

2. PROGRAM HIGHLIGHTS

The FY 2006 program budget request for the U.S. Agency for International Development (USAID) lays out additional steps to implement the vision and approach defined by President Bush in his 2005 remarks to USAID employees and non-governmental organization representatives.

. . .you're going to be helping the people improve their schools and develop health services and mitigate conflict and reinvigorate local economies, and help build institutions of democracy, so people can live in peace and freedom.

As our government's leader in relief and reconstruction, USAID and its predecessors have done this kind of work before. You have done big jobs in the past, such as the Marshall Plan. And we're committed to not only solving this problem, but we're committed to the work that goes on year-round in nearly a hundred countries, countries that include Iraq and Afghanistan, where you're helping to build -- to bring a better future to millions of people who have been newly liberated, and to regions in the world like Darfur, in the Sudan, where you're helping to reduce deaths and violence in that troubled region.

The efforts of USAID [are] essential for the foreign policy of the United States of America. Your efforts and the efforts of others, especially to create jobs, promote markets, improve health, fight HIV/AIDS, and help democracy take root, are instrumental to making the world a better place and to protecting the American people.

From Sudan to Sumatra, the world has seen America at its best through the work you do.¹

The FY 2006 budget request builds on previous years' evolution in the direction of fully incorporating foreign policy and national security considerations to consolidate development as the third element of a U.S. national security strategy that also rests on defense and diplomacy.² In 2004, USAID began operating under the Joint State/USAID Strategic Plan for 2004-2009. In the past two years, USAID has also incorporated the results of the Performance Assessment Tool into its strategic budgeting approach, which also took into account country need, program performance and country commitment in promoting economic freedom, ruling justly and investing in people. Complementing these programmatic improvements, USAID has also embarked on human capital improvement and business systems modernization initiatives. This will ensure that USAID has the proper staffing to support program success and to enhance decision-making and enable fast and accountable transactions.

Building on the Joint State/USAID Strategic Plan, USAID distilled five core operational goals in its 2004 paper "U.S. Foreign Aid: Meeting the Challenges of the Twenty-first Century (hereinafter referred to as the White Paper)."³ The goals are to:

¹ Excerpted from remarks of January 12, 2005 on Tsunami Relief, USAID Headquarters, Washington, D.C., <http://www.whitehouse.gov/news/releases/2005/01/20050110-6.html>.

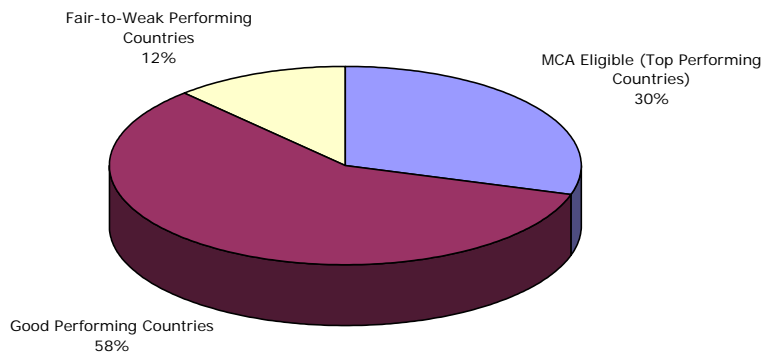
² National Security Strategy of the United States of America, September 17, 2002, <http://www.whitehouse.gov/nsc/nss.html>

³ USAID, "U.S. Foreign Aid: Meeting the Challenges of the Twenty-First Century." Washington, D.C. January 2004. PD-ABZ-322.

- Promote transformational development
- Strengthen fragile states
- Provide humanitarian relief
- Support strategic states
- Address global issues and special concerns.

The FY 2006 budget request reflects USAID's initial effort to align the resources with these operational goals and anticipated results. This represents an advance in strategic management of the program resources. The proposal follows the principles of the U.S. approach to development that the President stated at the United Nations Financing for Development Conference,⁴ tying higher aid levels to political, legal and economic reform and progress. This budget proposal rewards good performance among needy countries in promoting economic freedom, ruling justly and investing in people.

**2006
Development Assistance Funds to Countries
for Transformational Development**



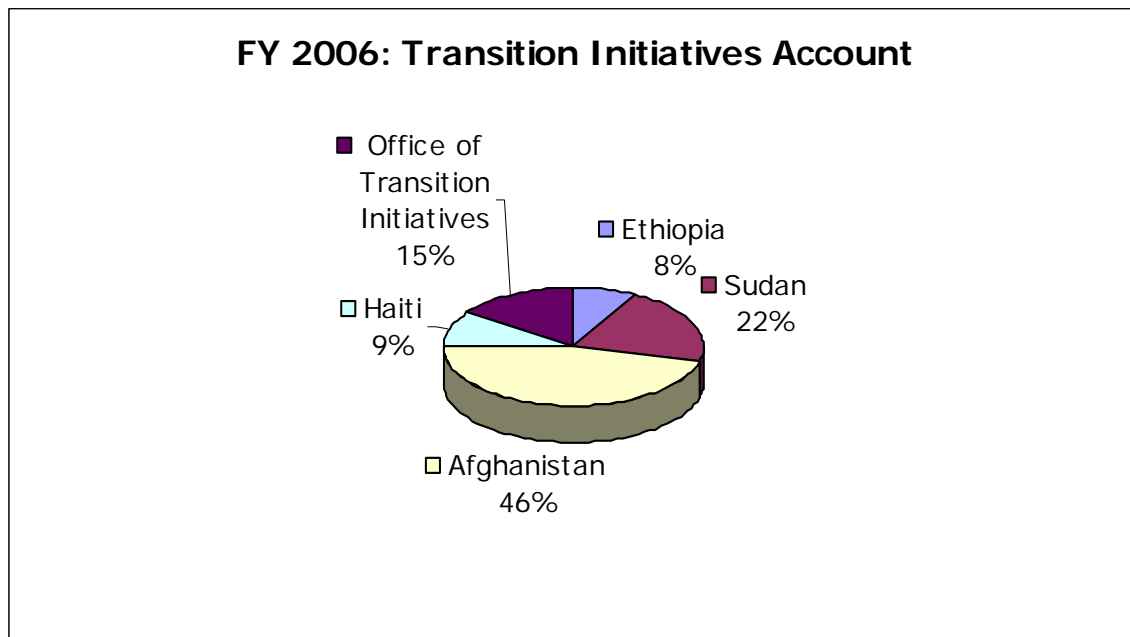
■ MCA Eligible (Top Performing Countries) ■ Good Performing Countries ■ Fair-to-Weak Performing Countries

In a second realignment, the proposal also acknowledges that fragile states – those countries that are vulnerable to or in crisis – present particular humanitarian, development and security challenges and cannot be strengthened simply by holding out the hope of more assistance if performance improves. Moreover, local conditions can change quickly in these settings and require donors to reorient rapidly to new challenges and opportunities. Therefore, the request proposes use of funds from the Transition Initiatives account to better position USAID to support a range of initiatives aimed at the conditions that make countries more vulnerable to crisis. These funds will also be used to expand rapid response and high impact, visible programs. Results will

⁴ Remarks by the President at United Nations Financing for Development Conference, Cintermex Convention Center, Monterrey, Mexico, March 2002.

be measured in terms of progress toward enhanced stability and security, opportunities advanced for reform, and capacity developed of essential institutions and infrastructure.

The combined effect of these realignments is to focus Development Assistance (DA) on needy, good performers, and to use the more appropriate Transition Initiatives (TI) account where addressing the sources of vulnerability and crisis is the first order for bilateral assistance. In addition to its conventional use by the Office of Transition Initiatives, TI is proposed in lieu of DA for four key states: Afghanistan, Ethiopia, Haiti and Sudan. These states are currently vulnerable to or recovering from crisis, and are of high strategic importance to the United States.



USAID's budget request supports programs directed at key assistance priorities in the President's FY 2006 budget. The total FY 2006 request is \$9.1 billion. Of that amount, \$4.1 billion is requested for programs to be implemented by USAID from accounts that are jointly managed with the Department of State (e.g., the Economic Support Fund, Assistance for Eastern Europe and the Baltic States, Assistance for the Independent States of the former Soviet Union, and the Andean Counterdrug Initiative). For accounts directly managed by USAID (Development Assistance, Child Survival and Health Programs Fund, International Disaster and Famine Assistance, and Transition Initiatives), \$3.3 billion is requested. The total for administrative costs is \$802.4 million for Operating Expenses, the Capital Investment Fund, Inspector General Operating Expenses and the Development Credit Program's administrative expenses. Also included is \$885 million in P.L. 480 Title II food aid (which falls under the Subcommittee on Agriculture and is appropriated to the U.S. Department of Agriculture and managed by USAID).

Promoting Transformational Development

"Transformational" development is development that does more than raise living standards and reduce poverty. It also transforms countries, through far-reaching, fundamental changes in institutions of governance, human capacity, and economic structure that enable a country to sustain further economic and social progress without depending on foreign aid. The primary determinants of progress in transformational development are political will and commitment to promote economic freedom, rule justly, and make sound investments in people. USAID pursues

transformational development in countries that are reasonably stable, have a significant need for concessional assistance and have demonstrated commitment.

A guiding principle for USAID's assistance for transformational development is that a country's development is largely the result of the country's own commitment and efforts to help itself. The largest share of human and financial resources devoted to development comes from the country. Thus, in countries with commitment and good performance, USAID makes every effort to marry U.S. national interest with the priorities of the developing country.

Transformational development is comprehensive in nature. Discussed below are selected areas in the FY 2006 budget proposal that USAID wishes to highlight among its programs in support of transformational development.

Promoting Economic Freedom

Assistance provided to achieve this goal will broadly promote an expansion of economic opportunity by enabling: business firms, cooperatives and other economic organizations to increase the efficiency and profitability of their efforts; farmers and rural entrepreneurs to access new technologies and markets for the production of food and incomes; nations to better participate in and benefit from world trade, and individuals to acquire the skills they need to succeed in life.

USAID has been a strong supporter of private sector-led growth in developing countries. It developed an "investor roadmap" in use in 23 assisted countries to identify constraints to entering the market and expanding businesses nationally and locally within those countries. These roadmaps have uncovered key changes that are needed in the business climate to help the economic growth flourish and reach the millions who have not benefited from the macroeconomic reforms of the 1980s and 1990s. USAID's programs increasingly focus on the business climate as a critical ingredient in economic growth. This includes promoting local laws that: protect private property, allow people to start their own businesses, enter into secure contracts, use their land and property as capital to raise cash and then to invest it in seeds, tools, raw materials, or even education.

Economic Freedom Improving Countries' Business Climate

In **South Africa**, USAID's program will build on successful business linkages to increase market opportunities for historically disadvantaged small, medium, and micro-level enterprises involved in manufacturing, services, and agricultural sectors.

USAID's program in **Vietnam** aims to strengthen the competitiveness of the private sector by promoting a business friendly environment, building the capacity of business associations and industry clusters, and improving private sector access to credit. In FY 2005, USAID will provide comments on drafts of new and amended laws such as the Common Investment Law and the Unified Enterprise Law.

USAID aims to improve the **Moroccan** business climate by expanding business opportunities outside of agriculture and agribusiness. Activities will range from market research to an increased provision of technical assistance and training to selected outward-oriented industries to take advantage of identified market opportunities, and the development of backward linkages into the rest of the economy, including emphasis on trade and investment linkages between Moroccan and American firms. Activities will shift from a focus on the identification of economic policy and governance issues to the provision of technical assistance to selected public and private institutions.

In **Jamaica** USAID will strengthen the financial sector's support to private sector growth, improve the overall regulatory, legislative and policy environment for business development, and promote public-private sector partnerships. USAID will work with established business clusters, will promote new clusters within agriculture, such as specialty coffee and "island" cotton, and will develop support sectors, which may include shipping, telecommunications, manufacturing, and information technology.

In its program to improve economic policy and governance in **Romania**, USAID will improve the local business environment by supporting key legislative and policy reforms. This will include (a) institutional development of business associations to enable them to advocate for a better business environment on behalf of members, (b) reform the pension system, and (c) the establishment of a regulatory agency.

In addition to working on the business climate, USAID promotes economic growth and poverty reduction through agricultural development. Many of the stable, needy developing countries are highly dependent on agriculture as a source of income. Much of the workforce in the poorest countries is in rural areas and directly or indirectly engaged in agricultural production. USAID's agriculture programs complement the business climate programs by assisting individuals and firms to respond to opportunities for growth and poverty reduction. Investments in agriculture help the poor by creating jobs, raising incomes and increasing food security. It can also stabilize or reverse degradation of the natural resource base.

USAID's 2004 "Agriculture Strategy: Linking Producers to Markets"⁵ renews the Agency's commitment to agricultural development. USAID's strategy focuses assistance on

- producers and agribusinesses to identify commodities in demand, improve product quality and marketing and connect to local, regional and global markets

⁵ USAID, "Agriculture Strategy: Linking Producers to Markets." Washington, D.C. July 2004. PD-ABZ-800.

- policies and practices that build up rather than degrade the fertility of soil and otherwise protect land, water and forestry resources
- transfer of modern science and technology and building local research capacity to meet competitive challenges to quality, productivity and sustainability
- agricultural training, education and extension that helps rural producers tap into research and market information, and might involve use development of new information technology.

Economic Freedom
USAID Support for Agricultural Productivity in Africa

USAID intends to expand its efforts in **Mali** to increase the productivity of rice, horticulture crops and livestock, to boost its investment in water management and irrigation, and to support animal-feed production enterprises. Programs will promote an improved seed distribution system, the utilization of modern biotechnology tools, and adaptive research on sustainable land and water management systems. USAID's program will augment **Uganda's** commercial agricultural production while expanding its export base. Efforts to increase production of key food and cash crops, including coffee, basic grains and oilseeds, vanilla, and bananas, will be expanded. Both dairy and biosafety/biotechnology development programs will also continue.

In **Zambia**, USAID will expand its outreach to smallholder farmers and small and medium entrepreneurs in order to increase the volume of food production, promote improved marketing techniques, and improve the competitiveness of the agriculture sector. To achieve these goals, USAID programs have promoted conservation farming, small-scale irrigation, water harvesting, and soil fertility. In **Kenya**, USAID will support activities that increase local research and analysis capacity and will continue to advance the process of unifying legislation for the agriculture sector, including financial services and policy and regulatory reforms. USAID is advancing the process of unifying legislation for the agriculture sector, harmonizing the seed policy within the East African region, enacting the Microfinance Institutions Bill, and establishing a system of self-regulation with the microfinance sector.

Trade is a powerful engine for growth and poverty reduction in developing countries. USAID programs implement the World Trade Organization (WTO) member countries' commitment to help developing countries build their capacity to take advantage of globalization and multilateral agreements on trade liberalization. Programs support developing countries to participate in trade negotiations, implement trade agreements and take advantage of the economic opportunities created by trade. This means building analytical and negotiating skills; strengthening key institutions charged with implementing agreements; reforming policies; removing trade barriers, strengthening legal, political and economic institutions and improving private sector operating practices and strategies.

Economic Freedom
Trade Capacity Building in Latin America and the Caribbean

USAID will support the establishment of a regional customs union in **Central America**; the harmonization of commercial, environmental, sanitary and phytosanitary standards; and other laws, policies, regulations, and standards essential to the implementation of international trade agreements. Activities may include strengthening government-to-business dialogue on effective trade policy implementation, supporting intra-regional trade, improving labor requirements, assisting with Central America Free Trade Area (CAFTA) implementation and rules of origin requirements, helping countries meet obligations acquired as members of the WTO and CAFTA, and supporting CAFTA Trade Capacity Building Committee and the ECA's Environment Cooperation Commission.

Support will be provided to **Honduras's** efforts to enhance the quality of independent trade, investment and competitiveness policy research, analysis, and formulation to accelerate its participation in the Central American economic integration process under CAFTA, and the WTO Doha Development Round. Goals include linking rural producers to international markets, streamlining customs procedures, supporting regional sanitary and phytosanitary initiatives, and promoting value-added production. Producers and exporters will receive assistance in order to implement systems to meet increasingly strict government export and market standards in worker safety, bio-terrorism protection, food safety, labor, product traceability, and good agricultural and manufacturing practices.

The USAID **Andean** Trade Capacity Building Program consists of three main components: 1) enhancing the technical capacity of Andean countries to prepare for and implement a Free Trade Agreement (FTA) with the U.S., 2) increasing regional compliance with, and utilization of, the rules of trade emerging from trade negotiations, and those established in other existing/interim/future trade agreements, e.g. the WTO and the Free Trade of the Americas, and 3) strengthening the capacity of entrepreneurs to participate in global markets. USAID will continue providing technical assistance to national authorities to facilitate compliance with WTO and FTA standards in areas such as market access, investment, government procurement, competition policy, services, intellectual property rights, technical trade barriers, labor, and environment. Programs will also increase stakeholder and public awareness related to the FTA and their challenges and benefits. Support will be provided in key areas of trade agreements with the U.S., including commitments in the areas of labor and environment. Through Aid to Artisans, market linkages between Bolivian and Peruvian artisans and local, tourist, regional, and international markets will be established.

Microfinance Uses under USAID's Operational Goals

Agency operational goals suggest distinct programming priorities under each goal.

Promote Transformational Development: Build diverse microfinance services and micro/small enterprise development support services to contribute to both growth and poverty reduction by creating jobs, helping families build assets, and broadening economic opportunities. Foster policies, laws and regulations that create more inclusive economic and financial systems.

Strengthen Fragile States: Support finance and business services to help internally-displaced people, ex-combatants and other affected people maintain or re-establish livelihoods and enterprises. Establish microfinance programs in conflict and post-conflict settings to support self-employment and enterprise development, mobilize community resources, lay a base for building and protecting savings and other financial assets, and re-establish credit history for returnees.

Support Geo-strategic States: Promote financial and business services that help people pursue viable economic alternatives to illicit crops and activities.

Provide Humanitarian Response: During emergency phase, design food-for-work and other assistance programs to restart employment and enterprise. Build from short-term employment programs in emergency stage (e.g., Food for Work) to help affected populations restart their livelihoods and businesses at the earliest possible stage. Establish or re-establish microfinance services to fuel recovery and help households rebuild assets. Identify sustainable market opportunities in reconstruction and recovery phase for local businesses. Promote local sourcing of emergency and reconstruction supplies when feasible.

Address Global Issues and Special Concerns: Focus microenterprise development and microfinance resources on a special purpose, considered important in its own right, but not considered among the highest priorities for achieving any of the other goals.

Ruling Justly

Democracy and governance programs will continue to strengthen democratic systems of governance. Democracy development programs will help encourage credible political processes, supporting proactive civic organizations, engendering respect for the rule of law, promoting security, fighting corruption and fostering human rights. The FY 2006 request will support USAID's assistance to strengthen transformational development countries that are democratic, accountable and capable of sound public administration and to prepare for or avert crisis situations, thereby providing the stability and good governance necessary to sustain and foster development investments.

USAID published its "Anticorruption Strategy"⁶ in October 2004. The inability to reduce and control corruption has hindered many transformational development countries in their own efforts to fully transform, and have been a particular obstacle to their eligibility for Millennium Challenge Account resources. The USAID strategy calls for programs in support of both low-level, or

⁶ USAID. "Anticorruption Strategy.", Washington, D.C. October 2004. PD-ACA-557.

administrative, corruption and high-level, or grand, systemic corruption. USAID concentrates on prevention and on the administrative, audit, oversight and civil aspects of enforcement. It provides technical assistance to address the causes of corruption through, for example, bureaucratic and regulatory reform, public education and monitoring. USAID collaborates with other U.S. government agencies that can engage at the highest diplomatic levels to tackle grand corruption, and that can negotiate and enter into international conventions and mutual legal assistance treaties to support enforcement, especially of the criminal aspects of anticorruption.

Ruling Justly Putting USAID's Anti-Corruption Strategy into Action

USAID's program in **Kenya** is promoting (a) greater public awareness of corruption and access to information about government processes, (b) ethics and integrity among public servants, including the disclosure of assets, (c) procurement transparency through improved government systems and more rigorous monitoring by civil society and the private sector, and (d) mechanisms for dialogue and debate among civil society, the private sector, and the government, including support for civil society organizations that advocate for transparency and sustain pressure for reform. USAID is supporting the establishment, strategic planning, institutionalization, and launch of Kenya's new Department of Government Ethics, responsible for coordinating the government's anti-corruption efforts.

Anticorruption efforts are incorporated throughout the USAID program in **Paraguay**, including strengthening the capacity to deliver services, improving the ability of civil society to put pressure on the current political system to change and become more responsive, reforming judicial institutions to be more accountable and effective, and developing an open, transparent policy dialogue. Technical assistance and training will strengthen the capacity of the private and public sectors to fight corruption and promote reforms.

USAID will help the Government of the **Philippines** address corruption and implement legislative reforms. Support for the GOP's anti-corruption initiatives, including agency audits, disclosure of assets for lifestyle checks, and increasing transparency in government systems will all be expanded in FY 2006. In FY 2005, USAID is providing assistance to the Office of the Ombudsman, the Anti-Money Laundering Council, the Civil Service Commission, the Commission on Audit, and other organizations to increase prosecutions and reduce opportunities for corruption. Support for anticorruption activities includes working with the media and the business community.

In **Bulgaria**, USAID will strengthen the institutional capacity of both the government and business associations to prevent corruption and enhance transparency and accountability especially in the areas of government audit, internal controls, and public procurement. USAID will also support the anti-corruption activities of local NGOs.

Investing in People

USAID's overall goal in education is to help the citizens of developing countries gain the skills and knowledge they need to build and live in free and prosperous societies. At the heart of USAID's strategy is basic education -- the foundation for lifelong learning opportunities. USAID also undertakes other components of education that enhance productivity. These include selective investments in workforce development and higher education.

How USAID's Operational Goals Shape Education Programs

Agency operational goals suggest distinct priorities for programming under each goal.

- **Promote Transformational Development** – Support basic education, workforce development and higher education to help the citizens of developing countries gain the skills and knowledge they need to build and live in free and prosperous societies.
- **Strengthen Fragile States** – Support cost-effective literacy and vocational training programs for women, unskilled boys and young men, including ex-combatants.
- **Support Geo-strategic States** – Improving the quality of the secular education system, as well as broadening the curriculum in moderate religious schools.
- **Provide Humanitarian Relief** – Begin the rehabilitation of education systems following natural or manmade disasters. Simultaneously meet immediate needs through “schools-in-a-box” and other short-term interventions.
- **Address global issues and special concerns** – Focus education resources on a special purpose, considered important in its own right, but not considered among the highest priorities for achieving any of the other goals.

USAID defines basic education broadly to include all program efforts aimed at improving early childhood development, primary education, and secondary education – delivered in formal or informal settings – as well as training for teachers working at any of these levels. USAID also counts training in literacy, numeracy, and other basic skills for adults or out-of-school youth. The common thread among these elements is that they help learners gain the general skills and basic knowledge needed to function effectively in all aspects of life.

Within the sphere of basic education, USAID's efforts will promote more equitable access and improved quality. Ensuring equitable access requires removing physical, economic, and social barriers to education, especially for children underserved because of their poverty, rural residence, ethnic background, disability, or gender. It is particularly through the education of girls that countries accrue a wide range of benefits, including improved health and survival rates of infants and children, reduced rates of fertility, and greater use of modern contraceptive methods. Investments in girls' education also pay off in higher rates of school attendance, attainment, and completion among their children as well as in improvements in the status of women within families, the local community, and the political arena. Hence, USAID pays particular attention to girls' education in our programs.

Today's global economy is being shaped by rapid advancements in technology. To be competitive, countries require workers with both the basic literacy and critical-thinking skills needed to be productive and to adapt to ongoing changes in the marketplace. Countries must produce more highly trained people, including teachers and administrators, to advance and sustain economic growth and other dimensions of development. To accomplish these things, USAID supports “workforce development” program and policy efforts to help young people and adults gain the specific skills and attitudes they need to be productively employed. Colleges and universities in many developing countries have the potential to contribute more fully to the development of their own countries, both through better teaching and better-targeted applied research and by playing a more active role in solving local and national constraints to sustained development, and USAID assistance supports them to do so.

Investing in People USAID's Education Programs

USAID's program in **Uganda** seeks to improve the quality of basic education and primary school completion rates among low income Ugandans. If there is peace in northern Uganda, USAID would expand its basic education program to support teacher training, recruitment and placement of additional teachers, and classroom construction in the post conflict districts. Otherwise, USAID will support special programs in early childhood education through the Ministry of Education and through the Madrasa network of Muslim schools. USAID will also fund in-service and pre-service teacher training, management training for head teachers, supportive supervision, technical assistance for curriculum and materials development, support for monitoring the quality of education services, and the provision of supplies and equipment to support teacher training, and provide scholarships to support secondary education for girls in war-affected northern Uganda.

USAID's education program in **Mali** is focused on improving the quality of Mali's education system. Teacher training at schools will continue, and students at six teacher training colleges will be trained to use the Internet. Assistance for management training programs that allow parents to monitor and improve school performance will be reinforced. USAID seeks to spread its assistance beyond regional education offices to local school administration offices for improved planning and monitoring of school performance. The radio program may expand to nationwide coverage. Scholarships for 5,000 disadvantaged girls will be provided through the President's Africa Education Initiative (AEI). The number of Islamic schools offering high quality education will increase. USAID will support the nationwide implementation of Mali's new primary school curriculum, and the establishment of a student achievement testing system aligned with the new curriculum.

USAID's basic education program in **Indonesia** has three major goals: (a) to help local governments and communities more effectively manage education services; (b) to enhance the quality of teaching and learning in the classroom to improve student performance in public and private schools; and (c) to provide youth with relevant work and life skills to compete for better jobs. Technical assistance will be provided to improve skills for accountable and transparent planning, budgeting, and the management of education services and increased community and parental participation. In-service teacher training (from grades 1 to 9) will expand with an ongoing emphasis on active learning. USAID will begin to implement a media-based educational tool to improve early childhood learning. USAID will mobilize private sector resources and information technology tools that will enhance program impact through private-public partnership.

USAID is helping to improve the quality of education in rural **Peruvian** communities by promoting decentralized local management of services and resources. The program will expand technical assistance and training activities to the San Martin region and initiate the expansion of the Innovations in Decentralization and Active Schools program to another region. Activities under this program include teacher training in active learning methodologies focused on school and community actions that improve the quality of basic education, the promotion of democratic values through the addition of school governments, and increased participation of parents, teachers, community members and local authorities in school management. USAID will also support the implementation of the national Education law.

In health for transformational development, the Agency is increasing its efforts to build adequate health systems by placing greater emphasis on improving quality assurance, cutting waste and inefficiency, strengthening strategic planning and management systems, and developing host-country capacities to sustain the gains in health made with USAID investments. Further, USAID is helping health service delivery organizations manage the finances, drugs and human resources needed to deliver increasingly complicated therapies, such as those for HIV/AIDS and chronic diseases.

**Investing in People
Building Adequate Health Systems**

In **Kenya**, USAID will work with the Ministry of Health (MOH) on national health sector reform and on improving health sector financing and sustainability. USAID will help the MOH to use its National Health Accounts survey to identify financial constraints and develop strategies to overcome them. USAID will support the creation of a health Geographic information System database, in collaboration with the Ministries of Planning and Health. USAID will support an assessment of and subsequent plan for human capacity development needs at all levels, from managers to health care providers and continue to work to improve the MOH's logistics system, and to strengthen management systems to make the Kenya Medical Supplies Agency a viable business entity and improve coordination between KEMSA and its customers.

USAID's program in **Ghana** will support behavior change and health information campaign planning, development and implementation, and expand and strengthen surveillance and data for decision-making. It will support advocacy skills to ensure adequate funding for health and poverty alleviation objectives in the Government of Ghana budget. USAID will also support skills development in program planning and implementation in areas such as HIV/AIDS response, logistics management, community-level planning, care and support; and launch personnel performance management and strengthened supervision.

To enhance the health system capacity in **India**, USAID will continue implementing the urban health initiative which has quickly developed into a nationally recognized public health resource. USAID will contribute to the National Family Health Survey.

USAID's health program in **Peru** provides broad support to strengthen health sector institutions and policies, extend effective health services to hard-to-reach populations, and build professional capacity to sustain progress. USAID will concentrate on health sector policy reform through decentralization of public services, strengthening of key central public health functions such as standard-setting and integrated epidemiologic surveillance, effective targeting of subsidized programs, and promoting the expansion of high quality, reasonably priced-health services.

USAID recognizes the continued importance of Child Survival and Maternal Health in addition to the emphasis on strengthening health systems. The Agency has identified immunization, prevention and treatment of pneumonia and diarrheal diseases, improved nutrition including vitamin A, and other micro-nutrients and breastfeeding as key child survival interventions. An analysis published in The Lancet⁷ in June 2003 documented that expanding these key child survival interventions could prevent almost 7 million of the world's 11 million annual infant and child deaths.

USAID will invest resources in FY 2006 to expand delivery of these interventions to unreached children, and in developing more effective interventions and approaches to help these children.

⁷ Black, Robert E., Saul S. Morris and Jennifer Bryce, "Where and Why Are 10 Million Children Dying Every Year?" The Lancet 2003:361:2226-34.

Funds will be devoted to new and ongoing activities, including the Child Survival Partnership, linking child survival and HIV/AIDS programming in Africa, newborn survival, community-based pneumonia treatment, full access to oral rehydration therapy, and continued investments in the Child Survival and Health Grants Program.

USAID directs its Maternal Health resources to the most cost-effective strategies that deliver proven interventions to prevent and treat life-threatening complications and long-term disabilities as a result of pregnancy. To reduce mortality and disability, USAID will advance and support use of skilled birth attendants; transfer improved technologies and standards of care to reduce postpartum hemorrhage, the biggest maternal killer; increase our capacity to repair obstetric fistula; provide technical assistance to design effective country programs, particularly in sub-Saharan Africa; and the global Initiative for Maternal Mortality Programme Assessment Alliance to document the most cost-effective strategies for achieving public health impact where geography, culture, political unrest, and HIV/AIDS present special challenges to maternal health.

Investing in People Improving Maternal and Child Health

USAID plans to fund local **Bangladesh** NGOs to provide quality health services. Funding for discrete technical packages will continue while funding for core operational costs will decrease to help the NGOs move toward sustainability. USAID will continue an operations research program to improve the content and implementation of the Government of Bangladesh's Essential Service Package. USAID will also continue to implement a package of targeted interventions to address maternal health and essential newborn and safe delivery care at the community level.

To improve maternal and child health and nutrition in **Guatemala**, USAID supports training and health and nutrition education materials, equipment and supplies and grants to NGOs to extend health care coverage in rural areas. The integrated maternal child health and nutrition program that trains and equips health promoters is being expanded. The promoters will conduct growth monitoring and promotion for children under two and educate their mothers on better health and feeding practices. USAID will work with the Ministry of Health on a new service delivery model to place skilled health personnel closer to families to attend deliveries in rural areas with high maternal mortality, including scholarships for professional midwife training for Mayans.

Finally, many countries that have made significant progress in economic and social development are experiencing an increasing threat from non-communicable conditions, including accidental injuries. These are diseases – like heart disease, cancers, diabetes, stroke and related circulatory diseases -- that disproportionately affect working-age populations. In most middle-income developing countries, these diseases account for the majority of deaths and disabilities. As a result, USAID is incorporating this program component into its new health strategic framework and will phase these activities in as resources allow. USAID's focus in this area will be on cost-effective prevention activities to reduce the incidence of non-communicable conditions.

Strengthening Fragile States

Fragile states are those that are vulnerable to or in crisis. Crisis can take different forms, such as conflict and insecurity, governance and economic crisis, or famine. Local conditions in fragile states can change quickly, requiring USAID to adapt quickly to both challenges and opportunities as they arise. USAID's objectives in these settings need to differ from those in more stable transformational development states given their distinct realities. These objectives include

enhancing stability and security, advancing opportunities for reform when they arise and developing capacity of essential institutions and infrastructure.

These objectives are all equally critical. To implement these objectives, USAID will support a range of political, economic, social and security initiatives aimed at overcoming the conditions that make countries vulnerable to crisis. This may include building the capacity of governance institutions, promoting economic growth and effective management of natural resources, improving the provision of key social services, such as education and supporting civil society actors. This support may also include advancing peace building, transitional governance and reconstruction initiatives. The specific mix of programs will vary from country to country, but the overall focus will be on reducing fragility and creating the basis for transformational development.

Strengthening fragile states also requires rapid, flexible response to local conditions that can change quickly. Along with greater program focus on the sources of crisis, USAID will expand its rapid response capability in the face of new challenges and opportunities and programs that feature high impact, visible results. Successful implementation of this approach will require greater resource responsiveness and flexibility. USAID's request to expand the Transition Initiatives account will be a major part of this effort.

Support to these states also requires close coordination with other U.S. Government agencies, as well as with partners such as non-governmental organizations and other donors. USAID and our partners have already moved to enhance coordination.

In FY 2006, four country programs that are of high strategic importance to the United States – Afghanistan, Ethiopia, Haiti and Sudan - exemplify USAID's approach to countries vulnerable to or in crisis and making the transition to transformational development.

Afghanistan

Despite remarkable progress since USAID's assistance program started in 2002, much crucial work remains in order to provide Afghans a more stable and productive life and an antidote to terrorism. Many social and economic indicators continue to be the worst or close to the worst in the world. General and personal insecurity are the most important constraints to development progress.

The USAID program in Afghanistan supports the country's transition to a stable, productive nation. Areas of focus include: improving the economic policy environment and increasing rural incomes, especially in poppy-producing areas; increasing access to basic health services, particularly for women and children, and education services, where a heavy emphasis will be placed on achieving parity in enrollment and access for girls and women; reinvigorating the judicial system and spreading democratic practices through support to elections, media and civil society. These programs address the principal sources of fragility in Afghanistan.

Ethiopia

Ethiopia has the poorest human development indicators in the world. More than three-quarters of the population lives on less than \$1 a day. Its education and health systems are inadequate, so the majority lacks access to basic services. In addition, it is vulnerable to drought and subsequent food emergencies. Ethiopia became a focus of the G8's initiative to end famine and increase agricultural productivity and rural development under U.S. Government leadership in 2004. USAID expects to continue this work at least through 2006. The USAID program will fund the productive safety net in Ethiopia through 2006, and coordinated efforts will also continue on initiatives to increase agricultural productivity and promote rural development. The priority tasks to be tackled in stabilizing Ethiopia's vulnerability to crisis are to help the Government of Ethiopia

to develop the capacity to manage through such shocks as the 2003 food emergency; to increase human capacity and social resiliency (through improved family health, reduced or mitigated impacts of HIV/AIDS, and enhanced quality and equity in education); to increase the capacity for good governance, including mechanisms to reduce local-level conflict and to enhance transparency and accountability; and to increase broad-based rural development and market-led economic growth.

Haiti

Haiti is the poorest country in the Western Hemisphere, with a per capita income of less than \$400 per year, and 80 per cent of the population living in poverty. Two decades of political, social and economic mis-management, exacerbated by natural disaster, has left Haiti in a very fragile situation. The natural resource base is degraded, institutions are weak, corruption widespread and human development indicators are very low, and the HIV/AIDS prevalence rate is the highest in the hemisphere at 5.6 per cent.

USAID's program in Haiti is focused on restoring essential education, health and productive sector services, restoring and sustaining a climate of peace and security and laying the foundations for economic growth and democratic governance (including fair and free elections). The FY 2006 USAID program proposes to: 1) improve the quality of primary education, strengthen public-private partnership in education governance, and improve educational services to out-of-school youth; 2) enhance maternal and child health, deliver family planning services, provide for prevention and treatment of HIV/AIDS and other infectious disease and strengthen public sector health management and governance; 3) support economic growth by increasing the productivity and incomes of small agricultural producers and broadening the availability of credit and financial services to artisans, small entrepreneurs, and to the larger productive sector; and 4) promote democracy and empower elements of Haitian society by strengthening the independent media, supporting human rights organizations and public sector officials in the fight against corruption, providing grassroots training, strengthening political parties; protecting human rights, and supporting justice reform.

Sudan

Sudan has recently ended more than two decades of civil war. The country's economic, social and political systems reflect the central fact of conflict. In Southern Sudan, there is little or no physical infrastructure and institutional capacity. Agricultural production is low and markets are inaccessible. An estimated 90% of the population lives on under \$1 a day. Lack of health care has resulted in high infant and maternal mortality and high incidence of malnutrition, malaria and diarrheal disease. The literacy rate is extremely low (about 20%) and children have little access to schooling. Sustainability of the peace agreement depends on the ability of the Sudan Peoples' Liberation Movement (SPLM) to transition from a guerilla movement to a political organization, and the Government of Sudan to partner with the SPLM in creating the institutions of democratic governance.

USAID will strengthen stability and contribute to enhancing security in its peace agreement support, which is comprised of short-term conflict mitigation and humanitarian relief and rehabilitation. The USAID program will also lay the foundation for longer term recovery. It will support: more responsive and participatory governance, improved equitable access to quality education, increased use of health, water and sanitation services and practices and laying the foundation for economic recovery by upgrading physical infrastructure, training in business and agricultural skills and reforming key laws and regulation.

Support Geo-strategic States

The goal in strategic states is to support and help advance the U.S. foreign policy objective that motivates assistance in the country. This may call for programs aimed at development progress; programs that address fragility; or other kinds of programs. For each country, broad program goals and objectives are developed in close consultation and cooperation between USAID and other parts of the Administration, as well as with the Congress. Considerations include the sorts of program goals will best serve the U.S. foreign policy interests in the country, and the feasibility of achieving development results (or diminished fragility) in a particular country context, and the kinds of programs likely to be most effective.

Country strategies will vary from country to country depending on the broad program goals and objectives. Overall success is assessed in terms of the contribution of the USAID program to the foreign policy objectives that motivate the assistance.

In FY 2006, USAID will support U.S. foreign policy goals with special emphasis on Iraq, Afghanistan, Pakistan and Sudan, as well as other front-line states in the War on Terror in the Asia and the Near East and Africa regions. The Agency's Iraq programs will be funded from the Economic Support Fund (ESF) and other appropriations. USAID will also target resources to the Muslim World Initiative to support social and economic transformation and to address the root causes of terrorism.

The Agency's program in **Iraq** will consolidate advances in democratic governance by providing critical support to institutions of democracy such as the national assembly, support elections through voter education and electoral administration and strengthen civil society by engaging it in improvements in local infrastructure and service delivery. The program will continue to restore economically critical infrastructure including airports, roads, bridges, railroads, seaports, electric power, water and sanitation, telecommunications and essential buildings. It will lay the foundation for private-sector-led economic growth by assisting with economic and financial sector policy and regulatory reforms, making business skills, services and grant opportunities available to private entrepreneurs and businesses and setting the stage for increased agricultural productivity and rural income growth.

The weakness of public education in some predominantly Muslim countries – including several states of geo-strategic importance - has led a growing number of parents to send their children to religious schools. While most Islamic schools have no links to extremist groups,⁸ poor quality secular education systems create an opening for radical Islamist movements to establish schools whose purpose, in part, is to promote the worldview of their sponsors.

This problem can be ameliorated through improvements in the quality of the education system, including a curriculum that focuses on preparing students to support and thrive in market-oriented democracies. Given the growing parental preference for schools that reinforce Muslim identity and values, strengthening the secular part of the curriculum in existing moderate religious schools can help attract students from families who want a religious education for their children but also see the need for their children to gain skills and knowledge that will be useful in the workplace.

In **Pakistan**, the USAID program works nationally to build capacity and support for systemic education sector reform at national and district levels. There is a particular emphasis on expanding access to education for girls in the education sector reform action plan, which includes activities such as introducing boundary walls in the schools so that girls can attend. Other program components include work on the formulation and implementation of national policies for literacy, information and communication technology and early childhood development. A national

⁸ USAID. "Strengthening Education in the Muslim World: Summary of the Desk Study." Issue Paper Number 2, USAID:Washington, DC, June 2003, PN-ACT-009.

teacher education strategy will be designed and 15,000 teachers and administrators will be trained. The program also targets improved classroom instruction in public and community schools and school reconstruction and refurbishment in Sindh and Balochistan provinces and in the Federally Administered Tribal Areas that border Afghanistan.

Provide Humanitarian Relief

Humanitarian response is a longstanding foreign aid priority, and humanitarian assistance will continue to be provided on the criterion of urgent need. The goal is to help save lives and alleviate suffering of people in distress, regardless of the character of their governments. Humanitarian programs can be pursued – depending on need -- in transformational development countries, in fragile states, in geo-strategic states, or in other states that do not normally receive foreign assistance.

Humanitarian assistance is often provided to countries where USAID has other core operational goals such as transformational development, overcoming fragility, and combating HIV/AIDS and other communicable diseases. Humanitarian assistance will be provided in ways that reinforce our interests in these other goal areas. Similarly, USAID is guided by the “do no harm” principle that seeks to ensure that our humanitarian assistance does not have unintended negative consequences, such as instability or dependency. The concept of relief that promotes recovery will be integrated into the programming of humanitarian assistance. USAID will seek durable solutions to crises by emphasizing disaster prevention and building local capabilities to respond. This approach is being applied, for example, in addressing population displacement.⁹

USAID will use FY 2006 resources to provide quality humanitarian assistance to disaster victims. It will also develop host country expertise and provide resources for planning, preparedness, mitigation and prevention activities in risk-prone areas. USAID provides emergency assistance, targeting the most vulnerable groups: the malnourished, children, nursing and pregnant women, child- and women-headed households, the elderly and the disabled. In FY 2004, USAID responded to 70 declared disasters in 55 different countries, targeting an estimated 71.4 million beneficiaries. Countries in which major responses were mobilized include Sudan, Iraq, Liberia, The Democratic Republic of Congo and Burundi. In FY 2005, Sudan, Iraq, Liberia, Ethiopia and the African and South Asian countries affected by the tsunami are major known or projected recipients of humanitarian relief.

USAID’s FY 2006 program for **Sudan** includes a continuation of the emergency response and plans for initial recovery operations in Darfur, one of the world’s worst man-made humanitarian crises.

To reduce the need for humanitarian relief, USAID works to improve regional, national and local capacity to plan for, mitigate and respond to disaster events. USAID’s training in Asia includes incident command training, application of technological advancements such as flood forecasting and early warning and hazard mapping for vulnerable and affected communities.

Global Issues and Special Concerns

This goal area encompasses the many other goals, objectives and priorities that USAID pursues as largely independent, self-standing concerns. Many of these concerns are very relevant to development. Nonetheless, they are typically pursued because they are important in their own right. Resources are allocated based on concern-specific need and commitment and results can be achieved irrespective of the country’s general progress in development or reduction in fragility. Such concerns often call for a concerted response focused on a subset of countries where the issue or problem is most acute or immediate.

⁹ See “USAID Assistance to Internally Displaced Persons Policy,” PD-ACA-558. Washington, D.C.: USAID. October 2004.

Examples of global issues include HIV/AIDS and climate change. Special concerns might include programs directly aimed at countering narcotics or other illicit trade, other infectious diseases besides HIV/AIDS, family planning, programs aimed at reducing illegal logging, or direct support for U.S. trade agreements.

These concerns can be pursued in transformational development countries, fragile states, and/or geo-strategic states. Other special, self-standing concerns may be country-specific, with little or no connection between progress in one country and progress in another. They are reflected in development programs that are fairly specifically defined and restricted and oriented more toward near term delivery of specific goods or services than towards broader institutional development.

HIV/AIDS and Other Infectious Diseases

As HIV/AIDS and other infectious diseases continue to threaten the health of families and children in developing countries worldwide the fight against this pandemic remains a top priority for USAID, which has a lead role in implementing the President's Emergency Plan for AIDS Relief under the policy direction of the Global AIDS Coordinator at the Department of State. In FY 2006, USAID will provide funds for the non-focus countries and the Global AIDS Coordinator and the Department of Health and Human Services will fully fund programs in the 15 focus countries.

In FY 2006, USAID will scale up efforts in the prevention of mother-to-child HIV transmission, assistance to orphans and vulnerable children, the ABC (abstinence, be faithful, use condoms) approach to HIV/AIDS prevention, nutrition and HIV/AIDS, life-extending therapy, voluntary counseling and testing, improving injection safety and ensuring the safety of blood supplies, and provision of therapy for concurrent illnesses and opportunistic infections as well as palliative care. USAID's FY 2006 program will also provide global leadership in the areas of capacity building, policy environment, monitoring and evaluation systems, public and private sector partnerships; and to the Global Fund to Fight AIDS, Tuberculosis and Malaria through its active participation on the U.S. delegation to the Global Fund's Board, and through technical support provided by USAID missions to Country Coordinating Mechanisms in developing and/or implementing Fund-supported country programs.

USAID's infectious diseases strategy will continue to focus primarily on strengthening prevention and control programs at the country level. Malaria efforts will focus on scaling up interventions to prevent and treat malaria infection in women and children in particular expanding access to insecticide treated bed nets, intermittent treatment for pregnant women and the roll-out of new combination drug therapies. Efforts to address malaria will build on and expand current programs primarily in Africa, but also include sub-regional efforts in South America and Southeast Asia and complex emergency settings. USAID will continue to support the expansion of partnerships, and will invest in malaria vaccine and drug development.

Country level expansion and strengthening of the Directly Observed Treatment Short-course (DOTS) Strategy will continue to be the focal point of USAID's tuberculosis program. In addition to working with National TB Programs to implement the various components of the DOTS Strategy, USAID will increase and strengthen the availability of human resource capacity to support DOTS implementation, continue contributing to partnerships that strengthen the capacity to address the challenges of multi-drug resistant TB, TB/HIV co-infection, and to engage the private sector in DOTS. Partnerships that develop improved diagnostics and the development of new and more effective TB drugs and treatment regimens will be expanded.

In order to build a foundation for infectious disease programs, USAID will implement key elements of the global strategy to reduce antimicrobial resistance, strengthen schools of public health and make critical investments in building epidemiological capacity and global networks to support country programs in surveillance.

President's Emergency Plan for AIDS Relief

President Bush's Emergency Plan for AIDS Relief (PEPFAR) aims to achieve the goals of

- treating at least two million people with anti-retroviral therapy,
- preventing seven million new infections, and
- caring for 10 million persons infected with and affected by HIV, including orphans and vulnerable children.

After one year of operation, PEPFAR is on track to meet or exceed these ambitious targets.

PEPFAR focuses its efforts in 15 countries that account for almost half of worldwide HIV infections: Botswana, Côte d'Ivoire, Ethiopia, Guyana, Haiti, Kenya, Mozambique, Namibia, Nigeria, Rwanda, South Africa, Tanzania, Uganda, Vietnam and Zambia. In addition to bilateral aid to the 15 focus countries, under PEPFAR the U.S. is the largest donor to the Global Fund, and U.S. government agencies support HIV/AIDS prevention, treatment and care activities in more than 60 non-focus countries.

Malaria, Tuberculosis and Other Infectious Diseases

USAID will continue to support the scale-up of malaria and TB services in **Uganda** to increase coverage and use of insecticide-treated mosquito nets (ITNs) and home-based treatment of malaria and TB. In FY 2005, USAID will provide technical support, training and funding for supervision to extend access to TB treatment through community outreach workers linked to health clinics. USAID will also provide training and technical assistance to strengthen the national TB reference laboratory and district-level laboratory facilities. USAID will also support the Ministry of Health to implement its national malaria program including home-based treatment of malaria by community outreach workers, intermittent preventive treatment of malaria for pregnant women in antenatal care service sites, and the promotion, sale, and distribution of ITNs through the commercial sector.

USAID will continue to support the National Malaria Control Program in **Zambia** through the provision of technical advice and assistance for all aspects of the National Roll Back Malaria effort. Support is also provided for the scale-up of new, more effective drug treatment, and the government's campaign against malaria in pregnancy through intermittent presumptive treatment and the distribution of ITNs. USAID works with the Ministry of Health to expand access to and improve the quality of malaria prevention and treatment. Zambia is also a focus country for HIV/AIDS prevention and treatment under the PEPFAR.

Through its **Europe Regional** program, USAID's Europe and Eurasia Bureau will support an analysis and outreach activity that will promote more effective HIV-TB co-infection prevention and treatment policies and programs. The Southeast Europe (SEE) Initiative (RiskNet) will continue to build the sustainability of NGOs and institutions working with populations most at-risk for HIV to leave an in-country legacy when U.S. assistance phases out. The TB program focuses efforts on the control of TB and multi-drug resistant TB. Activities include support for the implementation of DOTS, aid for regional trainings and networks to fill gaps in local DOTS expertise, and the translation and dissemination of technical documents and protocols. Regional conferences, training, workshops, and technical assistance will support countries in their application for Global Fund to fight AIDS, TB, and Malaria (GFATM) grants as well as in the implementation, monitoring and evaluation of GFATM activities.

The **Central Asian Republics Regional** program will continue to support the five-year regional TB Control Program to expand DOTS geographically, and strengthen surveillance, laboratory quality, and rational drug management throughout the region. High level working groups will be established throughout the region to solidify policy changes and improve coordination. Working groups on drug management, laboratory, communication and social mobilization, and prisons will be organized as part of these groups. Regional funds will be used to provide assistance on the preparation of applications for and implementation of TB control grants from the GFTAM. USAID will use regional funds to support the WHO Regional TB Advisor, who provides policy-level guidance and technical assistance on all components of the TB control program throughout the region. WHO can often gain access to and influence the Ministries of Health, as all of the countries respect its status and international best practices.

Environment, Natural Resources Management and Energy

A number of the President's initiatives are related to assisting developing countries to address aspects of global climate change, such as greenhouse gas emissions or carbon sequestration.

The Global Climate Change Initiative will transfer American energy and sequestration technologies to developing and transition countries to promote sustainable development and minimize their greenhouse gas emissions growth. Activities assist countries to better measure, reduce emissions, and invest in clean and renewable energy technologies. This initiative is implemented in the four regions: Africa, Asia and the Near East, Latin America and the Caribbean, and Europe and Eurasia.

USAID activities in support of the President's Initiative on Illegal Logging will complement the regional Congo Basin Forest Partnership Initiative. Recognizing the negative impact that illegal logging has on world markets in forest products, USAID will partner with producers and forest organizations worldwide to develop and implement new approaches to sustainable forestry management that respond to market incentives. The Congo Basin Forest Partnership promotes economic development, poverty alleviation, improved governance, and conservation of natural resources in six Central African countries: Cameroon, Central African Republic, Democratic Republic of Congo, Equatorial Guinea, Gabon, and the Republic of Congo. Through a network of national parks and protected areas, activities will support sustainable forest management, forestry concessions, sustainable agriculture, and assistance to local communities who depend upon conservation of the forest and wildlife resources. USAID funding will be leveraged by contributions from international environmental organizations, host governments, G-8 nations, the European Union, and the private sector.

The Clean Energy Initiative (CEI) has three components: The Global Village Energy Partnership works to increase access to modern and affordable energy services in un- and underserved areas; Efficient Energy for Sustainable Development works to delay the need for new generating capacity by improving the productivity, efficiency, and reliability of current operating systems; and Health Homes and Communities works to promote cleaner transportation fuels and indoor cooking and heating practices to reduce the estimated three million deaths that result from poor air quality each year. USAID support for the Global Village Energy Partnership will result in an estimated 5 million people per year receiving new or improved access to modern energy services. The CEI operates as a partnership, leveraging the funds of governments, the private sector, civil society, development organizations, and others.

Water for the Poor

This initiative expands access to clean water and sanitation services, improves watershed management, and increases the efficiency of water in industrial and agricultural activities. This initiative will help achieve the UN Millennium Declaration Goal of cutting in half by 2015 the proportion of people who lack safe drinking water. This initiative is multi-year and will leverage private resources to generate more than \$1.6 billion for water-related activities globally. The regional focus will be in Africa, and in Asia and the Near East.

Conclusion

The FY 2006 budget request fully supports U.S. foreign policy goals and national security interests. The requests responds to President Bush's priorities, including support for the Global War on Terrorism and helping key fragile states toward stability and security. The forgoing discussion represents only the highlights of USAID's FY 2006 budget proposal. Full details are

found in the accompanying tables and in the regional and country narratives. USAID pursues five operational goals: promoting transformational development, strengthening fragile states, supporting geo-strategic states, providing humanitarian relief and addressing global issues and special concerns. To have the greatest impact, USAID proposes in FY 2006 to allocate Development Assistance resources more toward those needy countries that are strongly committed to transformational development, and have demonstrated that commitment via good performance. For states that are vulnerable to or in crisis, USAID recognizes that it must program for short-term results that will help to stabilize, secure, reform and strengthen fundamental capacity. It is proposing an expanded use of the FY 2006 Transition Initiatives account in lieu of previous years' use of DA in four crisis states to better support selected countries in pursuit of stability, security, reform and recovery.