Africa Regional ESF funding for FY 2006 will continue to strengthen democratic institutions by supporting conflict prevention, strengthening parliament, expanding women's rights and people with disabilities advocacy, as well as bolstering the Electoral Commission.

In FY 2006, Foreign Military Financing (FMF) will support strategic interests in regional stability, counter-terrorism, democracy, and health and expand the peacekeeping roles of the Ghanaian military in the region. To maintain Ghana's leadership in regional peacekeeping, international crime prevention, and counter-terrorist activities, the funds will be used to purchase vehicles, transport spares, communications equipment, and maintenance support. Ghana is eligible in FY 2006 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. During previous fiscal years, Ghana received several surplus naval transports under the EDA program that are of particular value in supporting regional peacekeeping and humanitarian missions. These transports improved Ghana's ability to sustain regional

peacekeeping operations and conduct coastal patrols to reduce smuggling and illegal fishing in its territorial waters. Shifts in international crime patterns will mean that Ghana will need to play an increasing role in prevention. EDA can provide needed equipment to support that enhanced crime prevention role.

In FY 2006, the International Military Education and Training (IMET) program will continue to enhance the professional, technical and tactical proficiency of the Ghanaian Armed Forces through U.S. professional military education courses. IMET will focus on the continued development of effective civilian (Defense Ministry and Parliament) oversight of the military and efficient defense resource management. Furthermore, IMET enhances the capacity of the armed forces to effectively participate in peace support operations. The African Contingency Operations Training and Assistance program (ACOTA), the successor to the African Crisis Response Initiative (ACRI), provides training and other crisis response assistance to contingents of the Ghanaian Armed Forces. Such training enhances Ghanaian peacekeeping support and humanitarian relief operations capacity. IMET, ACOTA, and FMF were all crucial in providing Ghana the equipment, training, and ability to deploy a robust, professional peacekeeping unit to Cote d'Ivoire and Liberia in 2003.

Ghana's commitment to peacekeeping is evidenced by the country's establishment of the Kofi Annan International Peacekeeping Center, which is a regional training center for Economic Community of West African States (ECOWAS) peace support operations. The Enhanced International Peacekeeping Capabilities (EIPC) program and ACOTA have provided training and equipment for the center.

Because of Ghana's role in regional stability (IMET and FMF), its record continuous Peace Corps program and the measurable results of past Development Assistance (DA), Child Survival and Health (CSH), and Africa Regional Economic Support Funds (ESF), assistance to Ghana continues to be vital to U.S. national interests.

**Guinea**  
(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
CSH	6,350	6,950	6,650
DA	12,505	7,922	10,888
IMET	482	350	350
P.L. 480 Title II	10,688	7,180	3,500
Peace Corps	2,543	2,483	2,619

The primary U.S. national interest in Guinea continues to be the development of a stable democracy. Guinea was host to roughly 200,000 refugees from regional conflicts in recent years. Significant accomplishments in repatriation and integration have been realized, although the continuing conflict in Cote d'Ivoire and gradual rebuilding efforts in Liberia and Sierra Leone continue to make Guinea's openness to humanitarian response an important aspect of the USG's relationship with Guinea. If further refugee issues arise, the United States will again contribute to humanitarian solutions as well as help Guinea defend its borders against aggression by its neighbors. Peace requires the expansion of democracy, good governance, respect for human rights and economic development. Guinea has publicly supported U.S. anti-terrorism initiatives and has ratified 11 United Nation conventions on terrorism.

The bilateral assistance program focuses on: improving natural resources management and incomes in rural areas; providing quality basic education to a larger percentage of Guinean children, with emphasis on girls and rural children; improving the health and welfare of women and children, and preventing the transmission of HIV/AIDS; and fostering progress in democracy by bolstering civil society organizations, transparent good governance at the local level, and strengthening electoral practices and conduct. FY 2006 Development Assistance (DA) funding will address local capacity building, sustainable agricultural production, and off-farm income-generating activities to support food security and economic growth in target communities, while fostering a supportive policy environment. DA funds will support Guinea's Ministry of Education in providing quality primary education to Guinea's 1.4 million children, through technical assistance, teacher training, instructional materials, interactive radio instruction, and reinforcement of civil society organizations such as parent/teacher associations. The monies also will target citizen participation in improving local governance and fund civic education programs throughout the country.

FY 2006 Child Survival and Health (CSH) funds will boost the routine immunization program for children, increase access to oral rehydration salts and Vitamin A, increase access to high-quality treatment for sexually transmitted infections, promote better family planning, and support behavior change communication interventions in areas of the country with high-prevalence of HIV/AIDS. The Peace Corps continues to play an active role in health care, HIV/AIDS prevention, and education. Regional Special Self Help (SSH) funds will continue to support regional grants for community development activities in conjunction with local organizations. Similarly, the Democracy and Human Rights Fund (DHRF) will continue to be used to provide assistance to local non-governmental organizations (NGOs) in reinforcing democratic values and human rights.

In FY 2006, the International Military Education and Training (IMET) program will pursue its emphasis on the military's role as an institution that is accountable to the public. IMET courses will focus on civilian control of the military and respect for basic human rights, through training and seminars involving the military, civilian leaders and NGOs. In FY 2006, the program's objectives will be the establishment of a HIV/AIDS policy for the Guinean military, peer education, promotion of HIV awareness, creation of

voluntary counseling and testing facilities, and behavior change in military personnel. Guinea will be eligible in 2006 to receive Excess Defense Articles on a grant basis under Section 516 of the Foreign Assistance Act.

Guinea has been eligible for trade benefits under the African Growth and Opportunity Act (AGOA) since 2000. Though Guinea has not attracted the private foreign investment needed to benefit substantially from AGOA, it recognizes AGOA's potential value. To retain its AGOA eligibility, Guinea will need to continue its efforts to reform the criminal justice system, hold transparent and free elections, and discontinue support to the Liberians United for Reconciliation and Democracy (LURD) rebel group. In addition, Guinea needs to pursue sound economic management policies, implement a poverty reduction program, and insure that investors benefit from transparent rule of law.

Guinea is also defined as a Heavily Indebted Poor Country (HIPC). It received interim debt relief under the enhanced HIPC initiative from its Paris Club creditors (including the United States) from late 2000 until early 2003 due to its failure to meet the conditions of its International Monetary Fund (IMF) program. Guinea must re-establish a track record of good performance on an IMF program before it is eligible to receive further debt relief from its Paris Club creditors.

## Guinea-Bissau

(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
IMET	-	100	100
NADR-SALW	-	200	-

Struggling to re-emerge as a democratic society following a 1998-99 internal conflict, Guinea-Bissau has ruined infrastructure, bankrupt public finance, widely dispersed unexploded ordinance and landmines, and months of salary arrears owed to public employees. Stability in this vulnerable, fragile state is important to regional stability due to its porous borders and its historical ties to separatist groups in Senegal's Casamance region. The United States lifted Section 508 sanctions in August 2004, following the inauguration of a democratically elected Prime Minister, Carlos Domingos Gomes Junior, in May 2004. 508 Sanctions were imposed following a bloodless coup in 2003. The government has steered the country towards improved relations with the international community, emergency measures to control public finances, and successful legislative elections that were held in March 2004. While moving slowly to achieve stability, promote economic development, and institutionalize recent democratic advances, Guinea-Bissau remains troubled by an outdated, bloated and undemocratic military; an oversized civil service with few private sector job alternatives; and a serious lack of resources and capacity in the justice sector. According to the World Bank 2003 figures, per capita income in the country is only \$150, making it one of the poorest countries in the world.

FY 2006 International Military Education and Training (IMET) funds will be used to expose military officers and their civilian counterparts to democratic values, respect for individual civil and human rights, and the rule of law. Additionally, military personnel will be taught the principles behind civilian control of military and proper civil-military relations in a democracy and how to manage defense resources. Guinea-Bissau is eligible to receive Excess Defense Articles (EDA) in FY 2006 on a grant basis under Section 516 of the Foreign Assistance Act.

Regional Economic Support Funds (ESF) and Development Assistance (DA) supported a project by a U.S. Non-Governmental Organization, Enterprise Works, to train local entrepreneurs in improved techniques for cashew processing and marketing, and to help with local production of machines and equipment needed to process cashews for market. The program has significantly increased the value added from cashews and provides labor for hundreds of Bissau-Guineans. Another regional program assists refugees, displaced persons and host communities in Guinea-Bissau. FY 2004 Africa Regional ESF was allocated to assist the parliament, an important sovereign institution re-starting its activity following its November 2002 dissolution by former President Yala.

The Ambassador's Special Self-Help fund is available to support local development projects each year. Democracy and Human Rights Fund projects for FY 2006 will improve capacity in the justice system, combat female genital mutilation, and achieve other goals.

Guinea-Bissau is a member of the Economic Community of West African States (ECOWAS) and the African Union (AU). Discussions are currently underway with the International Monetary Fund and Paris Club donors to establish Heavily Indebted Poor Countries completion point conditions to qualify for further debt relief. While Guinea-Bissau remains eligible for trade benefits under AGOA, it lacks the business expertise and technical capacity to develop AGOA-related exports.

**Kenya**  
(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
CSH	34,877	12,600	12,300
DA	12,001	15,782	16,344
ESF	7,953	8,928	8,000
FMF	6,635	6,944	7,000
GHAI	34,631	107,020	162,348
IMET	638	650	650
NADR-ATA	-	4,000	3,000
NADR-EXBS	1,088	50	300
NADR-TIP	400	-	-
P.L. 480 Title II	41,342	21,736	11,657
Peace Corps	2,937	3,085	2,963

Counter-terrorism, improved governance and economic growth, reduction of disease and poverty, and promotion of human rights are the principal U.S. interests in Kenya.

Kenya is the linchpin of East African stability and security. Kenyan support for the war on terrorism has been solid and wholehearted, a reflection of national values and recognition that Kenya has twice been a target of deadly al Qaeda attacks in Nairobi in 1998 and in Mombasa in 2002. Kenya remains a principal point of access for U.S. military and relief operations within the region. A vital partner in the global war on terrorism, Kenya also demonstrates regional leadership in peacekeeping and diplomacy. Kenya has led the Inter-Governmental Authority on Development (IGAD) peace process on Sudan and Somalia. Kenya is among the top troop-contributing nations for U.N. operations and does not shy away from difficult assignments like Sierra Leone, Darfur, and the Democratic Republic of Congo. Kenya was instrumental in achieving the Sudan North-South Peace Accord, which was signed on January 9, 2005. The Somalia process has resulted in the establishment of a Transitional Federal Authority. A top U.S. priority in the coming years is the increasingly close relationship with Kenya on counter-terrorism (CT) initiatives. Kenya is a key partner in the Presidential East Africa Counter-Terrorism Initiative (EACTI) and is a front-line state in the fight against terrorism.

In late 2002, Kenya undertook its most important political transition in its 38 years as an independent nation. Incumbent President Daniel arap Moi stepped down to allow former opposition leader Mwai Kibaki, who was chosen in multiparty elections, to assume the presidency. This democratic transition was free, fair, and without significant violence, strengthening liberty and human rights for Kenya's 30 million people. The United States is working closely with the Government of Kenya (GOK) to support its work to consolidate these gains and safeguard its fragile democracy for the future.

Kenya remains the engine of East African economic growth, despite a recent history of economic stagnation and corruption, and is the region's transportation and communication hub. President Kibaki and his cabinet have made clear their commitment to the improvement of governance, essential to allow renewed economic growth. The United States and other donors are committed to assist in this effort as long as the Kenyan Government demonstrates the political will to transform its intention into concrete action.

Two of the greatest challenges facing President Kibaki and the GOK are to change a pattern of governance in which public office has been used for private gain and to re-invigorate a stagnant economy that falls far

short of fully utilizing Kenya's potential. The United States will undertake a higher level of engagement to assist the Kenyan leadership in meeting these challenges. FY 2006 Development Assistance (DA) will be provided in the form of technical assistance and capacity building grants to local non-governmental organizations (NGOs) to increase the effectiveness of private sector and civil society organizations, enhance the independence of the parliament, and continue to promote a transparent and competitive electoral process. Economic Support Funds (ESF) for FY 2006 will help Kenya strengthen democratic institutions, support Kenya's nascent anticorruption campaign and assist critical economic and government reform programs. ESF will reinforce Kenya's counter-terrorism capacity, improve its legal system and enhance the government's interaction with marginalized Muslim communities along the Swahili coast. ESF buttresses Kenya's vital regional leadership as mediator in the Somalia and Sudan peace processes. The Non-proliferation, Anti-Terrorism, Demining and Related Programs' (NADR) funds will be used to enhance the ability of Kenya's legal system to deal with cases of special importance (such as those related to terrorism), which will also involve basic capacity-building activities. They will also be employed to train and equip law enforcement agencies for counterterrorist activities and to strengthen Kenya's export control system.

Closely aligned with this goal is AIDS relief. Kenya is a focus country of the President's Emergency Plan for AIDS Relief (Emergency Plan). In FY 2006, increased Global HIV/AIDS Initiative (GHAI) funding will be provided to expand comprehensive and integrated prevention, care and treatment programs, which are further described in Section I under the heading Global HIV/AIDS Initiative.

Sustained International Military Education and Training (IMET) funding and Foreign Military Financing (FMF) funding will enhance Kenya's counter-terrorism capabilities, its border and coastal security, and its peacekeeping capacity. FY 2006 FMF funds will be used to procure new and maintain previously purchased U.S.-origin patrol craft, supplies, individual-soldier equipment, weapons, communications equipment night vision devices, radars/sensors, medical equipment vehicles, maintenance, and repair and spare parts for military systems. Funds will also bolster air base operations and maintenance training. FY 2006 IMET funding will be used to increase the professionalism of the Kenyan military and to provide specialized border and coastal security training. Kenya will be eligible in FY 2006 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. Equipment received under this program will support Kenya's peacekeeping and counterterrorism efforts.

As Kenya continues to add jobs using the benefits of the African Growth and Opportunity Act (AGOA), the United States will continue its work to help the Kenyan people achieve greater rates of economic growth and overcome disease and poverty. Successful Development Assistance (DA) and Child Survival and Health (CSH)-funded operations to improve child health and reduce fertility rates will continue, as will efforts to increase rural household incomes for agricultural smallholders and micro-enterprise entrepreneurs. Previous work in these fields has already reduced child mortality, fertility rates, and rural poverty. Growth of rural incomes will be encouraged through improvements in productivity (including use of biotechnology), market access, and private sector management of key commodities. DA will also be used for improving natural resources management to protect Kenya's wildlife and the important tourism industry that wildlife attracts. All these programs will provide technical assistance as well as grants to local NGOs to build capacity.

**Lesotho**  
(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
IMET	-	50	50
P.L. 480 Title II	1,339	-	-
Peace Corps	2,282	2,484	2,498

The priority U.S. interests in Lesotho are helping Lesotho combat HIV/AIDS, fostering economic development and advancing democratization. Assisting Lesotho in its efforts to address the HIV/AIDS crisis, improve its economy, and strengthen its democratic foundations will serve to enhance regional security and lay the groundwork for continued national and regional economic stability. The United States is also working to address food security in Lesotho. The “Mountain Kingdom” has received high-level attention from Ambassador Robert Zoellick and Millennium Challenge Corporation CEO Paul Applegarth, both of whom visited in late 2004.

The HIV/AIDS crisis poses a serious threat to Lesotho's social, political, and economic future. Through USAID's Regional HIV/AIDS Program Office in Pretoria, the USG provides funding for public awareness, educational activities, and voluntary counseling and testing, and seeks to extend programs with additional funding. The Department of Defense also offers assistance to the Lesotho military in the fight against HIV/AIDS through its Department of Defense HIV/AIDS Prevention Program (DHAPP), including more than \$50,000 worth of equipment and supplies in FY 2003-2004. Lesotho benefits from regional Child Survival and Health (CSH) funds. These funds provide technical assistance to strengthen the ability of non-governmental organizations and the private sector to respond to increased demand for HIV/AIDS information and services, with a particular emphasis on high-traffic corridors.

Lesotho qualified to compete for Millennium Challenge Account funding and is eligible to compete for both FY 2004 and FY 2005 funding. Lesotho is also eligible to receive trade benefits under the African Growth and Opportunity Act (AGOA), and in April 2001 it was granted AGOA apparel benefits that are still in force. Phenomenal growth in the textile industry resulted in an increase of employment in the industry from 20,000 in 2001 to more than 50,000 in 2004, making the country the largest exporter of textiles to the United States under AGOA. Lesotho's dependence on one export product, textiles, dominated by one market destination, the United States, renders it vulnerable to changes in international trade regimes. For example, the end of the Multi-Fiber Agreement (MFA) will likely increase competition from China. Efforts are underway to increase Lesotho's competitiveness through diversification under AGOA, and moving to high end products for American niche markets. Regional ESF funding will assist Lesotho in exploring diversification issues and the impact of the end of the MFA. Lesotho is a member of the Southern Africa Customs Union (SACU), which is currently negotiating a Free Trade Agreement with the United States, and of the Southern African Development Community (SADC).

Through various programs, the USG assists Lesotho's consolidation of democracy. USAID funding will facilitate the organization of/preparations for the country's first-ever local elections scheduled to be held in the first half of 2005. Various Lesotho law enforcement agencies/organizations including the Lesotho Mounted Police Service, the Lesotho Revenue Authority (LRA) and the Directorate on Corruption and Economic Offenses (DCEO) have sent officials to various courses offered by the International Law Enforcement Academy (ILEA).

A stable military is an important element in Lesotho's democratic development, and we maintain an interest in its professionalization. Although Lesotho's failure to sign an Article 98 agreement constrains USG policies, the USG supports development of the Lesotho Defense Force (LDF). If reinstated, FY 2006



International Military Education and Training (IMET) funds will continue to support education programs emphasizing leadership, management, civil/military relations, and human rights training. LDF and Ministry of Defense officers participate in the Africa Center for Strategic Studies (ACSS) seminars.

**Liberia**  
(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
CSH	2,819	4,471	2,900
DA	-	6,854	7,858
ESF	-	24,800	75,000
FMF	-	2,976	2,000
IDFA-SUP	200,000	-	-
INCLE	-	5,000	2,000
NADR-SALW	160	-	-
P.L. 480 Title II	21,532	5,452	-

The United States is playing a successful leading role in helping Liberia recover from almost 20 years of civil war, generations of corruption, and a near-total absence of government services and of respect for human rights and the rule of law. With the departure of Charles Taylor and the establishment of a comprehensive peace agreement and transitional government, substantial Economic Support Funds (ESF) will continue to support fundamental needs in a country that can serve as a model for promoting democratic, free-market reforms and U.S. influence in Africa. The needs will include the continued reintegration of child soldiers and other former combatants into society; local election preparations; judicial and rule of law programs; education and literacy; customs, tax, auditing, and budgetary reforms; aviation safety; privatization of Liberia's parastatals and utilities; development of a private sector through microcredit grants and loan programs; a World Trade Organization (WTO)-compatible trade and investment framework; and sustainable and transparent management of natural resources, including forest management under the President's Initiative Against Illegal Logging. Substantial progress in these areas ultimately could lead to Liberia's accession to benefits under the African Growth and Opportunity Act (AGOA) and access to the Millennium Challenge Account (MCA).

The United States is supporting UN peacekeeping operations, and efforts to establish an effective Liberian government and to restore Liberia's capacity to provide for its own security. We are committed to assist a reformed and streamlined Liberian military become an effective civilian-led force, to provide border control and interdict arms traffickers and regional paramilitaries. Liberia has only minimal law enforcement and military infrastructure, and has little capability to control its borders or to enforce customs and other laws. Its alluvial diamond fields and forests have attracted significant illicit commercial activity. Development of a credible, competent police force will be a priority and will help restore civil order, promote the rule of law, and improve public confidence in government. International Narcotics Control and Law Enforcement (INCLE) funds will be used to continue to assist Liberia's development of a credible and competent police force and functioning judicial institutions, the implementation of anti-corruption measures, and prison reform.

Following two decades of civil strife, the transitional government has made the creation of a professional, apolitical military one of the cornerstones for building a stable and democratic Liberia. The USG will use robust Peacekeeping Operations (PKO) and Foreign Military Financing (FMF) programs to help build a strong bond between the new Armed Forces of Liberia and the U.S. Armed Forces. FY 2006 FMF funds will be used in support of ongoing security sector reform efforts and for purchases of critical equipment and spare parts as well as training for existing equipment. Liberia is eligible in FY 2006 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. EDA grants will be used to reform Liberia's military. Programming of these funds for these purposes will begin to provide the exit strategy for the UN Mission in Liberia (UNMIL).

In FY 2006, USAID will use Development Assistance (DA) to expand its community-focused, post-war rehabilitation and reconstruction activities. In addition to programs that encourage ex-combatants and other war-affected persons to return to their communities of origin, these war-affected persons will receive training in agriculture, masonry, roof tiling, and business skills. USAID will expand activities to diversify crops and increase market access; train newly elected government officials; and establish a leadership development program for college and post-graduate training to fill the vacuum left by years of war and corruption. USAID will continue to strengthen civil society organizations, with an added focus on business associations that can advocate for an enabling environment for private sector development. USAID will work to improve the quality of basic education in a country of 85 percent illiteracy by providing equipment, textbooks, and technical assistance to the Education Ministry thus building the education system's capacity to provide in-service teacher training, develop curriculum, and improve access for all students.

In FY 2006, USAID will use Child Survival and Health funds (CSH) to expand its primary and reproductive health care activities in targeted communities; expand its HIV/AIDS activities; further address the institutional strengthening of Liberian non-governmental organizations and county health teams in organizational development; and continue to expand support for the development of in-service training for health care personnel.

International Disaster and Famine Assistance funds appropriated by the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan in FY 2004 (IDFA-SUP) targeted relief, resettlement, education, and community revitalization programs for Liberian refugees, internally displaced persons, ex-combatants, and women and children associated with the fighters. These funds also have provided support for the October 2005 elections, Treasury Department advisors in building an accountable and transparent budget and revenue process, forest management (affecting UN sanctions), and police and criminal judicial training and assistance, including anti-corruption and rule of law programs. Furthermore, these monies are leveraging debt relief and grants from the African Development Bank, developing smallholder agriculture, monitoring and combating HIV/AIDS, and delivering the first tranche for reforming, training, and equipping of a professional, apolitical military.

## Madagascar

(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
CSH	10,365	11,315	10,015
DA	10,378	9,024	10,379
IMET	333	200	200
P.L. 480 Title II	12,477	11,607	15,719
Peace Corps	2,203	2,233	2,251

The United States' principal interests in Madagascar are the promotion of democracy, the encouragement of economic growth and development and the protection of Madagascar's unique biodiversity. In addition, we seek to help Madagascar limit the spread of HIV/AIDS. The Government of Madagascar has supported the war on terrorism through law enforcement cooperation and the implementation of financial sector counter-terrorism measures.

The United States will continue to work with Madagascar to support its developing democracy. Although the disputed December 15, 2001 presidential election plunged the country into chaos in the first half of 2002, Madagascar held free, fair and highly participatory legislative elections in January 2003 with the financial support of the United States and other donor countries. Those elections cemented the democratic credentials of the administration of President Marc Ravalomanana, whom Madagascar's courts had declared the winner of the disputed 2001 election.

The Government of Madagascar (GOM) has moved ahead to improve governance, repair infrastructure and implement an ambitious poverty reduction strategy. The GOM's pro-business stance is reflected in steps taken to reform its commercial law and private investment continues to grow. The GOM projects GDP growth in 2005 to be in excess of seven percent. The United States approved Madagascar for benefits under the Africa Growth and Opportunity Act (AGOA). Driven by the availability of AGOA benefits, Madagascar has been successful in adding jobs and investment. FY 2006 Development Assistance (DA) will foster agricultural and trade development. DA funding also will be used to promote democracy and help the Malagasy government's anti-corruption efforts. U.S. public diplomacy programs will complement efforts for the consolidation of democratic institutions.

The fourth largest island in the world, Madagascar has a unique environment. FY 2006 DA-funded environmental programs will assist Madagascar in guarding its precious and rare biodiversity and in implementing sustainable and responsible natural resource management, particularly forest management. With U.S. assistance, Madagascar has increased protection of endangered species and forested areas. Previous U.S. funding helped to protect the environment of Madagascar by protecting forestland from over-development, which led to further development of national parks. FY 2006 funds will be used to continue these efforts and consolidate the gains already made.

FY 2006 Child Survival and Health (CSH) assistance in the health, nutrition, and population sectors will be used to improve the quality of life for assisted Malagasy populations, promote child survival, increase contraceptive prevalence, improve food security and limit the spread of sexually transmitted diseases, HIV/AIDS, and other infectious diseases.

Madagascar is also a Heavily Indebted Poor Country (HIPC). In 2004, it qualified for debt reduction from its Paris Club creditors under the enhanced HIPC initiative, which will result in a significant reduction in its external debt, including to the United States. The U.S. will be implementing its debt reduction agreement in

early 2005. Madagascar was also among the first sixteen countries to achieve eligibility for Millennium Challenge Account (MCA) funding and is eligible to compete for both FY 2004 and FY 2005 funding.

U.S. strategy for consolidating democracy includes enhancing the professionalism of the Malagasy military forces through International Military Education and Training (IMET) programs. FY 2006 IMET funds will provide courses on civil-military relations, coastal security, military justice, officer professionalism, and defense resources management. Madagascar is eligible in FY 2006 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. Grant EDA will support Madagascar's counter-drug maritime activities, counter-terrorism efforts and coastal security operations.

**Malawi**  
(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
CSH	19,800	20,425	19,100
DA	12,441	10,163	11,186
IMET	415	360	350
P.L. 480 Title II	6,722	7,229	14,455
Peace Corps	2,173	2,349	2,312

Economic growth, governance, and humanitarian assistance, especially to combat HIV/AIDS, are our primary goals in Malawi. Since the election of a reformist administration in May 2004, Malawi is working its way back to fiscal responsibility and macroeconomic stability. These efforts and President Mutharika's anti-corruption campaign earned Malawi designation as a Millennium Challenge Account threshold country. Malawi continues to suffer from a lack of fiscal resources and a devastating HIV/AIDS epidemic. By helping the government address these problems, the United States will help to strengthen democracy, enhance regional stability, and encourage economic development and trade/investment opportunities, thereby advancing U.S. global interests.

Malawi has been a strong supporter in counter-terrorism efforts. The Government of Malawi has been outspoken in its condemnation of terrorism aimed against the United States and other democratic nations. Malawi has cooperated with the United States in coordinating anti-terrorism activities.

FY 2006 Development Assistance (DA) funds will support activities that promote long-term agricultural productivity, including sustainable land use management, crop diversity, and expanded rural employment opportunities. DA funds will support development of Malawi's primary education infrastructure by focusing on improving teaching skills, community involvement, and management, planning, and resource allocation. DA funds will also support activities on expanding access to legal aid for the poor, community-based alternative dispute resolution approaches and civic education with an emphasis on building tolerance and reducing potential conflict.

FY 2006 Child Survival and Health (CSH) funds will support efforts to reduce the transmission and mitigation of HIV infections, reduce infant and child mortality, and increase the rate of contraceptive use. Programs to improve detection, treatment and prevention of malaria and tuberculosis and community child health interventions will also receive support, as will activities focusing on training, service provision, logistics and management systems for family planning and reproductive health.

Malawi has been pro-active in seeking assistance from the United States in expanding its role in peacekeeping efforts throughout the region and the world. FY 2006 International Military Education and Training (IMET) programs will build on the Malawi military's tradition of apolitical professionalism and enhance regional stability by focusing on democratic values and mutually beneficial military-to-military relations. Malawi military personnel will receive training in finance, medical care, HIV/AIDS prevention, and other military professional training. Malawi is eligible to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act of 1961, as amended. Grant EDA will help develop Malawi's capacity to support peacekeeping activities.

Malawi has been an active and successful participant in the African Growth and Opportunity Act since it was declared eligible for the program in September 2000. Malawi is a member of the Southern African Development Community.

**Mali**  
(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
CSH	14,200	15,755	14,580
DA	25,267	18,564	20,793
IMET	-	175	50
Peace Corps	3,573	4,144	3,811

The primary U.S. national interests in Mali are promoting the consolidation of democratic institutions and helping the national government address the humanitarian goals of ameliorating the effects of poverty and preventing the spread of HIV/AIDS. Other interests include supporting efforts to establish lasting regional stability and enhancing Mali's ability to prevent terrorists from using its territory for basing and trafficking. Mali has been an active partner in the war against terrorism and has ratified all of the UN counter-terrorism conventions.

Mali is a model for democracy in the region and an active member in regional organizations such as the Economic Community of West African States (ECOWAS) and the African Union (AU). Mali continues to support U.S. interests in the region. Mali benefits from the Heavily Indebted Poor Countries Debt Reduction Initiative and the Africa Trade and Investment Policy Program.

FY 2006 Child Survival and Health (CSH) and Development Assistance (DA) funding will help the Government of Mali expand economic opportunities, particularly for the rural poor; provide high impact health services to women and children; combat HIV/AIDS; improve the quality of education for all; consolidate democracy through decentralization and accelerate overall development by making information more widely accessible through expanded rural radio. The U.S. National Institutes of Health continues to research and test an anti-malarial vaccine in Mali.

A major factor in building national cohesion is the integration of the northern ethnic groups into Mali's political, economic and social structures. This integration effort will continue to be supported by DA funds. In northern Mali, DA will be used to develop income-generating activities, build schools, and establish or renovate water resources.

The DA program will continue to fund efforts to improve the efficiency of agricultural production and to increase farmer incomes through agricultural best practices and better management, especially of irrigated agriculture.

FY 2006 International Military Education and Training (IMET) funding will be used for a program to reinforce the progress already made by the Malian Armed Forces towards becoming a more professional organization through training and seminars. It will also provide opportunities for the professional officer corps to attend courses that stress greater respect for and understanding of the requirement to support human rights and civilian control of the military. Over the past decade, Malian Armed Forces have evolved from an instrument of government control to a professional organization and many IMET graduates hold high positions in their ministries and the armed services.

Through the provision of Regional Peacekeeping Operations, Mali is a participant in the Pan-Sahel Initiative that provides counter-terrorism training to select troops. Such training enabled a Malian patrol to free two hostages in 2004 and apprehend their captors.

Mali is eligible to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. Provision of grant EDA will support Mali's ability to control its borders and undertake peacekeeping operations.

Mali is eligible for benefits under the African Growth and Opportunity Act (AGOA). Its government is supportive of the economic reforms needed to attract the investment required to realize significant benefits from greater trade access to the U.S. market afforded by AGOA.

Mali is also eligible to compete for both FY 2004 and FY 2005 funding under the Millennium Challenge Account.



## Mauritania

(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
IMET	234	130	130
P.L. 480 Title II	8,486	3,490	4,013
Peace Corps	1,840	2,290	2,382

Primary U.S. national interests in Mauritania are advancing the Global War on Terrorism (GWOT) and promoting democracy and human rights. Mauritania has been a strong supporter of the Middle East Peace Process (MEPP) and is the only Arab League country that maintains an ambassador in Israel. After September 11, the Mauritanian government immediately condemned the attacks and agreed to block all terrorist-related financial assets. Mauritania has also supported the war on terrorism diplomatically by playing a moderating role in the Organization of the Islamic Conference (OIC), where it refused to link the attacks to the MEPP. Mauritania was the first African country to sign and ratify an Article 98 agreement with the United States. Despite this good will, Mauritania is hampered in the GWOT by its underdeveloped infrastructure and poor border controls.

Besides counter-terrorism, assistance to Mauritania supports other U.S. foreign policy goals, including democratization, respect for human rights, poverty alleviation, health, education, and pursuit of sound, market-based economic policies. In FY 2006, the United States plans to continue the relatively modest assistance programs already in place to encourage democratic development, combat poverty, and improve Mauritania's military.

The International Military Education and Training (IMET) program will serve U.S. interests by encouraging military support for democratically elected civilian government and respect for human rights. IMET courses will include instruction on civil-military relations, military justice, officer professionalism, defense resources management, counter-terrorism and coastal/border security. Mauritania is eligible to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. EDA grants will be used to support the Mauritanian military in the war on terrorism.

Although there is no USAID mission in Mauritania, there are still several USAID-funded activities taking place there, such as a continuing Food for Peace project that targets malnourished women and children, micro-enterprise development programs that focus on water access development, and HIV/AIDS awareness and education programs targeted at women and girls.

Since 1992, Mauritania has undertaken an ambitious and successful transition to an economically liberalized and politically diverse country. A reform-minded team in the Government of Mauritania has implemented wide-reaching macroeconomic, structural and social reforms. Mauritania's economic governance is among the best in Africa, and it reached its "completion point" under the Heavily Indebted Poor Countries (HIPC) debt initiative. The government has made commendable progress in education: the World Bank determined that 86 percent of children of primary school age are enrolled in school – a remarkably high figure for a country that is one of the poorest in the world. Mauritania is eligible to receive trade benefits under the African Growth and Opportunity Act but, to date, has taken little advantage of this law.

**Mauritius**  
(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
IMET	144	125	125

The United States' principal national interest in Mauritius is economic: expanding trade and commerce. The United States also has a strong interest in obtaining Mauritius' continued support of counter-terrorism initiatives. Mauritius is a stable, multi-party democracy that boasts a multi-ethnic, multi-lingual, and multi-cultural population. It has a vibrant economy spanning agricultural, manufacturing, financial services and tourism sectors with a burgeoning information technology component. Mauritius provides employment, educational, and health care benefits for its people.

Mauritius has consistently supported the U.S.-led coalition in the war on terrorism. It passed counter-terrorism legislation consistent with U.N. Security Council Resolution 1373 and has responded positively to U.S. requests for financial interdiction of terrorist resources. With the support of the Department of Treasury's Financial Center, Mauritius established a Financial Intelligence Unit and is scheduled to receive additional financial interdiction and detection training.

Mauritius is eligible to receive trade benefits under the African Growth and Opportunity Act (AGOA). Its well-developed export-processing zone allowed Mauritius to take early and full advantage of AGOA. In November 2004, Mauritius received a one-year Third Country Fabric exemption under AGOA. Mauritius has the capability to help other African countries realize the same benefits and advantages. It has already begun to outsource and invest in other African countries. In January 2005, Mauritius hosted the Small Island Developing States (SIDS) Conference at which actions in support of the sustainable development of the SIDS were discussed.

U.S. national security is enhanced through the creation of a stable and secure Indian Ocean region. In FY 2006, International Military Education and Training (IMET) funds will provide courses for Mauritius armed forces including officer professionalism, organizational planning, coastal security, and integrated force management. Past courses featured maritime law enforcement training, crisis management, military justice, fisheries protection, and pollution control as well as search-and-rescue operations.

Mauritius will be eligible in FY 2006 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. Provision of grant EDA to Mauritius will support its coastal security activities.

## Mozambique

(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
CSH	20,380	12,530	10,430
DA	24,572	17,085	18,319
GHAI	11,083	45,884	57,757
IMET	243	215	215
NADR-HD	1,492	2,336	2,500
P.L. 480 Title II	19,751	17,970	18,916
Peace Corps	2,092	2,227	2,283

United States interests in Mozambique include economic growth and development, democratization, prevention of terrorism, improved health care, and the fight against HIV/AIDS. Mozambique's democratic and free-market policies need continued assistance to reach its goals. Despite impressive economic growth and the cancellation in 2001 of much of Mozambique's external debt to Paris Club creditors, including the United States, the country remains among the world's poorest. Government revenues are insufficient to provide basic services and ensure border security. Democratic institutions remain nascent, particularly at the local level, and ineffective border controls are no deterrent for international terrorists. More than 14 percent of adult Mozambicans live with HIV/AIDS, and the percentage continues to grow. While these realities constrain progress, the Mozambican government has proven to be a credible bilateral and regional development partner. It has provided political support for the Global War on Terrorism, improved border security, and cooperated with anti-terrorist activities to the extent that its resources allow. Mozambique receives trade benefits under the African Growth and Opportunity Act and is eligible for funding through the Millennium Challenge Account.

In FY 2006, Development Assistance (DA) resources will support Mozambique's development in agriculture, health and tourism, and strengthen democracy and the environment (for private sector investment). In agriculture, programs will train farmers in crop diversification, improved storage and marketing, and environmental management practices. They will also provide budget support, project assistance, and technical leadership to the government's agricultural sector investment program. USAID technical experts will build capacity within the Ministry of Agriculture and Rural Development to promote public sector outsourcing of agricultural services, train researchers and extension agents, and develop policies to support increased production. DA resources will improve the capacity for road maintenance, rehabilitate overland market links, and introduce new technologies for road construction that improve quality and costs.

Labor-intensive export-oriented industry depends on the government's ability to negotiate market access. To that end, DA resources will provide technical assistance to the government's International Relations Directorate to improve institutional and analytical capacity. These resources will also support the establishment of a trade coordinating body, creation of a trade database, and implementation of standards and certifications required to export products to overseas markets. DA will continue to provide technical assistance to the Confederation of Mozambican Business Associations to strengthen its lobbying capacity in favor of more open trade. This will include establishing alliances between Mozambique and United States and/or regional and sector business associations, creating financial instruments aimed at supporting labor-intensive exports, and increasing access to business development services.

Economic growth remains hampered by landmines and unexploded ordinance. FY 2006 Nonproliferation, Anti-terrorism, Demining and Related Programs – Humanitarian Demining (NADR-HD) resources will

fund non-governmental organization (NGO) demining of infrastructure and agricultural land, and continue capacity building and sustainment support of the Mozambican military's demining brigade.

Democratic consolidation remains a priority. DA funded technical assistance and training will improve citizen participation in and oversight of local governments by creating mechanisms for citizen involvement. DA funds will train municipal government officials in citizen outreach, development planning, transparent public administration, and public information. Using DA funding, USAID will support the NGO Ética Mozambique in implementing its multi-media anti-corruption information and awareness campaign and in the establishment of corruption reporting centers in all provincial capitals. DA and Africa Regional International Narcotics Control and Law Enforcement funds will provide technical assistance and training to the Mozambican Attorney General's Office to fight corruption, create effective legal sanctions, and deter public sector corruption. Africa Regional Economic Support Funds will supplement USAID anticorruption activities.

The FY 2006 International Military Education and Training (IMET) program will provide professional training, emphasizing the necessity of an apolitical, professional, civilian-controlled military. IMET courses will help train students in basic technical skills such as ordnance maintenance to ensure proper handling of equipment, and coast guard management to help protect resources along their lengthy coastline.

Mozambique is eligible in FY 2006 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. Provision of grant EDA will continue to support Mozambican demining capabilities, health programs, and other humanitarian assistance objectives.

Health care, including the prevention of HIV/AIDS, remains a significant challenge that if not adequately addressed could undermine other USG goals. Maternal and child health activities are essential to improving the overall quality of life of Mozambicans. Resource constraints, both human and financial, within the Mozambican Government necessitate outside assistance in this area. Child Survival and Health (CSH) funds will be used to provide technical assistance and training focused on vaccine preventable diseases, malaria prevention, malnutrition, Vitamin A deficiency, and diarrheal diseases. Family planning and reproductive health resources will fund training and technical assistance to improve service provision, supervision, and logistics systems. Training of community and faith-based health workers will improve the quality of antenatal care, ensure early detection and management of malaria, and improve performance in counseling assistance at the provincial, district, and community levels for the provision of contraceptives and child survival products. Technical support and training of Ministry of Health (MOH) staff in financial and operations management at the provincial, district, and community levels will be initiated. USAID will continue to provide technical expertise and training at the central level to increase the MOH's capacity to formulate and implement policies in support of health sector reform.

Mozambique is a focus country of the President's Emergency Plan for AIDS Relief (Emergency Plan). In FY 2006, increased Global HIV/AIDS Initiative (GHAI) funding will be provided to expand comprehensive and integrated prevention, care and treatment programs, which are further described in Section I under the heading Global HIV/AIDS Initiative.

**Namibia**  
(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
CSH	3,965	796	-
DA	6,631	6,152	6,887
GHAI	14,147	34,514	49,132
IMET	-	100	100
Peace Corps	2,092	2,665	2,684

The primary U.S. national interests in Namibia are helping the country fight HIV/AIDS, advancing economic development and trade, and consolidating democracy. Independent for only fifteen years, Namibia is one of Africa's most stable democracies and has one of its most open and promising economies. Namibia's success in addressing the HIV/AIDS crisis and deepening its political, economic, and social progress would enhance regional stability and thereby advance U.S. global interests.

Namibia is a focus country of the President's Emergency Plan for AIDS Relief (Emergency Plan). In FY 2006, increased Global HIV/AIDS Initiative (GHAI) funding will be provided to expand comprehensive and integrated prevention, care and treatment programs, which are further described in Section I under the heading Global HIV/AIDS Initiative.

U.S. trade policy is a great success in Namibia. Economically, the Africa Growth and Opportunity Act (AGOA) is having a substantial impact. In October 2000, Namibia became eligible to receive trade benefits under AGOA, and in December 2001 Namibia was granted AGOA apparel benefits. AGOA has brought Namibia over \$300 million in foreign investment since April 2001 and has created over 9,000 new jobs. At full production, Namibia's apparel companies are projected to export over \$100 million in apparel products to the United States annually. Namibia is a member of the Southern African Development Community (SADC) and Southern Africa Customs Union (SACU). As a member of SACU, Namibia is an enthusiastic participant in the ongoing U.S.-SACU Free Trade Agreement (FTA) talks and is playing a positive role in the Doha Round.

FY 2006 Development Assistance (DA) will enable USAID to continue a trade and investment support program, intended to strengthen Namibia's public and private capacity to engage in negotiations on market access, including the U.S.-SACU FTA, and to benefit more broadly from the ongoing AGOA mechanisms.

DA funds will also initiate a follow-on program to increase the quality of primary education in disadvantaged areas, to help the education sector mitigate the impact of HIV/AIDS, and to expand access to and utilization of information technology. Funding for previous programs created Namibia-specific teaching materials, improved teacher interactions in the classroom, encouraged increased parental and community involvement in the school systems, and developed a strategy to mitigate the impact of HIV/AIDS.

FY 2006 DA funding will also finance continuation of USAID's successful community-based conservation program, and will provide initial funding for new programs to assist rural Namibians to benefit from effective management of a broader set of natural resources, beyond wildlife. Previous funding was instrumental in the establishment of community-based conservancies in several parts of the country, which in turn enabled the resurgence of wildlife, including endangered species. These conservancies have created employment, generated considerable income, and reinforced local democratic institutions, and improved the

status of women. In addition, FY 2006 DA funds will enable USAID to continue programs to assist with the consolidation of Namibia's democratic institutions.

Namibia is eligible in FY 2006 for Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. EDA grants will be used to support Namibia Defense Force (NDF) efforts to undertake peacekeeping operations and respond to regional humanitarian crises. Additionally, International Military Education and Training (IMET) programs will train NDF personnel in democratic values and respect for civilian institutions. In the meantime, Namibia has strong potential as a partner in peacekeeping operations. The country is providing a contingent of 900 peacekeepers to Liberia and has pledged publicly to make a similar contribution to any UN peacekeeping effort in Sudan. Nonproliferation, Anti-terrorism, Demining, and Related Programs (NADR) funds have supported demining and mine-risk education programs in Namibia since FY 1997. While no NADR funds anticipated for FY 2006, an effort continues to support a joint NDF-Namibian Police Explosive Ordnance Disposal (EOD) unit that is expected to make Namibia "mine safe" by FY 2006.

**Niger**  
(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
IMET	-	100	50
P.L. 480 Title II	8,160	4,916	5,654
Peace Corps	2,735	2,826	3,092

U.S. interests in Niger are democracy, human rights, regional security and countering terrorism. Niger, bounded by Algeria, Libya, Chad, Nigeria, Burkina Faso, Benin and Mali, is 95 percent Muslim and the second poorest country in the world. With its porous borders and impoverished people, Niger is a ready target for anti-Western extremism and a potential crossroads for terrorist activities. Despite this backdrop, however, Niger continues to hold the promise of democracy in a moderate and secular state. Since free and fair elections at the end of 1999, the Government of Niger has made economic reforms and invested in the social welfare of its people. It ended 2004 with successful local and national elections that provided the first peaceful democratic succession in Niger's history. It has publicly supported the war against terrorism. Niger's human rights profile has improved significantly and corruption has decreased markedly since democracy was restored.

U.S. interests are advanced by supporting Niger's democratically elected civilian government with targeted assistance aimed at economic and political development and reform, human survival, social justice, health, and security. Ensuring that Niger's uranium production is not diverted to states of concern is also an important U.S. interest, especially in the war on terrorism and in our efforts to halt the proliferation of weapons of mass destruction.

Niger remains 176<sup>th</sup> out of 177 countries in UN Development Programme's (UNDP) Human Development Index. Only 17 percent of primary and secondary school aged children enroll in school. Sixteen percent of the population 15 years of age and older can read; only 7 percent of adult women can read. Forty percent of the children in the country are malnourished. Niger also has one of the highest fertility rates (8.1 children per adult woman) and population growth rates (3.2 percent in the region). By 2050 the World Bank estimates that the population of Niger will be second only to Nigeria in Sub-Saharan Africa, and currently 50 percent of the population is under 15 years of age. Living conditions for women and children, two of the most vulnerable sectors of the population, are marginal.

Most of our assistance to Niger is derived from a mix of Africa Regional Economic Support Funds, USAID Title II Food for Peace resources and limited funding from USAID, including through the West Africa Regional Program (WARP). Niger also receives humanitarian assistance from the Department of Defense, and support for democratic systems from the National Endowment for Democracy. State Department's Office for Trafficking in Persons and the U.S. Department of Labor also fund human rights and education projects. The Centers for Disease Control, the U.S. Geological Survey, National Oceanic and Atmospheric Administration (NOAA) and the Environmental Protection Agency (EPA) provide technical assistance to the Government of Niger along with U.S. Universities including Purdue, Michigan State, Alabama A & M and Clark.

In FY 2006, the United States will support a limited military assistance program in Niger. To help professionalize the military and reduce the threat of destabilization to Niger's fragile democracy, a restored International Military Education and Training (IMET) program is designed to reinforce the military's role as a professional institution, subordinate to Niger's democratically elected civilian government. FY 2006 IMET funds will support the continued enhancement of civil-military relations, military justice, and

peacekeeping capabilities. Niger will be eligible in FY 2006 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. EDA will be used to assist Niger to better control its borders and participate in peacekeeping activities.



**Nigeria**  
(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
CSH	32,208	26,100	25,138
DA	15,396	14,208	15,590
ESF	4,971	4,960	5,000
FMF	-	496	1,000
GHAI	25,415	81,303	127,200
IMET	-	800	800
INCLE	2,250	2,232	1,000

Nigeria is the dominant economic and political power in West Africa. Nigeria's 140 million people represent 20 percent of sub-Saharan Africa's total population and the country's increasingly restive 60 million Muslim population is about the same size as the Muslim populations in Egypt and Turkey. Our over-arching national interests in Nigeria are promoting democracy and human rights, combating poverty and ensuring that Nigeria is a cooperative partner on issues ranging from regional stability to its importance as a leading supplier of petroleum to the U.S. Only through democratic governance can Nigeria address its ethnic and religious divisions, create an open economic system that will make it a reliable and increasingly important trading partner, and develop as a critical partner in international affairs. Nigeria is the fifth largest source of U.S. oil imports, and disruption of supply from Nigeria would represent a major blow to the oil security strategy of the U.S. Nigeria currently chairs the African Union. Nigeria is a staunch supporter of the global war on terrorism and is an indispensable partner in addressing crises in Darfur, Liberia, and Zimbabwe. Resources are required to address critical economic and political vulnerabilities in Nigeria that directly affect U.S. interests. Assistance supports efforts to increase security and stability in the vulnerable oil-producing Niger Delta region, strengthen Nigeria's governmental and nongovernmental institutions, engage with an increasingly disaffected Muslim population, and promote credible elections during a period when Nigeria's democracy remains extremely fragile. The United States also supports efforts to fight trafficking in narcotics and persons and address Nigeria's vulnerability to financial crime and terrorist finance.

Nigeria is a focus country of the President's Emergency Plan for AIDS Relief (Emergency Plan). In FY 2006, increased Global HIV/AIDS Initiative (GHAI) funding will be provided to expand comprehensive and integrated prevention, care and treatment programs, which are further described in Section I under the heading Global HIV/AIDS Initiative.

National elections in 2003 and local elections in 2004 were marred by reports of serious irregularities and fraud. Nonetheless, these elections marked the nation's first successful transition to a second civilian administration, offering an opportunity to continue to build democratic institutions in preparation for 2007 elections. Continued U.S. support for democracy and governance will be crucial to consolidating democratic gains. We will continue to engage Nigeria's fledgling democratic institutions, including civil society and the media. We will work with Nigeria's electoral bodies to provide technical assistance to prepare for future elections. We will support the rehabilitation of governmental institutions critical to democratic stability, including reform of the justice system and work with state and national legislators.

Cooperation with Nigeria on drug trafficking, international crime, and terrorism has improved since 1999, and U.S. law enforcement agencies have sought greater engagement. Nigeria strongly supports U.S. counter-terrorism efforts and has been at the forefront of African efforts to combat terrorism. Nigeria

remains susceptible to violence, instability and rapidly growing crime. We will work with Nigerian police to professionalize the force, improve basic skills, and promote law and order across the country. Sophisticated and entrenched, Nigerian criminal organizations are transnational in scope and have a direct impact on the United States. Nigerian crime syndicates, many of them linked to narcotics trafficking, cost American victims tens of millions of dollars each year, mostly through financial fraud. Funding will be directed at counternarcotics and financial crime units that are working closely with U.S. law enforcement organizations against transnational crime. FY 2006 International Narcotics Control and Law Enforcement (INCLE) funds will be used to continue interdiction training and technical assistance for the National Drug Law Enforcement Agency. FY 2006 INCLE funds will be used to provide training and technical assistance to the newly created Economic and Financial Crimes Commission (EFCC), as well as INTERPOL and the Special Fraud Unit of the Nigerian Police Force. We will encourage and facilitate the active investigation and prosecution of Nigerian criminals, and work to identify and remedy weaknesses in Nigeria's financial, immigration, and security sectors. Our programs will help Nigerian law enforcement and judicial system personnel train and develop professional relationships in the United States to disrupt narcotics trafficking.

Nigeria ranks high among the countries most affected by corruption. We will use INCLE funds to support efforts to root out corruption at all levels. Nigeria is a G8 Transparency/Anticorruption Compact Country and the United States will contribute to G8 support for Nigerian programs focused on increasing budget transparency and improved fiscal performance.

Nigeria faces many critical human rights issues. In the Niger Delta, disputed access to vast oil wealth has provoked an escalating cycle of violence. We will use Economic Support Funds (ESF) to continue work with local groups, including governmental and non-governmental organizations, and the private sector to develop conflict resolution mechanisms. In the North, Sharia courts continue to issue harsh sentences such as amputation or death by stoning. We will use FY 2006 ESF and other resources to work with the judiciary and local and international human rights groups to address concerns about these punishments. We will also use FY 2006 ESF to support preparations for 2007 National elections, focusing on capacity building for Nigeria's Independent National Election Commission (INEC) and training for domestic nongovernmental organization election observers and political party representatives.

FY 2006 Development Assistance (DA) and Child Survival and Health (CSH) funding will address policy and institutional impediments to economic growth and will strengthen basic education, enhance agricultural productivity, and expand health infrastructure. Democracy and governance programs will strengthen the National Assembly, state and local government structures, the Independent National Electoral Commission, and civil society. We will support economic reform and agricultural development by focusing on improved economic management, privatization, greater access to micro-finance, and environmental sustainability. DA will help improve primary education through better educational management information, skills and vocational training, and teacher training. Since more than one million Nigerian children die from preventable diseases each year, we will support programs to promote the health of women and infants and improve basic health care.

Nigeria's success in peacekeeping missions in Sierra Leone and Liberia was due in part to support and training from the United States under the Operation Focus Relief Program completed in 2001. Assuming no legislative restriction, we are requesting funds to promote military subordination to civilian rule, improve respect for human rights, build expectations of accountability, and reinforce a positive role in peacekeeping. International Military Education and Training (IMET) programs will emphasize improved accountability; training will consolidate the Nigerian military's position under civilian authority, improve professionalism and enhance its regional peacekeeping capabilities. Nigeria is eligible in FY 2006 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. Provision of grant EDA will support Nigeria's participation in peacekeeping operations.

Foreign Military Financing (FMF) will be used to help Nigeria improve military management and training. FMF will strengthen the Armed Forces Staff College/Infantry Center and the school's simulation center, train teams in counter-terrorism and peacekeeping, build military justice capacity, and provide C130 technical support to enhance air mobility. ESF will complement these efforts through civilian democratic institutions responsible for oversight of the military, including the National Assembly. Nigeria remains eligible for trade benefits under the African Growth and Opportunity Act. Taking advantage of this opportunity will promote economic growth, increasing stability in Nigeria and the region.

## Republic of the Congo

(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
IMET	27	110	100
P.L. 480 Title II	-	618	-

U.S. national interests in the Republic of the Congo (ROC) are democracy and human rights, economic prosperity, including good economic governance of the country's significant oil resources, and protection of its unique and precious environment. An associated goal is mutual understanding and raised awareness of American values, such as respect for freedom of the press and association, educational reform, and HIV/AIDS awareness. To achieve these and other U.S. performance goals, diplomatic facilities destroyed during the civil war are in the process of being identified.

The Republic of Congo continues its fragile transition to a peacetime society. A six-year period of instability that included a civil war and major instability from 1996-2001 left the country's infrastructure and population devastated. Reconstruction from the war remains a long-term task. Voters approved a new constitution in January 2002 and President Sassou-Nguesso won the elections held in mid-2002, although administrative irregularities were reported. A 2003 peace agreement with the remaining rebel faction ended major conflict and has led to increased stability and economic development in urban areas. But a small segment of the war-torn Pool Region continues to suffer from armed bandits and piracy at times affecting the major rail system in the region and causing intimidation and harassment of the local population.

Improvements in governance and efforts to ensure transparency in the oil sector have contributed to economic stabilization in the ROC and the approval of a concessional loan arrangement in December 2004 and subsequent debt treatment by the Paris Club that same month. The international financial community will be monitoring the ROC's performance under the International Monetary Fund (IMF) arrangement and its commitment to economic reform. A January 2005 cabinet reshuffle has shaken the confidence of some donors in this regard. U.S. investments are largely in the oil industry, but further diversification of the economy is necessary to sustain economic growth. Mutual understanding and raised awareness of American values are promoted through American Corners (a U.S. - UN Development Programme education center), U.S. speakers, bilateral meetings, girls' scholarships, and workshops on a variety of subjects including democratic principles, human rights, HIV/AIDS, and civil-military relations. To help ensure stability, past Africa Regional Economic Support Funds (ESF) have been used to support election planning, provide training in legislative affairs for the new legislature, and develop environment projects in synergy with the President's Congo Basin Forest Partnership (CBFP) initiative.

FY 2006 International Military Education and Training (IMET) funds will support courses in the English language, civil-military relations, human rights, and military professionalization. Such programs enhance regional stability and facilitate beneficial cooperation between the USG-ROC militaries. The ROC is eligible in FY 2006 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act.

The Republic of the Congo is eligible to receive trade benefits under the African Growth and Opportunity Act (AGOA).

**Rwanda**  
(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
CSH	13,300	4,850	4,900
DA	5,871	5,480	5,121
GHAI	16,382	39,938	74,765
IMET	298	225	225
P.L. 480 Title II	14,579	11,373	14,314

The primary U.S. national interests in Rwanda include: 1) Rwandan support for regional peacekeeping operations (i.e. Darfur); 2) diplomatic engagement with neighboring states, especially Congo, through the U.S. initiated tripartite mechanism, UN and other efforts to bring peace to Central Africa; and 3) promoting democracy and human rights, as well as HIV/AIDS prevention and education. U.S. programs aim at aiding Rwanda in its recovery from the genocide (which claimed an estimated 800,000 lives in 1994) by helping to create the political, economic, and social conditions that will lead to development of a prosperous society, embracing democratic governance and respect for human rights. These programs focus on promoting practices that combat corruption and improve transparency and accountability at all levels of government and in the private sector.

The United States implements a variety of political, humanitarian, and economic programs that support U.S. interests in aiding Rwanda's transition to sustainable development and securing regional peace and stability in Africa's Great Lakes region.

Rwanda is eligible to receive trade benefits under the African Growth and Opportunity Act. Rwanda is also eligible to receive debt relief under the enhanced Highly Indebted Poor Countries (enhanced HIPC) initiative. Based on the fact that Rwanda has made significant progress in meeting HIPC completion targets, it is likely that Rwanda will receive favorable consideration for debt relief in 2005 under this initiative, assuming Rwanda meets the political requirements for debt relief under HIPC relating to human rights, military expenditures, terrorism, and narcotics. FY 2006 Development Assistance funds (DA) will finance ongoing activities to promote democracy, good governance, human rights, and economic growth. DA will also support agriculture projects in rural areas to improve food security in a country where 90 percent of the population earns their living through farming.

Rwanda is a focus country of the President's Emergency Plan for AIDS Relief (Emergency Plan). In FY 2006, increased Global HIV/AIDS Initiative (GHAI) funding will be provided to expand comprehensive and integrated prevention, care and treatment programs, which are further described in Section I under the heading Global HIV/AIDS Initiative.

Nonproliferation, Anti-terrorism, Demining, and Related Programs – Humanitarian Demining (NADR-HD) funds supported humanitarian demining efforts in Rwanda between FY 1997 and FY 2003, ensuring the continued expansion of safe land for resettlement, agriculture, and cattle grazing. As a result, the reported number of landmine victims decreased to zero in 2003.

Assistance to Rwanda's military in FY 2006, will continue to be conditioned upon its abstention from negative military involvement in neighboring countries. Assuming a positive evolution in these areas, FY 2006 International Military Education and Training (IMET) programs will focus on developing the professionalism of the Rwandan military, with particular emphasis placed on expanded IMET courses designed to promote respect for human rights and civilian control of the military, military justice, and

improved civil-military relations. In addition, Rwanda is eligible in FY 2006 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. Provision of grant EDA will help Rwanda to continue its participation in international peacekeeping operations.

Rwanda's mortality rate is one of the highest in Africa (1,071 per 100,000 live births). The vast majority of women (71 percent) receive no post-natal care within the month following childbirth. The infant mortality rate also remains high at 110 per 1,000 live births. One child out of five does not live to age five. Malaria continues to be the primary cause of death among Rwandan children. Only 6.6 percent of Rwandan households have a bednet and among those households with children under five, only 68 percent report that all the children sleep under these nets. Diarrhea and respiratory disease are also leading causes of death among the child population.

Child Survival and Health (CSH) funding enables USAID to support health interventions that will provide twice as many prenatal and postnatal consultation services compared with non-USAID target areas. Approximately 60 percent of all households in target provinces are expected to use insecticide treated nets (ITNs) thereby helping to reduce the incidence of malaria and other mosquito borne diseases.

## Sao Tome and Principe

(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
IMET	188	200	200
NADR-SALW	50	-	-

The primary U.S. national interests in Sao Tome and Principe (STP) are democracy, human rights, mutual understanding, and economic prosperity and security, all of which help promote regional stability. U.S. efforts focus on enhancing political stability to preserve one of the most exemplary democracies in Africa, as well as on the preservation of STP's human rights record, which is given high ratings by international organizations. Support of the Voice of America facility and its operations provides long-range broadcasting access to promote American values and understanding of U.S. views and culture. In the coming decade, U.S. companies will increase their already substantial investments in the development of the vast petroleum resources in Sao Tome's territorial waters.

In Sao Tome and Principe, open, free, and transparent elections have characterized political life since the introduction of a multiparty system and the first democratic presidential election in 1991. The administrative system for elections, however, remains weak. In July 2003, some members of the military supported a coup attempt that was resolved through successful talks between the rebels and a multinational negotiating team, including the United States, to preserve good governance and democratic practices.

STP is one of the poorest and most heavily indebted nations in Africa. It is suffering a fiscal crisis which, coupled with its large balance of payments deficit, could undermine its stability. The discovery of large oil reserves in STP's coastal waters should dramatically change the government's fiscal situation and revenue base and make STP a major player in the economically and strategically important Gulf of Guinea. However, expectations of oil wealth are unduly high, as oil production will not commence for several years. We continue to promote American investment in STP and support STP's attempts to ensure transparency in the oil sector. We are also working with the government to help ensure that STP's oil resources and subsequent earnings are appropriately utilized to ensure sustained economic growth to benefit all the population. STP was recently named as a Millennium Challenge Account Threshold country.

In FY 2006, International Military Education and Training (IMET) programs will provide training in military leadership skills, military justice, English language capability, and professional development in the Sao Tome military. Such professionalization is vital to help preserve STP's democratic institutions. IMET programs will also support security measures for STP's territorial waters.

Sao Tome and Principe is eligible in FY 2006 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. EDA equipment requested under this program will be used, for example, to bolster the coastal security program to help protect Sao Tome's critical natural resources and its democratic political system.

Sao Tome and Principe is eligible to receive trade benefits under the African Growth and Opportunity Act. STP is also defined as a Heavily Indebted Poor Country (HIPC), but it must re-engage with the International Monetary Fund (IMF) before it is eligible to receive debt relief under the enhanced Heavily Indebted Poor Countries initiative.

**Senegal**  
(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
CSH	14,675	14,775	14,075
DA	13,896	9,735	10,548
FMF	737	496	500
IMET	1,188	1,100	1,100
NADR-HD	112	-	-
P.L. 480 Title II	275	2,363	3,161
Peace Corps	3,448	3,762	3,801

Senegal is the United States' most important Francophone partner in sub-Saharan Africa. Our national interests there include expanding democracy and human rights, promoting economic prosperity and the rule of law, and combating terrorism. As a regional democratic and military leader, Senegal plays a key role in U.S. efforts to promote regional peace. Senegal consistently supports U.S. foreign policy initiatives and calls for moderation in multilateral and Islamic organizations. Senegal has been at the forefront of Africa's response to African and global terrorism, actively lobbying other African and Islamic countries to take concrete steps in the fight against terror. Senegal displays a high level of military professionalism. A participant in the African Contingency Operations Training and Assistance (ACOTA) Program, Senegal contributes troops to United Nations peacekeeping forces in Cote d'Ivoire, Liberia, and the Democratic Republic of the Congo, as well as the African Union mission in Sudan.

U.S. assistance increases Senegal's regional influence as a stable, participatory democracy in a region plagued by instability. U.S. assistance supports market-based economic reforms as Senegal continues to privatize key sectors of its economy, boosts transparency in government, increases professionalism and effectiveness of the military, and relieves human suffering resulting from extreme poverty and lack of essential infrastructures in urban and rural areas.

Senegal has few natural resources and a high annual population growth rate of 2.7 percent. Historically the country has offered a poor investment climate and suffered from high urban unemployment. To encourage economic growth, Development Assistance (DA) funds will help to start and operate a business and build trade capacity, particularly for nontraditional agricultural and natural products. FY 2006 funds will be used to improve the effectiveness, transparency and accountability of local governments as well as broaden political participation. The USAID health program, using Child Survival and Health (CSH) funds, targets HIV/AIDS prevention and treatment and improvement of the health of women and children, particularly through reduction in malaria and other infectious diseases. The USAID basic education program, in collaboration with the Africa Education Initiative, will increase the number of children, especially girls, who complete middle school.

In late 2004, Senegal was chosen as one of 16 countries eligible for support under the Millennium Challenge Account (MCA) and is eligible to compete for both FY 2004 and FY 2005 MCA funding.

Africa Regional Economic Support Funds (ESF) will support efforts to enhance Senegal's ability to monitor and investigate suspicious financial transactions related to terrorism finance, money laundering, or organized crime.

In FY 2006, International Military Education and Training (IMET) courses will improve the Senegalese military's ability to participate in regional and international peacekeeping operations while continuing to



train participants in professionalism and civilian-military relations. IMET courses will complement Senegal's participation in the ACOTA Program and in African Center for Strategic Studies' seminars. ACOTA-funded peace support exercises at the brigade level, which are held between staff from Senegal's military headquarters and third-country battalion staff, aim to improve interoperability between multinational forces.

FY 2006 Foreign Military Financing (FMF) funds will enhance the ability of Senegal's military to conduct peacekeeping operations and maintain the skills they have acquired through ACOTA training. Funds are intended to help improve Senegal's ability to contribute to regional missions, to communicate, to secure its borders and coastline, and to maintain previously provided U.S. equipment.

Senegal is eligible in FY 2006 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. Provision of grant EDA will enhance Senegal's capabilities to participate in international peacekeeping activities.

Senegal remains eligible for trade benefits under the African Growth and Opportunity Act (AGOA). Taking advantage of trade opportunities under AGOA will further boost Senegal's economic growth and provide employment opportunities, increasing stability in Senegal and the sub-region of West Africa. Senegal, a member of both ECOWAS and the African Union, reached its completion point under the Heavily Indebted Poor Countries Initiative in April 2004. This achievement resulted in a dramatic reduction in Senegal's bilateral debt obligation to the United States and other creditors.

**Seychelles**  
(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
IMET	98	100	100

The United States' primary national interests in the Seychelles, an island nation in the Indian Ocean, are fostering democracy and respect for human rights, promoting economic development, and securing the government's continued help in the war on terrorism. The United States also seeks improvements in the Seychelles' law enforcement and environmental protection mechanisms. The Seychelles supports the United States in the war on terrorism and has offered its support and facilities to the U.S. military. U.S. naval vessels make 20-25 port calls a year to the Seychelles.

The Seychelles economy, despite enjoying one of the highest per capita incomes in Sub Saharan Africa, has undergone a steep decline in recent years. Seychelles suffers from a chronic shortage of foreign exchange and government mismanagement has lead to negative economic growth. The economy is primarily based on tourism, although there has been a recent downturn in this sector. Seychelles is eligible to receive trade benefits under the African Growth and Opportunity Act (AGOA). Its manufacturing sector, while neither extensive nor diversified, is growing modestly. The economy suffers from lack of foreign exchange and a downturn in tourism. In his presentation of the 2005 budget report on November 30, 2004, President James Michel presented measures aimed directly at creating a more business-friendly environment. AGOA, if used effectively, can help to attract investment.

The Government of Seychelles has been a consistent supporter of the USG in the global war on terrorism. In FY 2006, International Military Education and Training (IMET) funded courses will contribute to developing a professional military and respect for civilian rule by providing training in civil-military relations and other specialized issues. IMET-funded courses will include instruction on human rights, military justice, officer professionalism, defense resources management, and coastal security. The program will allow the United States to maintain military-to-military contact with Seychelles, a country in which the United States does not have a resident diplomatic presence, with the exception of a joint Embassy and CENTCOM Consular Assistant in Victoria, Seychelles, who is responsible for Consular Services and acts as a local liaison for naval ship visits.

The Seychelles is eligible in FY 2006 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. Provision of grant EDA will support the Seychelles' counter-narcotics maritime activities and coastal security efforts.

## Sierra Leone

(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
CSH	100	400	400
DA	3,685	4,600	3,269
ESF	4,971	5,952	5,000
IMET	416	300	325
P.L. 480 Title II	12,953	6,644	8,455

The primary U.S. interest in Sierra Leone is consolidation of the peace that has been established by massive intervention from the international community in a region marked by considerable instability. U.S. assistance supports a United Kingdom-led international effort to prevent a recurrence of the lawlessness and brutal violence that has produced thousands of deaths and injuries, war crimes, and hundreds of thousands of refugees. Broad U.S. goals are to help foster an environment in which the Government of Sierra Leone (GOSL) can control its territory, protect its citizens, provide for legal exploitation of the country's resources for future economic development, and promote the rule of law in a civil, democratic society.

Sierra Leone continued to be peaceful in 2004. The U.N. Mission in Sierra Leone (UNAMSIL) handed over responsibility countrywide to the Sierra Leone Armed Forces (RSLAF) and Sierra Leone Police (SLP) and continued to withdraw its forces, which by year's end numbered approximately 4,000 (down from a high of 17,000). In May, the first local government elections in 32 years were held in 311 wards nationwide. The Truth and Reconciliation Commission (TRC) completed public hearings to air the grievances of victims and the confessions of perpetrators from the civil war and released its final report on October 5. In 2004, the Special Court of Sierra Leone (SCSL) war crimes tribunal began trials of three Civil Defense Force (CDF) indictees and three Revolutionary United Front (RUF) indictees. The trial for the Armed Forces Revolutionary Council (AFRC) indictees is scheduled to begin in early 2005.

The sustainability of peace within Sierra Leone and the region rests on the success of the "relief-to-recovery" process. U.S. assistance will address some internal threats to Sierra Leone's long-term stability such as poor governance, lack of effective popular participation in government, and widespread corruption. These conditions, combined with the effects of the war, led to the collapse of most of Sierra Leone's institutions and a near total loss of confidence in government. Revitalizing Sierra Leone's economy and society will require years of determined effort. The Anti-Corruption Commission (ACC) has worked diligently against corruption and has received support from the Government in its efforts. A backlog of cases has decreased and the President pushed the Commonwealth Special Prosecutors' presence in ACC through Parliament, but convictions of high-level government officials for corruption still elude the ACC. Stability in neighboring Liberia and Guinea also has a significant impact on Sierra Leone. Prospects for stability in Liberia have improved with the departure of Charles Taylor and the deployment of peacekeeping forces; however, there were reports that Taylor continues to interfere in Liberian affairs from his exile in Nigeria. The potential for increasing instability in Guinea could threaten gains in Sierra Leone.

FY 2006 Development Assistance (DA) and Economic Support Funds (ESF) will be used to provide social, economic and physical support to further solidify the ongoing reintegration process. Efforts are shifting from relief activities such as basic infrastructure rehabilitation and feeding programs to programs that boost agricultural production and increase employment skills and opportunities, such as agricultural extension, marketing, and entrepreneurial training. USAID will also continue efforts aimed at broadening participation of local communities and interest groups in key national and local issues such as the utilization of Sierra Leone's diamond resources, the provision of social services, and putting an end to corruption.

During FY 2005, USAID will scale up efforts to focus on youth and gender issues designed to reduce violence, promote community healing, and safeguard human rights. The program will also increase emphasis on training politicians at the local and national levels in constituency relations, improved governance, and anticorruption. Advocacy training for civil society organizations will also receive increased emphasis.

The International Military Education and Training (IMET) program in FY 2006 will help to rebuild the military and reinforce democratic values as well as support improvement of Sierra Leone's military justice system and civil-military relations. The program will focus on professional military training for senior military officers and on technical assistance in defense resources management.

Sierra Leone will be eligible in FY 2006 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. Assuming continued progress with the peacekeeping mission, grant EDA may be provided to support the ongoing rebuilding and restructuring of Sierra Leone's armed forces.

Child Survival and Health (CSH) funds will be used to help prevent the spread of polio in Sierra Leone by providing financial support to the World Health Organization's (WHO) Polio Eradication Program. Sierra Leone is also eligible to receive benefits provided under the African Growth and Opportunity Act (AGOA), which provides greater access to the U.S. market as a means of enhancing U.S. economic engagement with eligible African countries and supports sustainable economic development. Necessary regulations and procedures to enable Sierra Leone to make use of AGOA-based trade are in place, and Sierra Leone has applied for Category 9 textile visa status allowing it to export hand-made and folkloric textiles to the United States.

Sierra Leone is also a Heavily Indebted Poor Country (HIPC). Under the enhanced HIPC initiative, it qualified for phased debt relief from its Paris Club creditors, including the United States, in July 2002. Sierra Leone could qualify for reduction of its external debt stock under HIPC if it establishes and maintains a track record of good performance under its International Monetary Fund (IMF) Poverty Reduction and Growth Facility.

Sierra Leone is a member of the Economic Community of West African States (ECOWAS), the African Union, and the (mostly inactive) Mano River Union.

**Somalia**  
(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
CSH	100	100	300
DA	899	5,000	986
P.L. 480 Title II	22,836	9,361	-

United States interests in Somalia include national security and counter-terrorism, democracy, human rights, and humanitarian assistance. U.S. policy goals include eliminating the terrorist threat in Somalia, preventing its use as a terrorist base, and overcoming the long-term governance challenges exploited by terrorists in Somalia. In the absence of a national government and institutional capacity in Somalia, U.S. assistance seeks to contribute to the country's socio-economic recovery and create an enabling environment for long-term institutional and policy change.

Somalia has lacked a central government since the collapse of the Siad Barre regime in 1991 and continues as the longest-running example of complete state failure in the post-Cold War era. Also in 1991, the former British colony of Somaliland, located in northwest Somalia, proclaimed its independence from Somalia and declared itself the "Republic of Somaliland," but has thus far failed to achieve international recognition. Several other political and military entities also currently exist, including the semi-autonomous region of Puntland in northeastern Somalia. The United States currently does not recognize any Somali government, although it maintains informal contact with various local and regional authorities. However, the formation of a transitional governing entity, following the conclusion of the Somalia National Reconciliation Conference led by the Intergovernmental Authority on Development (IGAD) in October 2004 could provide an opportunity for increased U.S. engagement in Somalia in FY 2006 following a continued process of reconciliation and dialogue in Somalia.

Despite efforts by the United States and other donor countries, the underlying problem in Somalia continues to be the lack of an effective central governing authority and lack of real reconciliation inside Somalia, without which Somalia will be unable to confront terrorism issues or effectively promote economic development in the region. In this regard, the United States continues to support ongoing efforts towards Somali reconciliation and will continue to work with local and regional authorities and other states in the region to promote national dialogue and the establishment of effective governance inside Somalia.

Somalia's economy, largely based on nomadic pastoralism, is largely underdeveloped. Alternating droughts and floods, combined with endemic strife, have seriously reduced productivity and threaten widespread starvation. Hundreds of thousands of Somalis live as refugees in neighboring countries, especially Kenya, and many others are internally displaced. Foreign assistance and remittances from overseas are Somalia's primary sources of income. Livestock, one of Somalia's principal exports, is largely banned from major regional markets in the Arabian Peninsula due to the lack of veterinary certifying capabilities for Rift Valley Fever. There is little infrastructure and a near-total lack of institutional capacity. This situation provides a fertile ground for international terrorism and lawlessness. The assets of two organizations active in Somalia, al-Ittihad al-Islami (AIAI) and the al Barakaat remittance company, were frozen following President Bush's executive order of September 23, 2001, due to their links to terrorist groups. Despite the lack of a central government, however, a nascent private sector has emerged in Somalia, including a thriving telecommunications industry and a recently established Coca-Cola factory in Mogadishu.

Widespread insecurity and the absence of legitimate governance in most of Somalia's territory, combined with a shortage of information resulting from the lack of a U.S. presence in Somalia, complicates U.S.

engagement. In this context, we will continue to provide Development Assistance (DA) funds in FY 2006 through non-governmental and international organizations aimed at increasing the number of self sustainable civil society organizations that contribute to good governance and peace building with cooperative, productive linkages with regional and local authorities. The United States also supports political party development in Somaliland and the transitional peace process. FY 2006 Child Survival and Health (CSH) funds will build on past efforts to strengthen civil society groups focused on maternal health, water and livelihood security. The United States will work with Somali civil society organizations to build their organizational and financial management capacity, improving their links and relationships with local government and supporting interventions in selected sectors. These programs help to address Somalia's multitude of economic and developmental problems.

FY 2004 Africa Regional ESF was used to support the Somalia National Reconciliation Conference, including conflict resolution programs and civil society programs in support of the reconciliation process, and to strengthen civil society and public participation in the political process in Somaliland. FY 2005 ESF will be used to improve and expand basic and university education in Somalia, with a focus on religious and ethnic tolerance. FY 2006 Africa Regional ESF will support peace building, civil society, capacity building and conflict resolution programs in Somalia, including Somaliland.

## South Africa

(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
CSH	31,028	5,328	5,178
DA	29,398	26,160	28,614
ESF	1,988	992	1,300
GHAI	31,787	101,859	150,698
IMET	-	50	50
INCLE	1,770	1,756	600
NADR-EXBS	-	25	50
Peace Corps	3,114	3,276	3,431

South Africa is the cornerstone of regional stability and the leading catalyst for economic growth in southern Africa because of its globally integrated and resource-rich economy, prominent diplomatic profile, and ability to project limited military force beyond its borders. The United States has major interests in South Africa's continuing development as a stable, democratic, and market-oriented state that can address its major internal challenges (the HIV/AIDS pandemic, joblessness, income inequality, crime, and race relations) and maintain an active peacekeeping role in Africa. South Africa is a cooperative partner of the United States in addressing terrorist and international criminal threats, nonproliferation, and regional instability, although South Africa opposes some U.S. policies in international fora. The government has focused on Black Economic Empowerment (BEE) initiatives as one element of policies to address the economic legacy of apartheid while working to maintain a good investment climate for domestic and foreign investors. By contributing to South Africa's economic development, the United States helps ensure the durability of the market-based model in southern Africa and sustains an open door for enhanced U.S. trade and investment in the region. FY 2006 Economic Support Fund (ESF) resources will be used to partner with non-governmental entities in South Africa to address the social, political, and economic legacies of apartheid. Areas of attention will include support for projects to bolster legal and fair processes of land reform, advance interracial and interfaith tolerance, enhance private citizens' access to government and to promote economic growth and job creation. They will also be used to support South Africa-situated African Union training for post-conflict reconstruction and development.

South Africa has the world's largest populations of AIDS victims and AIDS orphans, and an adult HIV prevalence estimated at 21 percent. The USG, along with the South African Government and other donors, are applying increasing resources to the challenge to prevent this pandemic from undermining South Africa's development efforts. South Africa is a focus country of the President's Emergency Plan for AIDS Relief (Emergency Plan). In FY 2006, increased Global HIV/AIDS Initiative (GHAI) funding will be provided to expand comprehensive and integrated prevention, care and treatment programs, which are further described in Section I under the heading Global HIV/AIDS Initiative. Child Survival and Health (CSH) programs will continue to focus on building primary health care delivery capacity and curbing tuberculosis. A joint Department of Defense-National Institutes of Health (DOD-NIH) program in FY 2006 will continue to help the South African National Defense Force (SANDF) deal with the HIV/AIDS challenge to the armed forces. During FY 2004, among other projects, ESF resources were used to support improved public sector hospital management at the largest hospital in South Africa, the Chris Hani Baragawanath Hospital in Soweto, Johannesburg.

The United States also has a clear interest in helping South Africa address serious local and international organized crime problems, as well as the related threat of terrorist activity. The country's developed economy and financial institutions, coupled with incomplete or under-funded regulatory and policing

powers, have left it vulnerable to crime syndicates and potentially to terrorists. The South African Government has requested USG assistance to help it address international organized crime and potential terrorist threats, and our governments together have identified the following priorities for continuing assistance in FY 2006: border controls, counternarcotics, youth and domestic violence, sex crimes, organized crimes, major case management, corruption, and money laundering. In all of these areas, FY 2006 International Narcotics Control and Law Enforcement (INCLE) resources will be used to assist in building South African judicial and law enforcement capacity to deal effectively with serious crime problems.

Education is another high priority for U.S. assistance to South Africa, with the long-term objective of enhancing workforce development. Through USAID programs in curriculum reform and implementation, teacher training, and institution strengthening, FY 2006 Development Assistance (DA) will continue to support South African Government efforts to overcome the legacy of substandard-to-nonexistent schools, books and teachers serving the black majority. Rapidly improving the now integrated primary and secondary school system is essential if South African workers are to compete successfully under the free market model their government has embraced.

FY 2006 DA will continue to focus on and support South Africa's efforts to strengthen and consolidate democracy, with special emphasis on strengthening the criminal justice system, democratic and effective local governance, and civil society/government partnerships. USAID programs will promote the empowerment of women, establish effective local government and rule of law, and make the judicial system more accessible to and representative of the majority of the population through institutional and policy support to the Ministry of Justice. FY 2006 DA programs will also support private sector development as well as the expansion of basic municipal services, including water and sanitation. To date, over three million low-income households have benefited from USG-facilitated home loan guarantees or enhanced services.

USG-provided technical assistance is helping small, medium and micro-enterprises in South Africa succeed and in many cases expand their workforce. One aspect of this effort is to help South Africa take greater advantage of the important trade benefits presented by the African Growth and Opportunity Act (AGOA). USAID-facilitated technical assistance and finance for historically disadvantaged farmers and agribusinesses are also strengthening South Africa's agricultural sector.

South Africa's military will continue to be an important resource for conflict resolution and peacekeeping in Africa. South Africa will be eligible to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. Grant EDA would support South Africa's peacekeeping activities and enhance our cooperative relationship. International Military Education and Training (IMET) assistance will be used to further transform its defense force into a professional military cognizant of human rights considerations and subject to civilian control by the government. As in previous years, this would include sponsoring training at U.S. command and staff colleges, and focus on peacekeeping, flight safety, and medical/health issues, such as prevention and treatment of HIV/AIDS. EDA C-130s from FY 1996, as well as FY 2002 and FY 2003 FMF and Peacekeeping Operations (PKO) funds, were used to support South Africa's mission in Burundi.

As part of its efforts to prevent the proliferation of weapons of mass destruction, their delivery systems, related technologies, and other weapons, the United States is providing Non-proliferation, Anti-terrorism, Demining and Related Programs - Export Control and Related Border Security (NADR-EXBS) funds for a cooperative program to help establish a fully effective export control system in South Africa.



**Sudan**  
(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
CSH	11,500	16,000	19,000
DA	50,263	70,000	-
ESF	10,941	19,840	20,000
IDFA	-	17,856	-
IDFA-SUP	90,000	-	-
IMET	-	-	50
NADR-HD	2,858	2,500	3,000
NADR-SALW	-	300	300
P.L. 480 Title II	265,368	104,323	-
PKO	-	74,400	-
PKO-SUP	5,000	-	-
TI	-	-	70,000

The primary U.S. national interest in Sudan is to ensure that the country never again becomes a base for terrorist activity and that our national values-based agenda of a just peace in Sudan is brought to fruition. Operationally, this places particular emphasis on national security and law enforcement (including counterterrorism), regional stability, democracy and human rights, and humanitarian response. Given Sudan's size, potential oil and resource wealth, and location in the volatile Horn of Africa, full implementation of the North-South comprehensive peace agreement, including in Darfur, is important to U.S. national interests in the region. The agreement, signed on January 9, 2005 in Nairobi, Kenya, ends a 22-year civil war and marks a potentially pivotal turning point in Sudan's future if implemented fully.

The United States is generally pleased with the Government of Sudan's cooperation on counter-terrorism, though some concerns remain due to the presence of representatives of terrorist groups such as HAMAS and Palestine Islamic Jihad. Persons based in Sudan continued to provide limited support to the Lord's Resistance Army (LRA), a Ugandan terrorist group, though the government asserts that it does not provide such support. In fact, the Government of Sudan permitted the Ugandan government to enter Sudanese territory in pursuit of the LRA. Nevertheless, Sudan remained on the list of state sponsors of terrorism at the end of 2004.

Civil war, coupled with frequent drought, was the primary cause of the long-term humanitarian crises that have required over \$1.3 billion in humanitarian assistance from the United States. The violence in Darfur that began in 2003 has displaced over 2 million people and necessitated over \$300 million in U.S. humanitarian assistance so far. An emergency \$74.4 million Peacekeeping Operations (PKO) appropriation in FY 2005 is being used to support logistics and accelerated base camp setup for the African Union's ceasefire monitoring mission in Darfur, expected to total 3,320 personnel when fully deployed. This pervasive human suffering and its contribution to regional instability have necessitated continued action and involvement by the United States.

Ensuring an end to the violence in Darfur and full implementation of the comprehensive North-South peace agreement without compromising Sudan's counter-terrorism (CT) cooperation are top priorities for the United States and the international community. Reconstruction and development in Sudan, particularly southern Sudan, are also high priorities that will need adequate support if the implementation process is to be successful. Strong support of this process is necessary to promote stability, prosperity, and democracy

throughout a unified Sudan. This will contribute to stability in the strategic Horn of Africa and send a clear, positive message to the people of the Middle East, Africa, and throughout the world that the most intractable of conflicts can be resolved through peaceful negotiation.

To consolidate peace, it will be necessary to build security institutions in the armed forces and police that are more professional, smaller in size, and more representative of the whole country. In FY 2006, AF Regional Peacekeeping Operations (PKO) and International Military Education and Training (IMET) funds will be used to transform the Sudan Peoples' Liberation Army from a guerilla to conventional military force and help ease its integration into the national army. To support security sector reform efforts, IMET courses will focus on civil-military relations, defense resources management, military justice and English language training.

Non-proliferation, Anti-terrorism, Demining and Related Programs – Humanitarian Mine Action (NADR-HD ) resources will be used in FY 2006 to provide Mine Risk Education (MRE), clearance of mined roads to enable refugees and internally displaced persons (IDPs) to return safely to their homes, and to develop an indigenous humanitarian de-mining capacity to make the country mine safe by FY 2009. NADR Small Arms and Light Weapons (SALW) Destruction funds will support the destruction of SALW circulating and hidden in caches around the country after decades of conflict.

Economic Support Funds (ESF) will be required in FY 2006 to continue support of the mechanisms that will monitor compliance and implementation of the peace agreement begun in FY 2005. At a minimum, this will include support to the international bodies responsible for holding the parties accountable for full implementation of the agreement, and support to the Commissions called for in the peace accord (constitutional, electoral, judicial, civil service). Ensuring real political change in Sudan will only be accomplished by reintroducing repressed political voices into Sudan's closed political institutions. ESF will be essential for training support to opposition political parties and to assist in the wide-scale preparation and international monitoring of Sudan's elections. Darfur will also be a priority, particularly in supporting reconciliation programs to prevent the recurrence of violent flare-ups.

With Sudan on the verge of a historic transition from war to peace, the FY 2006 funds will be used to further peace reconciliation efforts, build economic and social capacities of institutions and people, and develop infrastructure. In FY 2006, USAID proposes to shift funding previously budgeted under the Development Assistance (DA) account to the Transition Initiatives (TI) account in recognition of the fragility of Sudan's transition out of civil war to peace. The decision was based on the need for short-term results and resource and operational flexibility to help consolidate the peace agreement and to respond to opportunities the peace presents to build systems of governance and institutions for delivery of basic services in war-ravaged parts of Sudan, particularly the south.

The USAID program, including Transition Initiatives (TI), Child Survival and Health (CSH), International Disaster and Famine Assistance (IDFA), and food aid, demonstrates how USAID will respond to the great challenges and many opportunities in assisting the South Sudanese in their transition from conflict to peace. USAID's goal is to establish a foundation for a just and durable peace with broad-based participation of the Sudanese people. Transition Initiatives will focus on recovery and rehabilitation through the following: support to the peace process; more responsive and participatory governance; improved equitable access to quality education; and establishing a foundation for economic recovery. Child Survival and Health funding will increase use of health, water, sanitation services and practices.

USAID will also continue to respond to other humanitarian crisis needs throughout the country. In FY 2005, humanitarian funds are being used for immediate disaster response, especially in Darfur, where escalating conflict has displaced an estimated 1.6 million people and sent another 200,000 fleeing across the border into eastern Chad. Humanitarian assistance throughout the country is used for continuing essential

health, water and sanitation services for war-affected communities, for quick-impact programs that build public support for peace by providing rapid and visible benefits to communities, and for nutritional support for war-affected communities through food aid.

**Swaziland**  
(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
IMET	131	100	100
Peace Corps	1,574	1,510	1,598

Priority U.S. interests in Swaziland include: (a) democracy, in particular, increased political discourse and rule of law; (b) promotion of human rights; (c) economic development; and (d) humanitarian concerns, especially fighting HIV/AIDS. Swaziland is at a turning point on the issue of the rule of law. A draft of the constitution is currently undergoing legislative review and will likely be adopted in 2005. Although the United States has concerns with both the drafting process and the substance of the constitution, meaningful implementation of the constitution will be critical in addressing concerns relating to separation of powers. In November 2004, the Court of Appeals reconvened after a two-year hiatus. The United States encourages Swaziland to move from reliance on special edicts to the rule of law to resolve disputes. Humanitarian concerns include the devastating impact of the nation's 38.8 percent HIV/AIDS adult prevalence rate and the growing number of children left orphaned and vulnerable by the pandemic. We use tools such as the African Growth and Opportunity Act (AGOA) and its textile benefits to encourage economic growth through increased business activity and investment.

Although Swaziland does not receive bilateral Development Assistance (DA), it benefits from regional DA funds. The regional USAID center in Botswana implements economic growth programs in Swaziland and will expand its programs in the coming years. In addition, the DA-funded Africa Education Initiative will provide continued support for education.

U.S. HIV/AIDS-related assistance, provided through the Regional HIV/AIDS program based in South Africa, has increased HIV/AIDS awareness and prevention, and increased the capacity of non-governmental organizations (NGOs) to provide palliative care to victims of HIV/AIDS. The U.S. Government will also continue to conduct training workshops through this initiative. In addition, USG assistance supports Swaziland's National AIDS Committee, prevention of mother-to-child transmission programs, and workplace HIV programs in conjunction with the International Labor Organization. The State and Defense Departments will continue to support an HIV/AIDS awareness program for the Swazi military. USAID provides most of the billboards, pamphlets, and other items the Swazi government uses for its HIV/AIDS public awareness efforts.

Efforts to increase the professionalism of the Swazi military directly support U.S. policy goals of advancing democracy, human rights, and humanitarian assistance in addition to bolstering our broader goal to support regional stability. FY 2006 International Military Education and Training (IMET) resources will fund military assistance programs that promote a higher degree of professionalism in the Swazi defense forces through education on the role of the military in a democracy and in promoting respect for human rights.

**Tanzania**  
(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
CSH	23,000	12,200	11,260
DA	7,523	7,962	8,727
GHAI	25,027	80,326	104,672
IMET	-	-	50
NADR-EXBS	544	25	200
NADR-SALW	-	200	-
NADR-TIP	300	-	-
P.L. 480 Title II	18,189	3,548	-
Peace Corps	2,545	2,681	2,586

The priorities for U.S. relations with Tanzania are: 1) countering the threat of terrorism; 2) fostering private-sector economic growth; 3) advancing the growth of democracy and good governance; 4) combating HIV/AIDS, tuberculosis and malaria; 5) increasing Tanzanian understanding of American values and policies; and 6) ensuring humane treatment of Tanzania's large refugee population.

Having suffered terrorist attacks on its own soil (the bombing of the U.S. Embassy in 1998), the Tanzanian government offers strong support for U.S. anti-terrorist efforts. The growth of radical Islam among Tanzania's large Muslim population (roughly half of the total), high unemployment, poverty, and generally low opinions of the United States among the Tanzanian citizenry, suggest potential difficulties in the future. In addition to working to improve the American image through the Public Affairs Office, the Embassy works on training the local police on explosives countermeasures, post-blast investigations and immigration fraud. The Treasury Department is continuing a multi-year program to assist the Government of Tanzania (GOT) and other East African countries in formulating a comprehensive anti-money laundering program. The Embassy shares intelligence when appropriate to combat terrorists. Given the violent history at the U.S. Embassy, there is a strong emphasis on basic security for staff, American citizens and the Embassy's physical plant. The country is making progress on democratic reform through elections this year, which will be marked by a democratic changeover of the presidency.

Tanzania is one of the world's poorest countries, the result of two decades of socialism that destroyed the people's entrepreneurial spirit. New policies to support free enterprise have been slow in developing. To counter this situation, USAID Development Assistance (DA) puts heavy emphasis on the development of micro and small industries. USAID is also working to defend the Tanzanian environment, both on land and in offshore waters; and to promote sustainable ecotourism. Tanzania is eligible to participate in the African Growth and Opportunity Act (AGOA), and there has indeed been some recent improvement in the export of manufactured products.

Tanzania's HIV/AIDS prevalence rate is 8.8 percent. With Child Survival and Health (CSH) funds, USAID and CDC, working in partnership with the President's Emergency Plan for AIDS Relief are operating a number of programs to educate the population, train counselors, provide pre-natal care, support orphans, improve the system of blood distribution, and, perhaps most importantly, to work with local authorities and influential citizens to support and expand a national policy to counter the disease. In fighting a serious malaria problem, using CSH funds, USAID and CDC distribute insecticide-treated bed nets for women and children, conduct drug resistance studies, and coordinate two large-scale evaluations for the implementation of novel malaria treatment strategies.

Tanzania is a focus country of the President's Emergency Plan for AIDS Relief (Emergency Plan). In FY 2006, increased Global HIV/AIDS Initiative (GHAI) funding will be provided to expand comprehensive and integrated prevention, care and treatment programs, which are further described in Section I under the heading Global HIV/AIDS Initiative.

Tanzania is home to one of the largest refugee populations in the world, with most of them coming from Burundi. The U.S. engages the Tanzanian government diplomatically to urge continued hosting of refugees with safety and dignity until conditions allow for repatriation. The Embassy closely monitors refugee camps and the peace process in the African Great Lakes region to help prepare for a massive repatriation, when appropriate, which could have a massive impact on both Burundi and Tanzania. The Ambassador's Fund for Refugees has successfully met small gaps in refugee assistance.

Tanzania is eligible in FY 2006 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. EDA funds for vehicles, as an example, would help support Tanzanian peacekeeping efforts in the region. Additionally, FY 2006 International Military Education and Training (IMET) programs will support professionalization of the Tanzanian Peoples' Defense Force and improving civil-military relations. The United States is also providing Non-proliferation, Anti-terrorism, Demining and Related Programs - Export Control and Related Border Security (NADR-EXBS) funds for a legal/technical forum on export control regulations and inspection/detection equipment and training.

**Togo**  
(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
IMET	204	120	120
Peace Corps	2,489	2,585	2,616

The United States has three primary goals in Togo: advocating democracy and good governance, supporting economic development, and combating the spread of the HIV/AIDS pandemic in order to further our strategic goal of enhancing regional stability. Togo is governed by Africa's longest-ruling head of state, President Eyadema, who has held office since 1967. In October 2002 the main opposition parties boycotted legislative elections because of government manipulation of the National Electoral Commission. As a result, Eyadema's party won virtually all the seats in the National Assembly with nearly complete control of this body. In December 2002, the National Assembly voted to amend the Constitution to allow Eyadema to run for another term as president. Eyadema ran again in 2003 and was declared the victor of a flawed election. During 2004 the European Union proposed a package of 22 commitments to further democratic reform. The Government of Togo agreed to pursue those commitments, hoping to regain lost development funds. Establishment of reforms in the election process, and inclusion of opposition elements within the planning and implementation of those reforms remain necessary steps for Togo to move to new legislative elections.

Most bilateral and multilateral aid to Togo has been cut off because of the country's halting transition to democracy, poor human rights record, and failure to service its external debt. Togo is ineligible for lending from the World Bank because of payment arrears exceeding \$50 million. With FY 2002 Africa Regional Economic Support Funds (ESF), the National Democratic Institute (NDI) conducted an evaluation of Togo's political situation and launched a program to train all political parties. The NDI team left Togo prematurely before the elections of 2003 after the Government of Togo (GOT) made it impossible for them to work. The GOT has indicated openness to the return of NDI or a similar U.S. organization. We support this openness with the use Africa Regional ESF funding to strengthen political parties and political dialogue, which are crucial to resolution of Togo's political crisis. We will continue to provide small grants to civil society organizations under our Self-Help and Democracy and Human Rights Funds. In addition, Togo is expected to receive a grant from the UN Global Fund for Malaria, Tuberculosis and AIDS.

To ensure a successful transition to democracy, it is vitally important that the military's capacity, professionalism, and commitment to democracy be enhanced. The FY 2006 International Military Education and Training (IMET) program will continue to strengthen the Togolese military's regard for democratic values, respect for individuals' civil and human rights, and acceptance of the rule of law. The Togolese military has played an important role in regional peacekeeping efforts. Togo is eligible in FY 2006 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. Grant EDA will be used for peacekeeping efforts.

Togo is not eligible for trade benefits under the African Growth and Opportunity Act. However, substantial progress with the EU's 22 commitments and free, transparent, and credible elections in the National Assembly could qualify Togo for such assistance. Togo is a member of the Economic Community of West African States (ECOWAS) and the African Union (AU).

**Uganda**  
(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
CSH	36,020	12,760	11,160
DA	28,176	27,182	21,476
FMF	1,990	1,984	-
GHAI	44,598	104,779	185,843
IMET	371	240	240
NADR-TIP	150	-	-
P.L. 480 Title II	69,880	28,560	16,947
Peace Corps	1,535	1,635	1,689

The Government of Uganda is one of America's key partners in Africa. It has also posed challenges through its involvement in the conflicts in the Democratic Republic of the Congo, Sudan, Burundi, Somalia and northern Uganda itself. Our strategic goals in Uganda are: democracy and human rights; health; regional stability; economic growth and development; and humanitarian assistance. Uganda has supported American foreign policy positions, including the coalition in Iraq and the war on terrorism.

Uganda is a focus country of the President's Emergency Plan for AIDS Relief (Emergency Plan). In FY 2006, increased Global HIV/AIDS Initiative (GHAI) funding will be provided to expand comprehensive and integrated prevention, care and treatment programs, which are further described in Section I under the heading Global HIV/AIDS Initiative.

Uganda is a leader among the focus countries in achieving the President's goals in the fight against AIDS. The government of President Yoweri Museveni has skillfully managed the HIV/AIDS epidemic, once the greatest threat to Uganda's future. President Museveni has spoken out publicly since 1986 on the dangers of the disease and helped forge a unique public/private partnership that has become a model for the rest of the world. Over the past 10 years, Uganda has reduced the HIV prevalence rate among adults from about 25 percent to less than seven percent.

Uganda's democratization process is incomplete. Constitutional limits on political parties seriously constrain freedom of association. The Parliament and judiciary are not fully independent, and President Museveni is trying to amend the Constitution in order to hold on to power when his term ends in 2006. Corruption is prevalent; newspapers and radio stations have been shut down for political reasons. U.S. advocacy for more transparency and due process has helped move Uganda on democratic and reform issues. To assist the USG further in this endeavor, FY 2004 ESF resources were allocated to support political-party training through the International Republican Institute (IRI) and the International Foundation for Election Systems (IFES). FY 2005 Africa Regional ESF resources are planned for IRI to support party organization, grassroots efforts and multi-party politics, and to sustain local institutions is under consideration. FY 2006 Africa Regional ESF will be used to help IFES strengthen the local Electoral Commission that will have a major role to play in Uganda's 2006 presidential and parliamentary elections and field election monitors from IRI and the National Democratic Institute (NDI).

Uganda remains a trendsetter on macroeconomic reform, and is taking steps to increase exports to the United States under the African Growth and Opportunity Act (AGOA). Uganda was selected as the first country in the world to gain debt relief under the Heavily Indebted Poor Countries Initiative (HIPC) in 1998



and Enhanced HIPC in 2000. But the economic growth rate has stagnated after a period of rapid growth in the 1990s. Poverty and income disparity are growing, in part because of the effects of conflict in the north.

For nearly two decades, the terrorist Lord's Resistance Army (LRA) has attacked civilians in northern, and now eastern Uganda, killing tens of thousands, abducting more than 20,000 children and creating 1.4 million internally displaced persons (IDPs) in 2004. Tensions between the Ugandan Government and the Acholi people of the north remain strained which is a challenge to resolving the northern Ugandan rebel problem. Uganda has left Eastern Congo, and the U.S., through the tripartite mechanism, is trying to enhance security in the region and promote improved relations between Uganda and its neighbors.

FY 2006 International Military Education and Training (IMET) programs will continue to emphasize on restoring professionalism in Uganda's downsized military. This funding will provide training in human rights, officer professionalism, peacekeeping and civil-military relations. In FY 2006, Uganda is eligible to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. EDA will be used to counter threats from terrorist organizations such as the LRA.

USAID assistance to Uganda focuses on reversing declines in agricultural production, improving land management, improving export competitiveness, enhancing the trade and investment policy framework for the private sector, and education, particularly for girls. USAID provides humanitarian assistance to the more than 1.4 million internally displaced persons in Uganda. In addition, the State Department provides budgetary support to refugee-assisting international organizations, including the UN High Commissioner for Refugees (UNHCR), the International Federation of the Red Cross (IFRC) and the World Food Program (WFP). We also directly fund non-governmental organizations in support of the government of Uganda's Self-Reliance Strategy for long-term refugees.

Child Survival and Health (CSH) and Development Assistance (DA) resources contribute to a six-year strategy focused on helping Uganda reduce mass poverty. Funding contributes to four areas focusing on: economic growth through agriculture and environmental programs, integrated health and education interventions to improve human capacity, strengthening democracy and governance for Uganda, and mitigating the conflict in northern Uganda.

**Zambia**  
(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
CSH	34,801	13,735	11,100
DA	14,186	14,562	13,827
GHAI	29,210	81,831	131,587
IMET	461	225	225
P.L. 480 Title II	3,108	3,045	10,181
Peace Corps	3,421	3,061	3,230

Helping Zambia win the war against HIV/AIDS is our most important undertaking in promoting U.S. interests in Zambia's development as a stable, peaceful and prosperous free market democracy. One hundred thousand Zambians die annually from AIDS. HIV/AIDS undermines good governance and economic development in the country. Zambia's selection as a focus country under the President's Emergency Plan for AIDS Relief (Emergency Plan) offers an opportunity to reverse this pandemic. In FY 2006, increased Global HIV/AIDS Initiative (GHAI) funding will be provided to expand comprehensive and integrated prevention, care and treatment programs, which are further described in Section I under the heading Global HIV/AIDS Initiative. Success in battling HIV/AIDS will create an environment in which other USG programs aimed at promoting democracy and expanding incomes can have a greater impact on the lives of Zambians.

Zambia has qualified for full participation in the African Growth and Opportunity Act and is a threshold nation for the Millennium Challenge Account. Zambia is the home of the secretariat of the Common Market of Eastern and Southern Africa, which is working to expand regional economic integration – an objective the United States shares – to promote greater prosperity and stability both within Zambia and throughout the region. U.S. companies continue to benefit from investments in a range of sectors in Zambia, especially energy and mining-related enterprises.

Zambia today is peaceful, but far from prosperous. Reaching our goals for Zambia requires overturning the status quo, characterized by corruption, poverty and deteriorating health status. Zambia ranks near the bottom of the United Nation's Human Development Index and is among the worst performers on international corruption indices. In addition, Zambia has few defenses against international terrorism. If allowed to take root in Zambia, terrorist networks could undermine all efforts to create a stable, democratic and prosperous Zambia.

Zambia is a Heavily Indebted Poor Country (HIPC). Under the enhanced HIPC initiative, it qualifies for interim debt relief from its Paris Club creditors. Given that Zambia continues to perform well on its International Monetary Fund Poverty Reduction and Growth Facility arrangement, it is currently on track to receive a significant reduction in its external debt from its Paris Club creditors, including the United States, under HIPC in 2005.

FY 2006 Development Assistance (DA) funds will support democracy and governance, basic education, and economic development programs. DA funds will support Zambian efforts, both governmental and non-governmental, to strengthen democracy, address corruption and hold government accountable. Zambia's economy needs to overcome decades of statist economic policies. DA funds will support market-oriented economic reforms and increase the competitiveness of Zambian business, including agricultural producers and small and medium enterprises. DA funds will also address the need to improve the quality and access to primary education and improve school-based health and nutrition.

The health status of Zambians is precarious at best. Life expectancy at birth is less than 40 years. Infant and under-five mortality rates are unacceptably high, albeit improving as a consequence of USG and other donor assistance. Since 1996, infant mortality has declined from 109 to 95 per 1000 and under-five mortality has declined from 197 to 168. Malnutrition exacts a heavy toll on Zambia's vulnerable children; under-five stunting has increased from 42 percent in 1996 to 47 percent in 2001/2002. Zambia has an increasing maternal mortality rate of 729 deaths per 100,000 live births. Malaria is the number one cause of death among children. Over the past two decades, the incidence of malaria has tripled. Child Survival and Health (CSH) funds will be used to support USAID's health program, which will empower Zambians to take action for health and expand delivery of the Emergency Plan activities focused on prevention of and care and treatment for HIV/AIDS.

The International Military Education and Training (IMET) program supports regional stability and enhances democratic values in the Zambian military. FY 2006 IMET will enable Zambian military personnel to attend courses at the Defense Institute of International Legal Studies and U.S. military staff colleges, and receive training in counter-terrorism, corruption investigation, and medicine. Medical training will complement Emergency Plan projects to address the crisis of HIV/AIDS in the Zambian military.

Africa Regional Economic Support Funds (ESF) complement Development Assistance in support of rule of law programs. ESF will be used for electoral reform; constitutional reform; anti-corruption activities; establishment of a financial intelligence unit; revision of financial and banking laws; commercial law reform; establishment of conflict of interest guidelines; and the drafting of whistleblower protection legislation.

The Department of Treasury resident advisors make a unique contribution to Zambian governance initiatives. Direct USG assistance to the Zambian government complements assistance provided with DA and ESF funding. Treasury assistance has included training of Zambian investigators and prosecutors, revising tender laws and regulations, and corruption resistant institutions. It also supports counter terrorism by helping Zambia combat money laundering. Assistance to the Bank of Zambia and the Finance Ministry will improve macroeconomic management and reduce inflation.

## Zimbabwe

(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
CSH	11,100	11,100	11,100
DA	1,375	735	1,246
ESF	2,982	1,984	2,000

Zimbabwe is in the midst of worsening political, economic, and humanitarian crises resulting from the government's misrule and economic mismanagement. Zimbabwe's economic collapse has caused unrest and great hardships within the country, population dislocations to neighboring countries, and damage to regional economic development. The principal U.S. interests in Zimbabwe are democracy, human rights, economic prosperity, and humanitarian relief, including the battle against HIV/AIDS. Our policy seeks the re-emergence of Zimbabwe as a country with a democratically legitimate government that respects the rule of law and the well-being of its citizens, fosters regional peace and stability, and follows sound economic policies contributing to regional economic growth. Repairing Zimbabwe's tattered institutions and rebuilding its economy will be a long and difficult process that cannot begin without first addressing the underlying political crisis that polarizes this troubled nation. Assistance will help Zimbabwe address its acute HIV/AIDS problem and food shortages, foster reforms to help reverse Zimbabwe's economic and political decline, restore the rule of law and respect for human rights, and promote regional stability. Despite strained relations, Zimbabwe cooperates with the United States on law enforcement and counter-terrorism matters.

Zimbabwe was once a post-independence success story and a force for regional stability and growth, but the actions of the Government of Zimbabwe (GOZ) since 2000 have caused immense damage to the nation's economy, democratic institutions, social cohesion, and welfare. Zimbabwe is experiencing negative economic growth (-40 percent since 2000; -5.2 percent in 2004), high inflation (220 percent in 2004), and chronic unemployment (70 percent). Political instability, violence and increasing poverty are undermining social stability and the rule of law. Although improved from the past two years, food shortages still threaten two million people, and will require an infusion of donor resources for the foreseeable future. Nearly one-quarter of the sexually active population is HIV-positive. Intermittent shortages in basic food supplies, medicines, and fuel persist. The nation's precipitous decline has resulted in a large-scale exodus of teachers, social/health care workers, and professionals with marketable skills. Life expectancy has declined from 61 years in 1990 to 54 years in 2003, infant mortality is 76 per 1,000 live births, and under-five child mortality is 123 per 1,000 live births.

FY 2006 Child Survival and Health (CSH) programs will mitigate the devastating HIV/AIDS pandemic by supporting voluntary HIV counseling and testing (VCT); assistance to those testing positive; economic opportunities for HIV/AIDS-affected households; behavior modification and awareness campaigns; condom availability; public sector and civil society capacity to advance HIV/AIDS policies; assistance to orphans and vulnerable children (OVC); a national anti-retroviral therapy (ART) program; and a national prevention of mother-to-child-transmission program. During FY 2004 two additional VCT sites (for a total of 20) and mobile VCT services were being established in FY 2005, social marketing of condoms will result in the sale of at least 40 million male and one million female condoms – this activity will be closed out in FY 2006. In FY 2006, mass media campaigns will encourage risk reduction strategies including abstinence and fidelity; over 200 faith-based leaders will receive HIV training; and an estimated 60,000 of Zimbabwe's estimated 800,000 OVC will receive U.S.-supported community-based assistance. In response to the food shortages, the United States is collaborating with UN agencies, other donors, and non-governmental organizations (NGOs) to provide targeted food aid to approximately two million Zimbabweans, principally through school feeding and HIV assistance programs.

FY 2006 Development Assistance (DA) and Economic Support Funds (ESF) will continue: (a) to support civil society's efforts to influence economic and political policymaking, especially in Parliament and at local government levels; (b) to build a more effective and accessible Parliament; and (c) to support local authorities to be more responsive and open to local citizen input. During FY 2006, 16 civil society organizations (CSOs) will receive ongoing training and technical assistance as well as institutional support to strengthen their organizational structures and their advocacy to Parliament. This support will help these organizations press for transparency, respect for the rule of law, and changes to repressive legislation while articulating constituents' concerns. Progress to date includes sustained CSO viability despite a climate of repression and intimidation, greater CSO participation in parliamentary public hearings and committee meetings, and greater parliamentary oversight resulting in several reports critical of Executive branch programs and policies.

CSH and DA funds will increase access to economic opportunities for disadvantaged groups in rural and peri-urban Zimbabwe through increased provision of business, communications, and technical services. In light of Zimbabwe's ongoing food crisis, severe economic contraction, and HIV/AIDS pandemic, food security activities that provide income and nutrition have become a centerpiece of this program. Anticipated activities for FY 2006 include training in business, communications, technical areas, and legal service. In FY-2004, an estimated 702,000 individuals from over 117,000 households benefited from services funded by the program. By the project's end, 240,049 households representing almost 1.5 million Zimbabweans will have benefited from the program. By helping disadvantaged groups realize economic opportunities, these programs also help address their food security concerns, mitigate the impact of HIV/AIDS through improved diet, and improve livelihoods.

Zimbabwe is not currently eligible for the African Growth and Opportunity Act, the President's Emergency Plan for Aids Relief (PEPFAR) focus-country funds, the Millennium Challenge Account (MCA), or for security assistance, largely due to the prevailing political and human rights situation.

## Africa Coastal/Border Security Program

(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
FMF	-	3,968	4,000

The Africa Coastal/Border Security program is designed to augment counter-terrorism (CT) and regional stability efforts in Africa with Foreign Military Financing (FMF) resources. The program seeks to enhance Africa's ability to defend and monitor its vast coastal and border regions from terrorist and criminal activities, as well as to better protect fisheries, oil and environmental resources. Terrorism is a global issue and countering terrorism is most effective when it is done with regional cooperation. A consolidated program such as this, as opposed to multiple individual programs, will allow for multilateral engagement establishing lines of communication between the regional actors and ensuring more coordinated, efficient and effective CT operations.

Regional CT efforts in Africa are not new. The \$8.15 million Pan Sahel Initiative (PSI) was a peacekeeping operations (PKO)-funded regional program that began in FY 2002 to train and equip countries in the Sahel region of Africa (specifically, Mali, Mauritania, Niger and Chad) to more effectively patrol their borders and protect themselves, and the region, against destabilizing terrorist activities. A broader Presidential initiative, the East Africa Counter-Terrorism Initiative (EACTI), announced by the President in June 2003, is a \$100 million initiative that includes both border and coastal security programs for key countries in East Africa to include Kenya, Djibouti, Tanzania, Uganda, Ethiopia and Eritrea.

The Africa Coastal/Border Security program will complement PSI and EACTI. The \$4 million in FMF is intended for broader coastal/border security needs in key areas in Africa. The funds also will provide for sustainment of capacity obtained as part of PSI. Aspects of this program were realized in FY 2003 with an initial reprogramming of \$500,000 for Sao Tome and Principe to assess their coastal security needs, receive strategic training, and procure equipment, such as small commercial craft or Excess Defense Articles (EDA) patrol vessels. FY 2004 saw the continued implementation of this effort and the initiation of other coastal and border security activities in countries that are not part of EACTI.

Countries that will be included in this initiative may include, but are not limited to: Angola, Chad, Djibouti, Eritrea, Ethiopia, Gabon, Ghana, Guinea, Kenya, Madagascar, Mali, Mauritania, Mozambique, Namibia, Niger, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Tanzania and Uganda. All these countries need better coastal/border security to support the long-term objectives of the global war on terrorism. Additionally, many of these countries have valuable resources, and require credible security forces to protect their territorial integrity and prevent them from becoming lucrative havens for terrorists and criminals.

FY 2006 funds will provide for training and equipment, such as patrol vessels and vehicles, communications gear, navigational aids, barrier material, night vision devices, and monitors/sensors, to develop, enhance and sustain African countries' ability to protect and defend their own coastal waters and borders from terrorist operations and other illicit activities. Funds may be used to refurbish patrol and utility craft available as EDA from the U.S. Coast Guard as well as procure other technology-appropriate boats. Training, maintenance and spares will also be a part of this program to enhance their abilities to properly operate and maintain the equipment. The program also may include efforts to increase cross border cooperation among African countries, including in the area of intelligence. Aerial surveillance, naval radar and intelligence training also may be provided in some cases.

## Africa Regional Fund

(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
ESF	11,929	8,928	9,700

The Africa Regional Fund addresses the United States' interests related to democracy and human rights, economic prosperity, law enforcement, and global issues. Democracy promotion in Africa is not only a reflection of American ideals but represents the bedrock supporting all key U.S. interests on the continent. Democracy represents a stabilizing force capable of alleviating humanitarian crises resulting from armed political power struggles that cost the United States billions of dollars each year. U.S. economic prosperity flourishes through partnerships with stable governments that strive to enforce the rule of law and create suitable investment climates. Like-minded democracies also make the best partners in our global efforts to address international concerns ranging from terrorism, crime, and drug trafficking to weapons proliferation, environmental degradation, and the spread of infectious diseases.

Institutional weakness, civil, ethnic and religious strife, environmental degradation, conflict over natural resources, and corrupt regimes combine to make parts of Africa highly unstable and unpredictable. Economic Support Funds (ESF) offer distinct advantages for dealing with unanticipated developments and for taking advantage of limited windows of opportunity as they open. Since FY 2004, more ESF resources have been requested in country-specific accounts and, as a result, the Countries in Transition Fund has been eliminated. The Africa Regional Fund (ARF) has been retained to respond to more immediate, less predictable needs, and to achieve U.S. foreign policy objectives in countries where USAID has no presence. FY 2006 programming with Regional ESF will permit strategic investments in countries with the will to cooperate on counterterrorism and democracy strengthening initiatives but without the means. Assistance will support efforts to help countries draft counter-terrorism legislation, improve administration of borders, combat money laundering, and create stable governments in places such as Somalia where anarchy gives terrorists potential new bases.

Creating opportunities for American investment depends on stable and predictable institutions of governance. The use of ARF ESF in FY 2006 will also strengthen the rule of law and democratic development through timely interventions in support of electoral processes, human rights, judiciaries, the media, and civil society.

Nearly half of the FY 2006 Africa Regional ESF will be used to support democratic development, the rule of law, and respect for human rights through programs that aid legislative and judicial reform, increase transparency and support improved electoral processes, provide training to strengthen governing skills for newly elected officials at the national and local levels, and strengthen civil society. In Burkina Faso, for example, ARF resources would be used to enhance democratization programs following the 2005 presidential election and to prepare for 2006 parliamentary elections. Other examples include democratization programs related to media capacity building in connection with 2006 presidential elections in Benin, and support for presidential elections in Uganda and legislative elections in Togo. Efforts to increase the capacity of the Rwandan judicial system to prosecute genocide cases transferred from the International Criminal Tribunal for Rwanda would also be supported with ARF resources. Roughly one quarter of the FY 2006 Africa Regional ESF will be used to support counter-terrorism training and assistance not otherwise provided through other programs, including projects to help countries draft counter-terrorism legislation, improve administration of borders, and combat money laundering.

In addition, the African Union is playing an increasingly significant leadership role in addressing the debilitating and harmful role of conflict in Africa. It is also demonstrating leadership in developing

mechanisms to encourage good governance and economic growth. ESF will be used to provide communications and conference capacity for the African Union, to more effectively use the AU's limited staff time and resources.

FY 2006 Regional ESF will also support African efforts to manage, conserve, and sustainably use its environmental and natural resources. Africa's biological diversity and natural resources are of considerable global value. These resources are also inextricably linked to economic development and questions of national and international peace and security. Poor conservation practices and conflict over resource use undermine stability and hamper prospects for economic growth. ESF projects help fill gaps in current efforts to achieve habitat, resource, and biodiversity conservation, as well as promote cross-border cooperation. A special effort is made to ensure that affected communities have a voice in decision-making and derive economic benefit from sustainable management of resources. Addressing the governance and human capacity challenges associated with improving environmental and natural resources management can serve not only to conserve the environment but help achieve broader foreign policy goals related to strengthening of civil society, transparency, and poverty alleviation. In the longer run, helping Africa protect its environment and manage resources in a sustainable manner will contribute to development of diversified economies that can benefit U.S. interests through trade and investment relationships.

Economic growth and democratic, effective government are fundamental to consolidate peace agreements and for African states to progress and achieve sustainable economic development. FY 2006 Africa Regional ESF will support economic reform through programs that assist with implementation of the African Growth and Opportunity Act (AGOA), promote trade and investment, and encourage the development of capital markets. Donor coordination and burden sharing will help ensure that U.S. resources are used strategically and continue to achieve maximum results with minimum duplication.

In FY 2004, ESF resources were used to support successful elections, and important democratic progress in Ghana, Mozambique, and Niger. Our successes are not limited to election support activities, however, and we have achieved results in ESF-supported efforts to work with Africans to strengthen their capabilities to impede the flow of terrorist finances, improve border and airport security, and improve judicial systems.



## Africa Regional Peacekeeping

(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
PKO	9,761	43,912	41,400

Conflict resolution challenges present the greatest obstacle to free markets, development and long-term prosperity in Africa. Besides decreasing the amount of U.S. capital and other investment, the climate of instability also creates conditions in which terrorist activities can thrive and American security interests can be directly and indirectly threatened. Active diplomacy, support for conflict prevention and response, and training and equipping of African security institutions are critical aspects of U.S. policy to help break the cycle of instability. Currently Africa is beset with the task of ending seven major conflicts that threaten regional stability: Cote d'Ivoire, Sierra Leone, Liberia, Democratic Republic of Congo (DRC), Burundi, Sudan, and the Ethiopia-Eritrea border. Conflict management requirements for PKO funds include support to capacity building efforts for African states and conflict management institutions such as the African Union (AU) and the Economic Community of West African States (ECOWAS), logistical, technical and other support for African peacekeeping activities and security sector reform (SSR). In the case of SSR, PKO funds will help equip and train African militaries in the midst of institutional transformation, helping them evolve into professional, apolitical organizations capable of contributing to the peace process in a meaningful way. Support for these programs not only helps bring stability to the continent but will also decrease the need for far more costly deployments of U.S. military.

In Sudan, the Comprehensive Peace Agreement (CPA) between the northern and southern parts of Sudan affords the country an opportunity to consolidate peace through reform of the security forces and deployment of international monitoring mechanisms, the latter of which will be undertaken primarily through the UN. The unity government resulting from this agreement also offers the best hope for resolving other problems of governance in the country, including especially Darfur. As a result of the north-south agreement, Khartoum's north-oriented Sudan Armed Forces will largely withdraw from the southern part of the country, which will in turn provide an opportunity for the southern Sudanese to gain greater economic and political freedom. To consolidate peace, it will be necessary to build security institutions in the armed forces and police in Sudan that are more professional, smaller in size, and more representative of the whole country. PKO funds will be used to transform the Sudan Peoples Liberation Army from a guerilla to conventional military force and help ease its integration into the national army. Using a mix of U.S. military and contract trainers, funds will provide trainers/advisors and individual and unit equipment to help train a transformed military force for southern Sudan. Funds will also be used to support disarmament and demobilization activities and the withdrawal of northern Sudanese military forces from southern Sudan in furtherance of the CPA and peace process.

In West Africa, FY 2006 PKO funds will be used to continue programs to train and restructure the Liberian armed forces, a critical aspect of consolidating peace in Liberia, bringing stability to the sub-region and thereby creating conditions for the withdrawal of UN peacekeeping forces. Funds will support training efforts of U.S. military and contract personnel and provide equipment and supplies for the Liberian military. In Sierra Leone and Cote d'Ivoire, the United States will work alongside lead efforts by the United Kingdom and France respectively and provide limited support to reform their militaries. Funds will also help West African forces to maintain and use USG-provided surplus military equipment at the Logistic Training Depot in Freetown, Sierra Leone; support ECOWAS with communications among member states; and train peacekeeping units and staffs at three regional training centers and one national peace support operations training center in Nigeria.

In the Great Lakes region, scene of conflicts that have directly and indirectly resulted in the death of nearly 4 million people from 1999 to 2005, PKO funds will be used to deploy African forces in support of regional agreements. In addition, U.S. support for defense reform in the Democratic Republic of Congo (DRC) will help ensure that the nascent Congolese government has a truly national military force that can bolster the transitional government and help rid the country of areas of insecurity. U.S. support will include equipping and training of Ministry of Defense and other elements of the Armed Forces of the DRC (FARDC) and will be integrated with efforts by other countries to support reform. In Burundi, PKO funds will be used in a similar manner to supplement the lead efforts of other countries that seek to reform a more integrated army of Hutu and Tutsi personnel.

PKO-funded activities have produced dramatic results over the past few years. In Sudan, the Civilian Protection Monitoring Team (CPMT), Verification and Monitoring Team (VMT), and Joint Military Commission (JMC) in the Nuba Mountains were critical confidence builders for the overall peace process. Not only did these mechanisms monitor ceasefire agreements with low overhead and cost, but also their experiences laid an important foundation for the CPA and subsequent expected deployment of UN forces. PKO funds helped to set up logistics and base camp accommodations that enabled the African Union to deploy monitors and force protection units to mitigate the humanitarian disaster in Darfur. While the jury is still out regarding the overall effectiveness of the international community's efforts to pressure the parties to abide by the April 8 2004 ceasefire agreement, there is no doubt that without U.S. assistance, the AU Mission in Sudan never would have deployed.

PKO-funded programs in West Africa have also yielded great results, oftentimes in close collaboration with other donors. For example, through U.S. support of an advisor and related efforts, ECOWAS now has a mission planning staff, a nascent early warning system, and better-prepared forces for peacekeeping and crisis management. Furthermore, U.S. support for the depot in Freetown enabled the U.S. to provide more expeditious support of African deployments to Cote d'Ivoire in FY 2003 and 2004, Liberia in FY 2003 and Darfur in FY 2004.

## Military Health Affairs

(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
FMF	1,490	1,984	2,000

The HIV/AIDS pandemic is ravaging Africa, and its effects are especially pernicious in one of the continent's most prominent institutions, the military. Many African uniformed services carry HIV-positive rates significantly higher than that of the general population; some have infection rates as much as twice that of the local populations. Compounding the deleterious effects of the military HIV infection rate is the fact that governments in many sub-Saharan African countries often neglect to provide health care resources for uniformed services. Further, international HIV/AIDS organizations rarely address the problems inherent in the military sector. Among Western nations, the United States stands alone in offering a program for African military forces. Keeping African militaries healthy, capable of protecting the state and its citizens, and able to participate in regional and international peacekeeping operations is directly related to U.S. foreign policy goals. Retaining African military personnel who have benefited from U.S. technical training, International Military Education and Training (IMET), and other capacity development programs for the duration of their careers is a sound investment.

Under provisions of the Department of Defense (DoD) HIV/AIDS Prevention Program, the DoD provided approximately \$4 million in Health Care funds in FY 2004 and will provide approximately \$7 million in FY 2005. DoD's role under this program is limited to supporting training and education activities. The Naval Health Research Center in San Diego has been sending medical teams to sub-Saharan Africa as part of this two-year initiative. The teams assist with HIV prevention programs in 29 African militaries with the following objectives:

- Establish HIV/AIDS-specific policies for military personnel;
- Adapt and provide HIV prevention programs;
- Train military personnel to implement, maintain, and evaluate HIV prevention programs;
- Provide information/training to change high-risk HIV attitudes and behaviors among military personnel; and
- Integrate and make use of other U.S. government programs and those managed by allies and the United Nations.

FY 2006 Foreign Military Financing (FMF) funds are required to supplement the DoD HIV/AIDS Prevention Program effort through the procurement of laboratory and medical supplies, testing equipment, rapid test field kits, and associated training capabilities that will both complement and sustain the health care training initiative in African partner countries. All these activities are being integrated into the President's Emergency Plan for AIDS Relief and are within the purview of the Global AIDS Coordinator.

## Regional Organizations

(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
ESF	2,982	992	1,000

U.S. support of African regional organizations increases trade and the free flow of goods, services and capital to achieve the goals of economic prosperity and security, and regional stability. Regional economic integration can promote greater U.S. trade and investment in the region as small fragmented African economies combine to achieve the kind of market scale needed to attract U.S. traders and investors. Fostering economic integration and stability within Africa will be crucial in our fight against global terrorism. Strong operational African institutions will contribute in the long-term to sustainable political and economic systems that are ultimately less dependent on donor support. The Regional Organizations ESF program will provide technical assistance to regional organizations such as the African Union (AU), Common Market of Eastern and Southern Africa (COMESA); the Economic Community of West African States (ECOWAS); the West African Economic and Monetary Union (WAEMU).

FY 2006 Regional Organizations ESF will be used to strengthen the institutional capacity of the organizations themselves and help them design the kinds of initiatives and programs that will contribute to regional and global economic integration, especially for opening markets and harmonizing tariff structures, and for investment and sectoral policies. Adherence to World Trade Organization (WTO) standards, and customs, border, and financial sector reforms that promote integration are some of the goals that will be pursued.

The African Union is playing an increasingly significant leadership role in addressing the debilitating and harmful role of conflict in Africa. It is also demonstrating leadership in developing mechanisms to encourage good governance and economic growth. ESF will be used to provide communications and conference capacity for the African Union, to more effectively use the AU's limited staff time and resources.

While ECOWAS has seen notable success in West Africa in the area of conflict resolution, it does not have a strong record of achievement in fostering sub-regional economic integration and is working to improve its performance in this area. However, a subset of eight ECOWAS members have formed WAEMU and made great strides toward economic integration. In this context, the WAEMU countries will use ESF to assist ECOWAS to implement its decision to adopt the common external tariff put into place earlier. We will work with the ECOWAS Community Computing Center to provide a computer network link among relevant trade and statistical agencies and training for personnel using the network, as well as funding for mixed public/private sector trade committees to examine and make recommendations concerning other impediments to greater intra-regional trade.

In east and southern Africa, the focus will be on workshops and training to promote the harmonization of investment codes and regional policies to promote greater trade in agriculture within COMESA. There will be a particular focus on training to strengthen capacity in the area of phytosanitary regulation, taking advantage of the first ever appointment of an Animal and Plant Health Inspection Service (APHIS) specialist to the regional USAID competitiveness hub. This will be especially important in our efforts to encourage countries eligible for the African Growth and Opportunity Act (AGOA) to take full advantage of their AGOA benefits as well as diversify their exports.

Under the AGOA linkages program, there has been a concerted effort to achieve phytosanitary standards for fresh fruits and vegetables, with Zambia gaining USDA approval for the export of a number of

additional products to the United States. WAEMU and COMESA have served as valuable platforms for AGOA Implementation workshops as well as for consultations between the United States and African member states of these regional organizations on WTO matters.

**Safe Skies**  
(\$ in thousands)

Account	FY 2004 Actual	FY 2005 Estimate	FY 2006 Request
ESF	4,971	3,472	3,000

The Safe Skies for Africa Initiative (SSFA) promotes sustainable improvements in aviation safety, security, and air navigation in Sub-Saharan Africa as a means of combating terrorism, narcotics trafficking, trafficking in persons, and smuggling; advances economic development; and promotes U.S. exports. An additional goal of SSFA is to increase the number of African nations meeting International Civil Aviation Organization (ICAO) standards, a goal achieved under the program last year by Cape Verde. SSFA uses a country specific and regional approach, focusing efforts on Angola, Cameroon, Cape Verde, Kenya, Mali, Namibia, Tanzania, Uganda, and other select countries that may be added to the program.

Improved airport security is a vital component in our fight against international terrorism, and SSFA is an essential part of the President's 2003 East Africa Counterterrorism Initiative (EACTI). Under (EACTI), SSFA assistance to Tanzania and Kenya was continued and enhanced, and Uganda was brought into the program. FY 2006 funding will continue EACTI programs on a more modest basis. The security, safety and air navigation enhancements in FY 2006 will continue to directly support this Presidential Initiative.

Specifically, the \$3,000,000 requested in FY 2006 Economic Support Funds (ESF) will be used: 1) for safety, security, and air navigation technical assistance and capacity building to participating states and regional partners; 2) for regional conferences and other activities to promote improvement in regional aviation safety, security, and air navigation; 3) to promote U.S. private sector activities in Sub-Saharan Africa; 4) for advancing a coordinated regional and possibly continent-wide air navigation system; and 5) for continued funding of the East African Aviation Security Advisor position in Kenya. (The regional advisor is charged with developing the domestic legal framework, institutional programs, and operational processes required to ensure effective, sustainable civil aviation security programs in Kenya, Tanzania, Uganda, and Djibouti on an individual and regional basis.)