

**Statement by Assistant Secretary Jeffrey Davidow
Bureau of Inter-American Affairs**

The political, economic and social health of the countries in Latin America and the Caribbean will have an important impact on our national security in the next century. The hemisphere has undergone a historic transition to democracy and free markets. Of the 35 countries in the Western Hemisphere, only one remains non-democratic: Cuba. The region's governments are implementing substantial economic reforms and U.S. business opportunities are better than ever. Latin America is entering a new and fragile phase in its development: the institutionalization of democratic norms and the gradual integration of market-led, free-trading economies. However, much of the region's progress remains in danger of being rolled back if the process of institutionalization is not completed and fails to achieve broad public support.

The greatest challenge facing the region is the need to translate the enormous economic and political success of the last decade into real and lasting improvements in the daily lives of all of the hemisphere's citizens. This can only be accomplished by improving judicial systems, expanding economic opportunities for the poor, reducing corruption, alleviating poverty, improving schools and primary health care systems and, in general, creating more equitable societies. Strengthening civil society and the mechanisms of democratic governance will secure the region's progress and the public's support. U.S. policy works toward those objectives.

In addition to the challenges to democratic and economic institutionalization, transnational threats are also putting in jeopardy the region's continued development. Narcotics and arms trafficking, alien smuggling, money laundering, terrorism and environmental degradation are placing enormous pressures on governments. Without strong police and effective judicial systems, corruption and violence from the drug trade will undermine governments and civil societies. Without strong banking laws and financial institutions, money laundering will infiltrate legitimate monetary systems and distort national economies. Continued environmental degradation will destroy domestic agricultural capacity, further impoverish the poor, and create serious health concerns. No threat can be treated individually, for they are all inter-related. The entire governance system in the Western Hemisphere must be strengthened and democracy and free market reforms institutionalized to withstand the multitude of threats facing the region.

U.S. objectives and policies in the region are supported by scarce resources. U.S. policy seeks to 1) secure U.S. national security interests; 2) promote continued market-based economic reforms leading to increased growth, free trade and broadly-based development; 3) strengthen democracy and the rule of law to ensure that the values and principles that have guided our nation thrive throughout the hemisphere; 4) combat drug trafficking, migrant smuggling and environmental degradation to minimize the impact of these transnational threats; 5) encourage sustainable development programs to

reduce poverty and improve living standards for all citizens of the region; 6) protect U.S. citizens and borders; 7) provide humanitarian assistance.

Economic Prosperity

The economic decline experienced by Latin America and the Caribbean in the 1980's has been replaced by growth averaging 3% per year during the 1990's. Inflation continues to fall, and the region is attracting record levels of foreign direct investment (almost \$31 billion in 1996), a strong demonstration of private investor confidence.

U.S. support for market-based reforms -- through reform-oriented bilateral assistance, multilateral aid, and policy dialogue -- has been a key ingredient in these achievements.

The U.S. is urging a continuation and deepening of market reforms to consolidate the achievements to date and stimulate faster and more broadly-based growth. With continued reductions in trade barriers, modernization of government administration, fundamental reform of education and other institutional restructuring, the region's growth rate could ultimately double. This would have a real impact on deep-seated social problems and solidify public confidence in democracy and the market model. Over the past three decades, the region has made important developmental gains, especially in education and health. However, desperate poverty and wide income disparities persist and only high and sustained growth rates will change this. U.S. economic policy in Latin America and the Caribbean seeks to:

- Achieve Congressional passage of fast-track negotiating authority for the President and the Caribbean Trade Enhancement Act.
- Negotiate a free trade agreement with Chile in 1998 and begin negotiations to reach a Free Trade Area of the Americas by 2005.
- Advance and deepen economic reforms in the region.
- Reduce the level of poverty and increase standards of living in the Americas.
- Improve education opportunities and the delivery of primary care services.
- Increase microenterprise programs.

Democracy

U.S. efforts to promote democracy, human rights and the rule of law in the Western Hemisphere have yielded great success over the last two decades. However, much work remains. In some countries the possibility of returning to the days of populist leaders that could push back or halt political and economic reforms still remains. In Mexico, Colombia and the Caribbean, democratic governments are facing serious threats from drug cartels, including political violence, corruption and money laundering. In Haiti, the government is at a critical junction in its efforts to build a lasting democracy. The U.S. is working with the Haitian Government and the international community to improve law enforcement and the rule of law, enhance and extend sustainable development to all of Haiti's population, and increase the pace of

economic reforms. Throughout the region, countries are struggling to institutionalize democracy and strengthen civil society. U.S. democracy policy seeks to:

- Work with the international community to strengthen democratic institutions and advance the rule of law in Haiti.
- Guarantee sufficient international donor resources to ensure success of Guatemala peace accords.
- Enhance regional efforts to combat corruption, a corrosive force that dissolves trust between governments and citizens.
- Promote and strengthen the institutions and mechanisms that support democracy, civil society and the rule of law.
- Advance judicial reform, strengthen non-governmental organizations and regional institutions that protect human rights, broaden civic education efforts and build the capacity to carry out free, fair and transparent elections.

Law Enforcement

Illegal narcotics from Latin America and the Caribbean pose a significant threat to the United States. The narcotics trade undermines democratic governments, facilitates institutional corruption and weakens the social fabric of a nation. U.S. efforts seek to reduce coca and opium production in the region, strengthen counternarcotics legislation and expand maritime cooperation agreements. Over the course of the last year most governments in the region have improved cooperation with the U.S. on narcotics issues. In the case of Mexico, Presidents Clinton and Zedillo signed the U.S.-Mexico Alliance Against Drugs declaration which calls for closer binational cooperation, during the President's May 1992 visit to that country. The fight against the international narcotics trade in the hemisphere saw significant success in 1996. At the June OAS General Assembly, regional governments gave final approval to the "Anti-Drug Strategy for the Hemisphere", a Summit of the Americas initiative spearheaded by the U.S. and developed in the OAS's Inter-American Drug Abuse Control Commission (CICAD). Recently, the OAS took an important step in fighting the scourge of arms trafficking by concluded an inter-American convention against illegal firearms trafficking. We will also seek to greatly expand multilateral cooperation against narcotics trafficking, as outlined in the administration's report to Congress on September 16. U.S. international narcotics and law enforcement policy will seek to:

- Reduce the level of illegal drugs entering the U.S.
- Improve hemispheric money laundering controls.
- Enhance the effectiveness of police and alternative development programs.
- Secure passage of asset forfeiture laws.
- Increase greater regional cooperation with the U.S. on alien smuggling, trafficking in stolen cars and other transitional threats.
- Improve law enforcement capabilities for the Caribbean.

Global Issues

The Western Hemisphere possesses rich and unique environmental resources. U.S. foreign policy and the policies of governments in the region must seek to preserve and protect the fragile ecosystem. This Administration has recognized that environmental degradation and environmental scarcity exacerbate unstable and potentially volatile international situations. Haiti is a perfect example of the impact environmental degradation can have on a nation. This year, the Department of State opened one of six global "Environmental Hubs" in San Jose, Costa Rica. The environmental hub is serving to coordinate regional environmental policies and attract foreign donor lending to promote sound environmental policies and practices. The Bureau of Oceans, Environment and Science will fund an additional hub in the Amazon basin this year. U.S. policy will:

- Support and advance the environmental issues outlined in the Summit of the Americas action plan and the Santa Cruz Sustainable Development Summit.
- Continue inter-agency consultations within the framework of the U.S.-Brazil Common Agenda.
- Complete the Inter-American Biodiversity Network.
- Identify new environmental projects for North American Development Bank funding.

Protecting American Citizens and the U.S. Border

One of the primary responsibilities of the Department of State is the protection of American citizens overseas. Through sustained and aggressive diplomacy, the U.S. promotes the safety and well-being of American citizens living, working and traveling throughout the Western hemisphere. In addition, the U.S. stems the flow of illegal aliens into the U.S., combats alien smuggling, and uses public service announcements to educate potential migrants on the dangers of traveling to the U.S. illegally. In May, the President signed a declaration on migration with President Zedillo that will ease U.S.-Mexican immigration tensions and provide a mechanism to constructively deal with the issue of illegal migration. Responding to a congressional mandate (section 104 of the 1996 immigration law) the USG will reissue all Border Crossing Cards (BCC) with a biometric encoder. The Department will incur a start up cost of approximately \$27.6 million, primarily for personnel. However, the BCC should become self-sustaining through fees. The U.S. will continue to pressure the Castro regime to adhere to the 1994 and 1995 Migration Accords that call for the safe and orderly repatriation of Cubans attempting to make the dangerous trip to the United States. The U.S. will seek to:

- Reduce the number of illegal migrants entering the U.S.
- Improve regional cooperation in providing services to American citizens in need of assistance.
- Increase prisoner exchanges.

National Security

Latin America and the Caribbean is one of the most peaceful and demilitarized regions of the world; on average military spending is equivalent to only 1.5% of GDP.

Working bilaterally and through international fora, the U.S. has been successful in securing regional cooperation in the fight against terrorism and international crime and in strengthening international arms control and nonproliferation regimes. We are also working with our allies in the region to resolve the border conflict between Peru and Ecuador, pressure the Castro regime to change peacefully and adhere to international law, and create a stable democratic environment in Haiti. Our efforts throughout the hemisphere seek to resolve disputes, ease historic rivalries, build regional cooperation on defense and security matters, and work with the region's militaries to develop sound military strategies and doctrines. U.S. policy will:

- Aggressively promote a wide range of confidence and security building measures, including the establishment of a hemispheric legal framework for advanced notification of major arms acquisitions.
- Develop a mechanism to ensure defense modernization plans are rational, transparent and meet the new threats of the day.
- Work with the OAS, eliminate the scourge of landmines left after the 1980s Central America conflicts.
- Resolve regional tensions and settle border disputes (in particular Peru/Ecuador).
- Improve the professionalism of the region's militaries.

Humanitarian Assistance

Small U.S. investments in crisis prevention and mitigation may reduce the need for more substantial investments in crisis resolution where U.S. interests are directly at risk. However, even where U.S. interests may not be directly affected, the United States has a long-standing tradition of providing humanitarian assistance in response to the urgent need of the victims of natural and man-made disasters and complex emergencies. U.S. humanitarian assistance policy seeks to:

- Identify potential impacts of disasters and populations at risk.
- Strengthen institutions that conduct preventive diplomacy, conflict resolution, early warning, disaster preparedness, and relief.
- Coordinate information and responses with other donor governments, regional and international organizations, and private sector groups.
- Enhance short-term food security.

International Affairs Budget by Account and Budget Function

Region: ARA

| Strategic Goals | (\$000s) | | |
|--|--------------------|---------------------|--------------------|
| | FY 1997 Actual | FY 1998 Estimate | FY 1999 Request |
| Foreign Operations | \$976,246 | \$1,033,905 | \$1,138,497 |
| Contribution to Enterprise for the Americas Multilateral Investment Fund | 27,500 | 30,000 | 50,000 |
| Contribution to the Inter-American Development Bank | 35,611 | 46,446 | 46,763 |
| Development Assistance Program | 273,888 | 293,500 | 297,478 |
| Economic Support Fund | 102,200 | 116,000 | 188,000 |
| Export- Import Bank loans program account | 142,744 | 130,994 | 155,349 |
| Foreign Military Financing | 2,000 | 3,000 | 3,000 |
| Inter-American Foundation | 20,000 | 22,000 | 22,000 |
| International Military Education and Training | 9,052 | 10,250 | 10,250 |
| International Narcotics and Law Enforcement | 161,150 | 181,700 | 221,200 |
| International Organizations and Programs | 9,000 | 9,000 | 9,000 |
| Migration and Refugee Assistance | 11,400 | 11,300 | 12,300 |
| Non-proliferation, anti-terrorism, demining, and related programs | 5,678 | 1,995 | 5,403 |
| North American Development Bank | 55,000 | 56,500 | .. |
| Operating Expenses of the Agency for International Development | 44,073 | 43,011 | 42,462 |
| Peace Corps | 52,607 | 54,809 | 54,773 |
| Peacekeeping Operations | 15,728 | 15,500 | 11,000 |
| Trade and Development Agency | 7,615 | 7,900 | 9,519 |
| Other Function 150 | \$483,353 | \$478,861 | \$477,282 |
| Contributions for International Peacekeeping Activities | 17,790 | 7,000 | 4,000 |
| Contributions to International Organizations | 112,611 | 122,110 | 120,966 |
| Diplomatic and Consular Programs | 175,063 | 154,117 | 162,115 |
| Educational and Cultural Exchange Programs | 21,219 | 21,707 | 21,018 |
| International Information Programs | 40,926 | 47,674 | 48,258 |
| P.L. 480 | 115,744 | 126,253 | 120,925 |
| ARA Total: | \$1,459,599 | \$1,512,766 | \$1,615,779 |

International Affairs Budget by Bureau by Strategic Goal by Account

Region: ARA

| Strategic Goals | (\$000s) | | |
|--|-------------------|---------------------|--------------------|
| | FY 1997 Actual | FY 1998 Estimate | FY 1999 Request |
| Regional Stability | \$56,974 | \$49,209 | \$42,136 |
| Foreign Military Financing | 2,000 | 3,000 | 3,000 |
| Contributions for International Peacekeeping Activities | 17,790 | 7,000 | 4,000 |
| Diplomatic and Consular Programs | 12,194 | 13,226 | 13,671 |
| Educational and Cultural Exchange Programs | 210 | 233 | 215 |
| International Military Education and Training | 9,052 | 10,250 | 10,250 |
| Peacekeeping Operations | 15,728 | 15,500 | 11,000 |
| Open Markets | \$20,053 | \$22,206 | \$22,598 |
| Diplomatic and Consular Programs | 8,290 | 8,565 | 8,966 |
| International Information Programs | 10,331 | 12,053 | 12,168 |
| Educational and Cultural Exchange Programs | 1,432 | 1,588 | 1,464 |
| Expand U.S. Exports | \$162,251 | \$150,492 | \$177,475 |
| Diplomatic and Consular Programs | 11,892 | 11,598 | 12,607 |
| Trade and Development Agency | 7,615 | 7,900 | 9,519 |
| Export- Import Bank loans program account | 142,744 | 130,994 | 155,349 |
| Increase Global Economic Growth | \$68,423 | \$81,397 | \$101,944 |
| Contribution to Enterprise for the Americas Multilateral Investment Fund | 27,500 | 30,000 | 50,000 |
| Diplomatic and Consular Programs | 5,312 | 4,951 | 5,181 |
| Contribution to the Inter-American Development Bank | 35,611 | 46,446 | 46,763 |
| Promote Growth in Developing & Transitional Economy | \$184,545 | \$195,592 | \$240,257 |
| Contributions to International Organizations | 15,335 | 16,511 | 15,043 |
| Development Assistance Program | 72,512 | 78,400 | 90,605 |
| Economic Support Fund | 38,805 | 42,360 | 76,450 |
| Inter-American Foundation | 20,000 | 22,000 | 22,000 |
| International Organizations and Programs | 6,500 | 6,500 | 6,500 |
| P.L. 480 | 11,385 | 10,000 | 10,000 |
| Peace Corps | 20,008 | 19,821 | 19,659 |
| Enhance Security/Safety of Americans Abroad | \$15,776 | \$14,100 | \$14,821 |
| Diplomatic and Consular Programs | 15,776 | 14,100 | 14,821 |
| Control the Flow of Immigrants and non-immigrants | \$19,586 | \$11,042 | \$11,604 |
| Diplomatic and Consular Programs | 19,586 | 11,042 | 11,604 |
| Minimize the Impact of International Crime | \$17,071 | \$15,270 | \$17,423 |
| Economic Support Fund | 7,500 | 10,000 | 10,000 |
| Diplomatic and Consular Programs | 3,571 | 3,270 | 3,423 |
| International Narcotics and Law Enforcement | 6,000 | 2,000 | 4,000 |
| Reduce Levels of Entry of Illegal Drugs | \$168,262 | \$193,902 | \$231,727 |
| Diplomatic and Consular Programs | 3,339 | 3,031 | 3,171 |
| Educational and Cultural Exchange Programs | 357 | 396 | 365 |
| International Narcotics and Law Enforcement | 155,150 | 179,700 | 217,200 |
| International Information Programs | 9,416 | 10,775 | 10,991 |
| Reduce International Terrorist Attacks in the U.S. | \$8,809 | \$5,037 | \$8,583 |
| Diplomatic and Consular Programs | 3,131 | 3,042 | 3,180 |
| Non-proliferation, anti-terrorism, demining, and related programs | 5,678 | 1,995 | 5,403 |
| Increase Adherence to Democratic Principles | \$137,083 | \$161,547 | \$184,368 |
| Economic Support Fund | 39,283 | 40,425 | 65,550 |

International Affairs Budget by Bureau by Strategic Goal by Account

Region: ARA

| Strategic Goals | (\$000s) | | |
|--|--------------------|---------------------|--------------------|
| | FY 1997 Actual | FY 1998 Estimate | FY 1999 Request |
| International Information Programs | 14,588 | 17,072 | 17,273 |
| Development Assistance Program | 23,274 | 39,992 | 37,273 |
| Diplomatic and Consular Programs | 4,349 | 4,212 | 4,405 |
| Educational and Cultural Exchange Programs | 1,342 | 1,488 | 1,372 |
| Contributions to International Organizations | 51,747 | 55,858 | 55,995 |
| International Organizations and Programs | 2,500 | 2,500 | 2,500 |
| Humanitarian Response | \$120,650 | \$132,444 | \$128,345 |
| P.L. 480 | 104,359 | 116,253 | 110,925 |
| Diplomatic and Consular Programs | 4,891 | 4,891 | 5,120 |
| Migration and Refugee Assistance | 11,400 | 11,300 | 12,300 |
| Secure a Sustainable Global Environment | \$108,849 | \$128,325 | \$77,322 |
| Economic Support Fund | 5,510 | 5,750 | 10,500 |
| Peace Corps | 5,627 | 5,575 | 5,529 |
| Educational and Cultural Exchange Programs | 215 | 239 | 220 |
| Diplomatic and Consular Programs | 3,261 | 3,241 | 3,391 |
| Development Assistance Program | 38,236 | 57,020 | 57,682 |
| North American Development Bank | 56,000 | 56,500 | .. |
| Early Stabilization of World Population | \$75,194 | \$64,253 | \$71,447 |
| Development Assistance Program | 70,000 | 57,038 | 60,101 |
| Diplomatic and Consular Programs | 1,394 | 1,290 | 1,346 |
| Economic Support Fund | 3,800 | 5,925 | 10,000 |
| Protect Human Health & Reduce Spread of Diseases | \$129,614 | \$129,080 | \$124,002 |
| Contributions to International Organizations | 45,529 | 49,741 | 49,926 |
| Development Assistance Program | 69,866 | 61,050 | 51,817 |
| Diplomatic and Consular Programs | 1,290 | 1,174 | 1,228 |
| Economic Support Fund | 7,302 | 11,540 | 15,500 |
| Peace Corps | 5,627 | 5,575 | 5,529 |
| Diplomatic Activities | \$988 | \$950 | \$995 |
| Diplomatic and Consular Programs | 988 | 950 | 995 |
| Public Diplomacy | \$24,254 | \$25,537 | \$25,208 |
| International Information Programs | 6,591 | 7,774 | 7,826 |
| Educational and Cultural Exchange Programs | 17,663 | 17,763 | 17,382 |
| Diplomatic Readiness | \$141,217 | \$132,383 | \$135,524 |
| Operating Expenses of the Agency for International Development | 44,073 | 43,011 | 42,462 |
| Diplomatic and Consular Programs | 75,799 | 65,534 | 69,006 |
| Peace Corps | 21,345 | 23,838 | 24,056 |
| ARA Total: | \$1,459,599 | \$1,512,766 | \$1,615,779 |

ARA: FY 1999 REGIONAL PROGRAM PLAN

NATIONAL INTEREST: National Security

STRATEGIC GOAL: Ensure that local and regional instabilities do not threaten the security and well-being of the U.S. or its allies.

OPERATIONAL GOAL: Increase and improve U.S.-Latin American military relations, as well as improve relations between civil society and armed forces to promote regional stability, regional integration and consolidation of democracy.

STRATEGY:

The primary U.S. national security interest in Latin America and the Caribbean is to build a vibrant community of democratic nations committed to free markets and peace. The U.S. will bring to bear its diplomatic resources to build mutual confidence, security and transparency throughout the region, and to support the development of appropriate civil/military relationships through bilateral and multilateral dialogue, and information exchange. As a Guarantor of the 1942 Rio Protocol, continue to assist Ecuador and Peru in their substantive border discussions.

OBJECTIVES:

- 1) Continued progress toward a resolution of the border conflict between Peru and Ecuador. (State, DOD)
- 2) Implement appropriate, multilateral confidence- and security-building measures as agreed in the OAS Declaration of Santiago. (State, DOD)
- 3) Strengthen dialogue on the role of the military in a democratic society through the Defense Ministerial of the Americas, the OAS Committee on Hemispheric Security, and other appropriate fora. (State, DOD)

ASSUMPTIONS:

- Decreased spending on defense will continue to be the trend in the hemisphere.
- Continued respect for regional agreements such as the Rio Protocol of 1942, which permitted the Guarantor countries to influence Peru and Ecuador in agreeing to negotiate their border dispute.

INDICATORS:

- Exchange of information and official visits between Peruvians and Ecuadorans.
- Status of the Peru/Ecuador border dispute.

Latin America and the Caribbean

- Implementation of confidence and security building measures.
- Level of understanding by regional militaries of their proper role in a democracy
- Negotiations on and peaceful resolutions of border disputes.
- Cooperation between militaries of different countries in the hemisphere.

ARA: FY 1999 REGIONAL PROGRAM PLAN

NATIONAL INTEREST: National Security

STRATEGIC GOAL: The U.S. and its allies will not be threatened by weapons of mass destruction or destabilizing conventional arms.

OPERATIONAL GOAL: Secure the cooperation of Latin American and Caribbean countries in collecting, analyzing, and disseminating intelligence on terrorist organizations and criminal enterprises seeking to acquire WMD; obtain their support in international fora for international norms and regimes to strengthen arms control and nonproliferation.

STRATEGY:

Make appropriate use of multilateral arms control fora such as the UN First Committee and Conference on Disarmament, gain support from Latin American and Caribbean countries for international norms and regimes that strengthen arms control and nonproliferation; sanction violators. Priorities include enforcement of the Comprehensive Test Ban Treaty and the Chemical Weapons Convention, U.S. export controls and other laws and international agreements to control trade in conventional arms and military technology. Achieve a ban on anti-personnel landmines consistent with U.S. national security interests and those of Latin American and Caribbean countries. Continue to work with the OAS in demining activities including increased funding from IFIs and other donors. Continue policy of restraint vis-a-vis high-tech weapons' transfers. Get approval for legal framework in OAS for advanced notification of conventional arms systems on the UN Register.

OBJECTIVES:

- 1) Implement a U.S. conventional arms transfer policy to Latin America and the Caribbean that strengthens regional stability and supports U.S. objectives. (State, DOD, Commerce) Obtain signing and ratification of treaties, such as CTBT, by Latin American and Caribbean countries. (State, ACDA)
- 2) Establish regional support for rational and transparent defense modernization. (State, DOD)
- 3) Obtain Latin American and Caribbean support for U.S. positions in international fora on WMD issues. (State, ACDA)

ASSUMPTIONS:

- The cooperation of Latin American and Caribbean countries in international fora will be crucial in achieving adoption of conventions and international norms.

Latin America and the Caribbean

- Countries will continue to show restraint in acquiring and developing WMD.
- U.S. arms sales will continue to be guided by a policy of restraint.

INDICATORS:

- Status of a regional framework to guide defense modernization.
- Status of treaties as described above.
- Assistance from Latin American and Caribbean countries in lobbying for U.S. positions in international fora.

ARA: FY 1998-1999 PERFORMANCE PLAN

NATIONAL INTEREST: Economic Prosperity

STRATEGIC GOAL: Open foreign markets to free the flow of goods, services, and capital.

OPERATIONAL GOAL: Meet the US commitment to complete negotiations for the Free Trade Area of the Americas (FTAA) by the year 2005, seek additional trade agreements in the hemisphere while expanding and strengthening those already existing, and obtain the broadest possible fast track authority for the President to negotiate the FTAA.

STRATEGY:

The Administration will seek from Congress the broadest possible fast-track authority for the President. U.S. efforts will focus initially on a US/Chile Free Trade Agreement and will be able to exercise its natural leadership role to structure the FTAA negotiations through the Summit of the Americas working groups; and, working with the Central American ministers of trade under the auspices of a new Regional Trade and Investment Council, assisting Central American and Caribbean countries with technical competitiveness training, science and technology agreements, international public and private sector cooperation, and business opportunities. Promotion will complement the FTAA activities. Senior-level State Department public affairs outreach efforts will help educate the American public on the benefits of free trade.

OBJECTIVES:

- 1) Congressional passage of broad fast-track legislation enabling the President to negotiate a US/Chile Free Trade Agreement and to begin negotiations to complete a Free Trade Area of the Americas (FTAA) by 2005. (State, USTR, Commerce)
- 2) Complete the strategy for creating the FTAA through working groups created at Summit of the Americas trade ministerial meetings. (State, USTR, Commerce)
- 3.) Latin American and Caribbean countries lower tariffs and non-tariff barriers to U.S. goods and services. (State, USTR, Commerce)
- 4) Improve exchange of information on trade-related issues and lay the groundwork for agreements with additional regional countries. (State, USTR, Commerce)
- 5) Improve public understanding of NAFTA's successes and the benefits to be derived from the FTAA.

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- 6) Support efforts at policy reform in such areas as foreign investment, energy, banking, broadcasting and telecommunications.
- 7) Resolve contentious implementation issues. (State, USIS, USTR, Commerce)
- 8) Prepare the small economies of the hemisphere for inclusion into FTAA (State, USAID, USTR, Commerce)

ASSUMPTIONS:

- Continued support from the President, Speaker Gingrich, and Senate Majority Leader Lott for fast track authority.
- Continued cooperation on Miami Summit initiatives.
- Continued hemispheric consensus supporting free trade.
- Continued economic recovery and growth in Mexico and other countries affected by the Mexican peso crisis.

INDICATORS:

- Status of Congressional fast-track legislation.
- Status of FTAA negotiations.
- Level of foreign tariffs and non-tariff barriers on U.S. goods and services.
- Number of trade agreements.
- U.S. public awareness of free trade.

ARA: FY 1999 REGIONAL PROGRAM PLAN

NATIONAL INTEREST: Economic Prosperity

STRATEGIC GOAL: Expand U.S. exports to \$1.2 trillion by 2000.

OPERATIONAL GOAL: Expand traditional markets for U.S. goods and services in Latin America and the Caribbean to \$145 billion by the year 2000.

STRATEGY:

Focus U.S. Government advocacy, finance and other export promotion efforts on fast-growing, emerging markets such as Mexico, Brazil, Chile and Argentina. Maintain export promotion efforts in non-traditional and other markets in the hemisphere as opportunities arise. Working with the Department of Commerce and the Trade Development Agency (TDA), increase domestic awareness of trade opportunities by reaching out to small and medium-sized firms and matching them up with potential importers/consumers. Support American foreign direct investment as a means of increasing U.S. exports. Support WTO initiatives designed to open markets, e.g., the new financial services initiative.

OBJECTIVES:

- 1) Increase U.S. share of major Latin American markets including Mexico, Brazil, Chile and Argentina. (USTR, State, Commerce)
- 2) Increase the number of U.S. companies exporting to the region. (USTR, State, Commerce)
- 3) Increase U.S. investment in countries liberalizing their economies and privatizing parastatals. (State, USTR, Commerce)

ASSUMPTIONS:

- Annual economic growth will remain at approximately four percent.
- Mexico will continue to be our third largest trade partner, and trade disputes will continue to be resolved or addressed satisfactorily through NAFTA mechanisms.
- Government support and advocacy for U.S. business will remain essential to export success.
- Productivity will remain close to its current level.

INDICATORS:

- Level of U.S. exports of goods and services.
- Level of U.S. investment.
- Outreach and information to U.S. businesses on investing in the region.

ARA: FY 1998-1999 PERFORMANCE PLAN

NATIONAL INTEREST: Economic Prosperity

STRATEGIC GOAL: Increase global economic growth.

OPERATIONAL GOAL: Encourage Latin American and Caribbean countries to adopt macroeconomic, trade, investment, exchange rate, legal and regulatory policies designed to support free market economic growth.

STRATEGY:

In coordination with the IMF, encourage Latin American and Caribbean countries to adopt sound economic policies. Increase the number of signatories to the Bilateral Investment Treaties and Intellectual Property Rights Agreements. Work closely with the IDB on sustainable development initiatives outlined in the Summit of the Americas. Pay arrears to the World Bank and IDB to maintain U.S. leadership and influence. Facilitate private international financial flows, especially to transition and developing economies and develop better advance warning mechanisms to avoid financial crises in emerging markets.

OBJECTIVES:

- 1) Persuade countries to privatize inefficient parastatals to increase efficiency and competition. (State)
- 2) Work with countries to streamline bloated public sectors to reduce government spending. (State)
- 3) Increase protection of U.S. investment and intellectual property rights. (USTR, Commerce, State)
- 4) Press for compensation of American citizens for confiscated properties. (State, Treasury)

ASSUMPTIONS:

- There will not be any severe economic shocks, such as the energy crisis of the 1970's, or another crisis similar to the Mexican peso crisis, that might slow global economic growth dramatically .

INDICATORS:

- Economic growth rates.
- Level of private debt and higher capital inflows to key transitional and developing countries.
- Stable macroeconomic indicators.
- Privatization of parastatals.

ARA: FY 1998-1999 PERFORMANCE PLAN

NATIONAL INTEREST: Economic Prosperity

STRATEGIC GOAL: Promote broad-based economic growth in developing and transitional economies.

OPERATIONAL GOAL: Combat poverty by strengthening the region's economies, expanding economic access and opportunity for the poor, and improving educational opportunities.

STRATEGY:

Strengthen markets by establishing an enabling environment, comprising policies, institutions, regulations and attitudes conducive to dynamic and equitable economic growth. Encourage investment in basic health and education to reduce income inequality and mitigate the effects of gender discrimination. Provide bilateral assistance for poverty alleviation. Channel assistance to the poor through international PVOs and NGOs, where this is most effective. Contribute to multilateral development bank lending programs that provide concessional financing to the poorest countries. Support Haiti in taking positive actions to improve food security and address basic population survival issues. Promote Haiti's transition to a market-based economy and contribute to environmentally sustainable economic growth in less-developed countries through USAID development assistance projects.

OBJECTIVES:

- 1) Improve economic efficiency, promote competitiveness, and increase investment in both human and physical capital by working with Latin American and Caribbean governments. (State, USAID)
- 2) Work with Latin American and Caribbean governments to remove barriers to credit, technology, land and markets for the poor, including women who are disproportionately represented among the poor in some countries. (USAID, State)
- 3) Encourage governments to expand access to basic education for girls and other disadvantaged groups. (USAID, State)
- 4) Reform labor laws to reduce cost of formal sector employment and improve labor management relations. (USAID)
- 5) Improve regulation, increase competition, and provide better access to financial system for all citizens. (USAID)

Latin America and the Caribbean

- 6) Through the Summit process and, where possible, assistance programs, foster worker and vocational training programs for all workers with an emphasis on adult training programs and programs to retrain workers displaced by economic and technological factors. (USAID, State)
- 7) Through AID microenterprise projects, create jobs in the informal sector for people without access to credit by encouraging countries to modernize property registries and take other measures that aid the poor in giving commercial value to their assets. (USAID)
- 8) Persuade countries to develop strategies for sustainable development of natural resources. (USAID, State)
- 9) When requirements of section 295 and section 206 of the Libertad Act have been met, provide assistance to the government of Cuba. (USAID, State)

ASSUMPTIONS:

- Developing countries create domestic conditions conducive to economic growth.
- Enhanced global economic conditions will facilitate growth in the countries of the region.
- NGO, PVO and multilateral development institutions will play an increasingly important role in combating poverty, but U.S. government contributions will remain essential.
- Macro-economic growth is indispensable to alleviate poverty.

INDICATORS:

- Investments by Latin American governments in human and physical capital.
- Educational opportunities for the poor.
- Poverty head count.
- Passage of labor laws.
- Infant/child/adult mortality rates.
- Literacy rates.
- Per capita GDP.
- Level of economic activity by microenterprises and small businesses.
- Adult and technical skills training.
- A transition to democracy in Cuba, as defined under the provisions 205 and 206 of the 1996 Libertad Act.

ARA: FY 1999 REGIONAL PROGRAM PLAN

NATIONAL INTEREST: Protect American Citizens And Safeguard U.S. Borders

STRATEGIC GOAL: Enhance the ability of American citizens to live and travel abroad through the provision of consular services.

OPERATIONAL GOAL: Ensure that American citizens overseas receive assistance and protection, through the Embassy and through local services as appropriate.

STRATEGY:

Meet rising passport demand and maintain integrity of the system through enhanced use of technology, financed through fee-for-service. Facilitate public access to information on passports, citizen services, consular information sheets, and announcements and warnings concerning foreign travel. Maintain the U.S. Government's crisis management capability, including after-hours emergency citizen services for the public in the United States and at diplomatic and consular posts abroad. Work closely with other governments to ensure consular protection for U.S. citizens in their countries. Work closely and creatively with Americans living abroad to develop effective communications, especially in locations where diplomatic or consular posts have closed.

OBJECTIVES:

- 1) Increase posts' ability to inform and protect U.S. citizens during natural disasters and deteriorating security conditions. (State)
- 2) Increase prisoner exchanges and seek Senate ratification of the OAS Prisoner Exchange Treaty. (State, DOJ)
- 3) Facilitate legal, safe and orderly entry of foreigners into the U.S.
- 4) Increase communication with the American public through general information on travel to Latin America and the Caribbean, such as travel advisories and handouts for embassy and consulate reception areas. (State, USIS)
- 5) Increase the integrity of the U.S. passport and the passport issuance process through enhanced training of consular personnel.

ASSUMPTIONS:

- Passport demand will grow by 7-9% annually between 1997 and 2000.
- The American public will continue to demand a high level of service from U.S. passport agencies and diplomatic and consular posts.

Latin America and the Caribbean

- International crises and incidents will often involve Americans overseas.
- Americans occasionally will be singled out as targets because of their nationality.

INDICATORS:

- Efficiency and accuracy of passport issuance, and name check systems.
- Availability and levels of use of consular information systems.
- Implementation of the Congressionally mandated Border Crossing Card.
- Assessment of comments made by citizens regarding quality of service.
- Agreements with foreign governments and others that enhance service, emergency response, and protection of American citizens.
- Post-crisis reviews of USG agencies' performance.
- Prisoner exchanges and Senate ratification of the OAS Exchange Treaty.

ARA: FY 1999 REGIONAL PROGRAM PLAN

NATIONAL INTEREST: Protect American Citizens And Safeguard U.S. Borders

STRATEGIC GOAL: Control how immigrants and non-immigrants enter and remain in the U.S.

OPERATIONAL GOAL: Ensure legal, safe and orderly migration.

STRATEGY:

Work with Mexico, the Central American countries, The Bahamas, Haiti and Cuba to stem the flow of illegal aliens migrating to the United States. Continue to participate in regional immigration conferences held by the International Organization on Migration (IOM) to develop effective strategies to cope with illegal migration. Encourage governments to modify and improve their legislation regarding punishment of alien smugglers, to include aliens being smuggled onward to the United States. Use public service announcements to educate potential migrants of the dangers of traveling to the U.S. illegally.

OBJECTIVES:

- 1) Improve legislation regarding alien smuggling throughout Central America, and cooperation between the U.S. and Latin American countries as evidenced in the Cardenas case. (State)
- 2) Improve communications with Central Americans on the deportation of criminal aliens from the U.S. (State, INS, DOJ)
- 3) Disrupt alien smuggling rings. (DOJ, INS, State)

ASSUMPTIONS:

- Continued cooperation from the Castro regime per the 1994 and 1995 Migration Accords. (While there is no indication to the contrary at this time, Castro will continue to use the threat of uncontrolled migration as a way to pressure the U.S.)
- Continued interest on the part of Central American governments to assist in intercepting illegal aliens transiting their countries

INDICATORS:

- Illegal aliens intercepted at US ports of entry.
- Illegal aliens arrested within the US and being held in detention centers.
- Illegal aliens who are intercepted at sea or who illegally enter the Guantanamo Naval Base in Cuba.

ARA: FY 1999 REGIONAL PROGRAM PLAN

NATIONAL INTEREST: Law Enforcement

STRATEGIC GOAL: Minimize the impact of international crime on the U.S. and its citizens.

OPERATIONAL GOAL: Promote conduct of law enforcement institutions based on democratic principles and internationally recognized principles of human rights. Enhanced cooperation between the U.S. and Latin American governments on international crime issues.

STRATEGY:

The U.S. will assist Latin American and Caribbean countries to develop strong legal, judicial and law enforcement institutions. Strengthen existing agreements with Latin American and Caribbean countries on cooperation in combating money laundering and other financial crimes, alien smuggling, drug trafficking, trafficking in stolen vehicles and other forms of transnational crime. Through USAID, DOJ and INL programs, strengthen the criminal process in countries throughout the region, working with police, prosecutors, courts and other interested parties. Host a meeting of Central American law enforcement ministers. Encourage and assist in the establishment of witness security programs. Seek additional cooperation from regional governments regarding alien smuggling, stolen cars and aircraft, and extradition of criminals. Follow-up on agreements and declarations that resulted from the President's trip. Increase the exchange of intelligence on international crime with countries that experience high incidences of crime and have shown interest in cooperation, notably the Central American countries.

OBJECTIVES:

- 1) Improve the ability and coordination of police, prosecutors and judges to process criminal cases. (State, DOJ, AID)
- 2) Expand the number of extradition treaties. (State, DOJ)
- 3) Establish new legal attaché offices in Brazil in FY 1998 and Peru in FY 1999, with FY 1998 staff increases in Colombia and Mexico, and an FY 1999 increase in Chile.
- 4) Provide technical assistance to agreements on combating trafficking in stolen cars. Increase the number of such agreements. (State, DOJ)
- 5) Strengthen existing and reach new maritime agreements, especially with countries in the Caribbean. (State, DOJ, DEA)

Latin America and the Caribbean

6) Reduce the flow of illegal aliens through Latin America and the Caribbean into the U.S. (State, INS, USCG)

7) Conclude mutual legal assistance treaties.

ASSUMPTIONS:

- The need for greater growth to create more jobs and income disparities will result in a continuing increase in domestic and international crime.
- The current atmosphere of hemispheric cooperation will continue to be helpful in getting neighboring countries to work together on these common problems.
- The easing of travel restrictions in the hemisphere will require greater resources to prevent the possibility of an increase in international illegal activity.

INDICATORS:

- Cooperation between countries in the hemisphere resulting in arrests of drug traffickers, alien smugglers, and other criminals working internationally.
- Number of criminal cases that reach decision on the merits in courts.
- Number and size of legal attaché offices.

ARA: FY 1998 - 1999 PERFORMANCE PLAN

NATIONAL INTEREST: Law Enforcement

STRATEGIC GOAL: Significantly reduce the entry of illegal drugs into the U.S.

OPERATIONAL GOAL: Enhance drug producing and transit countries' resolve and capabilities to reduce drug cultivation, production, trafficking and money laundering.

STRATEGY:

Strengthen political commitment of host governments to counternarcotics efforts. Support the reduction of coca in the region through eradication programs and alternative development assistance. Work with cooperating governments to dismantle trafficking organizations and strengthen governmental institutions and legal systems. Expand cooperation with the Government of Mexico under the recently signed counternarcotics agreements and through provision of technical assistance and equipment. Improve regional counternarcotics cooperation through comprehensive maritime agreements and money laundering controls.

OBJECTIVES:

- 1) Decrease coca and opium poppy cultivation in the region. (State, DEA)
- 2) Enact and improve counternarcotics legislation in the region providing for asset forfeiture and severe punishment for drug traffickers and money launderers. (State, DEA)
- 3) Improve the capacity of cooperating governments to eliminate drug cultivation and production. (State, DEA)
- 4) Improve regional and multilateral cooperation on all aspects of the narcotics trade, including extradition. (State, DOJ, DOD, DEA)
- 5) Implement end-use monitoring plans to ensure that U.S.-supplied equipment used in counternarcotics activities is being properly used. (State, DEA)
- 6) Expand maritime cooperation agreements. (State, DOJ)
- 7) Assist source countries provide environmentally sound, economically sustainable alternatives to illegal drug production.

ASSUMPTIONS:

- Poverty and lack of effective government control will continue to hinder efforts to halt cultivation and distribution of narcotics.

INDICATORS:

- Implementation of national drug control policies and counternarcotics efforts.
- Commitment of resources by drug producing and transit countries to combating narcotics trafficking.
- Level of coca cultivation.
- Arrest and prosecution of major drug trafficking and corrupt officials.
- Length and number of prison sentences for narcotics traffickers.
- Use of asset forfeiture laws.
- Number of extraditions to the U.S.
- Signing of additional maritime cooperation agreements.
- Number of maritime interdictions.

ARA: FY 1998-1999 PERFORMANCE PLAN

NATIONAL INTEREST: Law Enforcement

STRATEGIC GOAL: Reduce international terrorist attacks, especially on the United States and its citizens.

OPERATIONAL GOAL: Work with governments to increase their counterterrorism capabilities and their level of cooperation with U.S. authorities. Sustain bilateral and multilateral political and economic pressure on state sponsors of terrorism.

STRATEGY:

Work with Latin American and Caribbean governments, bilaterally and within the Summit process through the OAS, to deter, warn against, respond promptly to, and defeat all terrorist threats or attacks on U.S. interests and U.S. government installations. Defend against threats or the actual use of weapons of mass destruction by terrorists. Maintain the U.S. policy of no concessions to terrorists, emphasizing that no ransoms should be paid. Investigate and prosecute terrorist suspects; work with Latin American and Caribbean governments to share intelligence, facilitate investigations, and extradite terrorists; strengthen host country and international law, and combat terrorist funding. Intensify intelligence collection and analysis; provide training to Latin American and Caribbean governments in counterterrorism, communications security, and aviation security. Urge nations to implement the Plan of Action of the 1996 OAS Lima Conference on Terrorism.

OBJECTIVES:

- 1) Improve intelligence on terrorist groups such as National Liberation Army (of Colombia) (ELN), Revolutionary Armed Forces of Colombia (FARC), Shining Path (SL), Tupac Amaru Revolutionary Movement (MRTA), Manuel Rodriguez Patriotic Front Dissidents (FPMR/D), and various Middle Eastern terrorist groups. (State, DOD).
- 2) Professionalize Latin American and Caribbean counterterrorism capabilities through the State Department's Anti-Terrorist Training Assistance (ATA) program of police, FBI, DOJ and ICITAP training of police and prosecutors, and programs such as witness relocation and protection. (State, DOJ, FBI)
- 3) Strengthen regional governments' legislation to facilitate extradition of terrorists. (State, DOJ)
- 4) Continue pressing for multilateral anti-terrorist cooperation bilaterally and at the OAS, focusing on the practical measures agreed upon at the 1996 OAS Lima

Latin America and the Caribbean

Conference to prevent, combat and eliminate terrorism with special emphasis on the ten international conventions on terrorism. (State, DOJ, INS)

ASSUMPTIONS:

- Terrorist organizations such as National Liberation Army (of Colombia) (ELN), Revolutionary Armed Forces of Colombia (FARC), Shining Path (SL), Tupac Amaru Revolutionary Movement (MRTA), Manuel Rodriguez Patriotic Front Dissidents (FPMR/D), and various Middle Eastern terrorist groups will continue to pose a threat to U.S. citizens, installations and host country governments.
- The atmosphere of cooperation among countries in the hemisphere will allow the continuation of an exchange of intelligence on a bilateral basis on terrorists and their groups.

INDICATORS:

- Terrorist incidents against U.S. interests and citizens.
- The arrest, extradition and prosecution of terrorists.
- Adherence to the ten international conventions on terrorism.

ARA: FY 1999 REGIONAL PERFORMANCE PLAN

NATIONAL INTEREST: Democracy

STRATEGIC GOAL: Increase foreign government adherence to democratic practices and respect for human rights.

OPERATIONAL GOAL: Improve respect for human rights and strengthen democratic institutions in Latin America and the Caribbean. Promote a peaceful transition to democracy in Cuba. Promote judicial and democratic reforms and continue support for strengthening civil society.

STRATEGY:

Promote implementation of the Inter-American Convention Against Corruption and its adoption by additional countries Assist Paraguay, Colombia, Guyana and Jamaica with upcoming elections, providing technical assistance and monitors, and encourage U.S. NGOs and other donors to contribute funding and personnel to observe voting. Through ICITAP, strengthen and professionalize investigative police in the hemisphere. Promote the independence of judges and improvements in prison conditions. Promote respect for the rights of workers, indigenous people, women and children, and participation of women and minorities in the democratic political process. Press governments to respect land rights of indigenous people, freedom of religion, and remain alert for any signs of religious persecution. Focus the utilization of E-IMET on human rights issues. Host a Central American regional Ministers of Labor meeting to advance workers' rights. Promote respect for fundamental human rights in Cuba by maintaining pressure on the Cuban government, through the U.S. embargo and working with our allies, while reaching out to the Cuban people through humanitarian assistance, increased people-to-people exchanges, increased contacts between U.S. and Cuban non-governmental organizations, and improved information flows. Continue multilateral efforts with the Europeans and Latins to find ways to support our mutual goal of promoting a peaceful transition to democracy in Cuba.

OBJECTIVES:

- 1) Continued implementation of the Guatemala Peace Accords, including the reintegration of ex-combatants into civil society and a decrease in human rights violations. (State, USAID)
- 2) Facilitate peaceful elections in Paraguay, Colombia, El Salvador, Jamaica, Guyana and Panama. (State, USAID)
- 3) Strengthen Haiti's judicial system and professionalize its police. (State, DOJ, USAID)

Latin America and the Caribbean

- 4) Assist Haiti in building credible, lasting democratic institutions, and in implementing market-based economic reforms.
- 5) Bilaterally and through the Summit of the Americas process, increase the participation of civil society in public life. (State, USAID, DOJ)
- 6) Strengthen Cuban civil society through continued support for the Cuban people's efforts to improve information flows and increase contacts between independent groups and individuals. (State)
- 7) The Government of Colombia allows the United Nations High Commissioner on Human Rights office, the first such office outside Geneva, to function freely and independently in monitoring and reporting on human rights in Colombia. (State)
- 8) Establish open, responsive and cooperative relationships between regional governments and human rights NGOs. (State, USAID)
- 9) Increase political participation, especially of women and minorities. (State, USAID)

ASSUMPTIONS:

- The international community will continue to play an important role in strengthening democracy in the hemisphere.
- The hemisphere, with the exception of the Castro government, will continue to favor democracy.

INDICATORS:

- Level of human rights violations, i.e. reported incidences of torture, extrajudicial killings, arbitrary detentions, and prolonged detention without sentencing.
- Reintegration of remaining guerrillas into their respective civil societies.
- Level of violence during elections.
- Evaluation of elections by UN, OAS and NGO election observers.
- Resolution of high-visibility criminal cases through transparent legal processes.
- Statistics on women's voter turnout and voter registration, percentage of women candidates in elections, political advocacy activities of women's NGOs.
- Status of legislation and increasing allotment of regional governmental resources to combat violence against women and children.
- Treatment of workers in the region, and the formation and status of labor unions.
- Citizen participation in civil society.
- Human rights situation in Cuba.
- Respect for land rights of indigenous people, as evidenced by improvements in procedures for titling land, resources dedicated to demarcation of indigenous land, and resolution of disputes over indigenous land.

ARA: FY 1999 REGIONAL PROGRAM PLAN

NATIONAL INTEREST: Democracy

STRATEGIC GOAL: Increase foreign government adherence to democratic practices and respect for human rights.

OPERATIONAL GOAL: Strengthen regional institutions to support democracy in the hemisphere.

STRATEGY:

Support the efforts of the OAS Unit for Democracy (DPU), including strengthening of democratic institutions, monitoring of elections, and the conflict resolution program based in Guatemala. Coordinate with the OAS to implement the goals of the Miami Summit of the Americas. Support Secretary General Gaviria's efforts to streamline the OAS. Work closely with the IDB, coordinating USG assistance activities to avoid duplication and obtain a maximum benefit by planning projects that are complementary or which create a cumulative effect.

OBJECTIVES:

- 1) Ratification of the Convention on Corruption by all signatory countries. (State)
- 2) Agreement on a hemispheric convention on illegal firearms. (State)
- 3) Ratification of the Washington protocol by one additional OAS signatory country, thereby putting protocol into effect. (State)
- 4) Payment of U.S. arrears to the OAS. (State)
- 5) Continued OAS human rights mission in Haiti, the establishment of a scaled-down OAS technical mission in Nicaragua to replace OAS/CIAV, and new efforts in helping to reintegrate ex-combatants in Guatemala. (State, USAID)
- 6) Through the Summit process, continued Inter-American organizations' commitment to Summit implementation. (State)
- 7) Bilaterally and through the Summit of the Americas process, continue and expand training on democracy, rule of law, and respect for human rights. (State, USAID, DOJ)
- 8) Enhanced OAS demining efforts and increased funding from other donors. (State)
- 9) Reduction in case backlogs of the Inter-American Commission for Human Rights. (State)

- 10) Broaden the donor base for the new Inter-American Development Council (CIDI) by encouraging the participation not only of the Interamerican Development Bank (IDB) and other IFI's, but also other OAS members under the new partnership concept. (State, USAID)
- 11) Expand the IDB's good governance programs through lending and technical assistance. (USAID, State)
- 12) Coordinate U.S. and OAS efforts to combat corruption and money laundering. (State, DEA, DOJ)
- 13) Identify potential areas of cooperation with the IDB in addressing violence against women, street children, and youth. (USAID, State)

ASSUMPTIONS:

- Member countries continue to show political will to address corruption.
- The U.S. pays its arrears to the OAS.
- Momentum is sustained among participant countries to push implementation of the Plans of Action of the 1994 Miami Summit, the 1998 Santiago Summit and future summits.
- The Hemisphere continues to support summit meetings of heads of state and government at 3-4 year intervals.

INDICATORS:

- Ratification of the Convention on Corruption by signatory countries.
- Agreement on a hemispheric convention on illegal firearms.
- Ratification of the Washington protocol by OAS signatory countries.

ARA: FY 1999 REGIONAL PROGRAM PLAN

NATIONAL INTEREST: Humanitarian Response

STRATEGIC GOAL: Prevent or minimize the human costs of conflict and natural disasters.

OPERATIONAL GOAL: Prevent and alleviate the human costs of conflicts and natural disasters in Latin America and the Caribbean.

STRATEGY:

Maintain a U.S. emergency response assessment capability to ensure protection and relief for refugees and victims of natural disasters. Ensure that international organizations have adequate emergency response capabilities and strengthen partnerships with NGOs and PVOs to build their capacities to address humanitarian crises. Urge the multilateral development banks to increase the effectiveness of concessional lending to the poorest countries. Preposition food stocks and develop food security in areas of chronic shortage, such as Haiti. Reduce the impact of natural disasters such as earthquakes, hurricanes, mudslides and droughts. While private humanitarian assistance to Cuba is allowed under existing regulations, U.S. government assistance cannot be provided until the provisions of sections 205 and 206 of the 1996 Libertad Act have been met.

OBJECTIVES:

- 1) Decrease the need for US disaster assistance through increased host government disaster management capacity. (USAID, State)
- 2) Minimize the economic impact of hurricanes in the Caribbean. (USAID, State)
- 3) Improve food security through targeted assistance to vulnerable populations. (USAID)
- 4) Improve coordination and efficiency of humanitarian assistance in the UN system. (USAID, State)
- 5) Enhance humanitarian assistance and disaster relief coordination in conjunction with development cooperation. (USAID, State)
- 6) Expand the use of preventive diplomacy in State Department operations. (State)
- 7) Reduce the number of landmines in the region through OAS demining efforts. (USOAS)

ASSUMPTIONS:

- U.S. leadership in response to crises will leverage the international participation and support of other donors.
- Preventive diplomacy can avoid conflict and avert humanitarian crises.
- The extent of the conflict, and the degree to which the environment is permissive or conflictive, will determine the nature of international response.
- In some cases peacekeeping operations will be necessary to stabilize a situation and permit the delivery of relief supplies.

INDICATORS:

- Conflicts and humanitarian crises averted.
- Humanitarian emergencies alleviated.
- Assessments of international organization and NGO/PVO humanitarian crisis response management.
- Refugee populations reduced through local integration, repatriation, and resettlement.
- Evaluations of transition assistance efforts.
- Number of landmines in the region.

ARA: FY 1999 REGIONAL PROGRAM PLAN

NATIONAL INTEREST: Global Issues -- Environment

STRATEGIC GOAL: Secure a sustainable global environment in order to protect the United States and its citizens from the effects of international environmental degradation.

OPERATIONAL GOAL: Increase sustainable development practices, pollution prevention, protection of biodiversity, and conservation of natural resources to ensure that countries in the Western hemisphere have cleaner air, water, and viable land and marine resources for commercial and ecological uses.

STRATEGY:

Support and implement action items and follow-up to the Miami Summit of the Americas and the Sustainable Development Summit in Santa Cruz. Continue consultations within the framework of the U.S.-Brazil Common Agenda on the Environment. Continue to incorporate environmental issues into foreign policy. Promote regional cooperation on transboundary environmental problems. Achieve environmental objectives through the U.S.-Japan Common Agenda and other extra-regional resources. Develop regional responses to environmental threats.

OBJECTIVES:

- 1) Complete input to OAS Secretary General Gaviria's report on Santa Cruz Summit follow-up and implementation for presentation at the Santiago Summit in March 1998. Develop with the OAS an appropriate and effective role for the Committee on Sustainable Development. Influence the use of the U.S. voluntary contribution to the sectoral account on Sustainable Development in support of high-priority projects. (State/ARA, USOAS)
- 2) Increase use of environmentally sustainable production and management practices in the region. Promote exports of U.S. environmental and environment-friendly technology. (State, AID)
- 3) Enhance and strengthen U.S. involvement and support for the Brazil Rainforest Pilot Project and strengthen bilateral dialogue through the U.S.-Brazil Common Agenda. (State/ARA, OES, USAID)
- 4) Improve implementation of the Border Environmental Coordination Commission (BECC) and North American Development Bank (NADB) agreements to focus funding on critical border environmental needs. (State/ARA, OES, Treasury, EPA)

Latin America and the Caribbean

- 5) Increase emphasis on regional and bilateral reporting and coordination on environmental issues. (State/ARA, OES)
- 6) Promote joint implementation projects in ARA countries. (State/ARA, OES, USAID)
- 7) Obtain Japanese commitment to jointly fund a regional environment program in the Caribbean for research and resource management of coral reefs, fisheries, and other commercially and ecologically important marine issues (under the U.S.-Japan Common Agendas). (USAID, G, ARA)
- 8) Complete Inter-American Biodiversity Network (Summit of the Americas). (State/ARA, DoE)
- 9) Begin the activities of the environmental hub officer in San Jose, Costa Rica. (State)

ASSUMPTIONS:

- Continued cooperation in the region on Miami and Santa Cruz Summit initiatives.
- USAID funding of Brazil Pilot Project - \$10 million.
- OES funding (out years inclusive) of 1 Hub position in Costa Rica and adequate travel funds for the officer to operate in the region effectively.
- Continued funding for Joint Implementation Projects.
- Japanese financial commitment to environmental projects.
- Coordination of Santa Cruz Summit follow-up by the OAS.

INDICATORS:

- Submission of OAS report on Santa Cruz Summit follow-up.
- Funding for the Centers for Scientific Excellence in Brazil's Pilot Program.
- Number of countries participating in Joint implementation projects to 8.
- Commencement of Environmental Hub operations in San Jose, Costa Rica.
- Establishment of the marine research center.
- Inclusion of all Central American countries in the Inter-American Biodiversity Network.
- Identification of new projects for NAD Bank funding.

ARA: FY 1999 REGIONAL PROGRAM PLAN

NATIONAL INTEREST: Global Issues

STRATEGIC GOAL: Stabilize world population growth by 2020.

OPERATIONAL GOAL: Foster coordination of USG efforts with those of other donors and national governments to stabilize population growth rates, consistent with the goals and objectives of the 1996 Latin American and Caribbean Regional Plan of Action on Population and Development adopted by the UN Economic Commission for Latin America and the Caribbean (ECLAC).

STRATEGY:

Encourage an understanding among national governments of population issues and the need to adopt sustainable population policies; harmonize national population growth rates and distribution with national economic and social development strategies; stimulate political, technical and financial support for national efforts.

OBJECTIVES:

- 1) Improve voluntary family planning and reproductive health services through the promotion of a participatory policy process and the development and implementation of national population policies that are effective in responding to client needs. (State/PRM, USAID)
- 2) Promote gender equality and empowerment of women. (State, USAID)
- 3) Increase access of girls to primary and secondary education.
- 4) Apply universally recognized human rights standards to all aspects of national population programs. (State, USAID)
- 5) Encourage participation of NGOs and civil society supported by national governments.

ASSUMPTIONS:

- Existing international and regional support for population stabilization efforts are maintained.
- Complementary population stabilization activities (e.g., enhanced girls education, microcredit programs for women) are concurrent national government priorities.
- Adequate mobilization of resources from all sources at the national and international level.

INDICATORS:

- Birth rates.
- Democratized national population policy development and implementation process.
- National population strategic planning and resource allocation.
- Capacity for public, private, NGO and community-based organizations to design, implement, and evaluate sustainable population programs.
- Level of demand for, access to, and quality of family planning and other reproductive health information and services.
- Education opportunities for girls and women.

ARA: FY 1999 REGIONAL PROGRAM PLAN

NATIONAL INTEREST: Global Issues

STRATEGIC GOAL: Reduce disease worldwide.

OPERATIONAL GOAL: Foster coordination between the U.S. and other donors and national governments to combat endemic and communicable diseases throughout the hemisphere as agreed by hemispheric heads of state at the 1994 Miami Summit of the Americas.

STRATEGY:

USAID programs will continue to stress prevention of the primary causes of illness and death, especially among infants and children and women of childbearing age. These programs focus on child survival and reproductive health including STD/HIV prevention. In non-USAID presence countries, coordination of USG efforts will be more involved with HHS, especially the Office of Refugee and International Health and the Centers for Disease Control and Prevention (CDC), with an emphasis on health and disease problems relevant to the U.S.

OBJECTIVES:

- 1) Prevent disease through improved health behaviors and vaccination coverage.
- 2) Reduce the prevalence and transmission of HIV/AIDS.
- 3) Increase public and government awareness of HIV/AIDS.
- 4) Control epidemics.
- 5) Improve equity of access to basic packages of health care through improved health care systems and sustainability (per Miami Summit Initiative #17).
- 6) Improve public education on health care issues.
- 7) Expand environmental health programs to strengthen local capacity to combat emerging and reemerging diseases.
- 8) Improve case detection and treatment through use of integrated case management approaches.
- 9) Support NGO/PVO capacity to improve health delivery systems.

ASSUMPTIONS:

- NGOs, PVOs and multilateral development institutions will play increasingly important roles in disease prevention and control, but U.S. government contributions will remain essential in most USAID presence countries.
- Absent U.S. leadership, global disease surveillance and response capacity will not effectively expand.

INDICATORS:

- HIV/AIDS transmission rates.
- Infant mortality rates.
- Under 5 childhood mortality rates.
- Crude death rates.
- For epidemics: attack rates, case fatality rates.

ARA: FY 1999 REGIONAL PROGRAM PLAN

NATIONAL INTEREST: Diplomatic Readiness

STRATEGIC GOAL: Human Resources

OPERATIONAL GOAL: Establish, coordinate and maintain overall Bureau staffing to meet ongoing and projected requirements for the most effective implementation of Department and Bureau interests and objectives in the ARA region.

STRATEGY:

Identify Bureau's regional staffing needs based on prioritized program objectives in line with the Secretary's foreign policy objectives. These needs include sustaining current day-to-day operations and addressing outyear needs for special skills requiring operational, technical or language training investments. The Department's Overseas Staffing Model will serve as the bureau's strategic baseline model.

OBJECTIVES:

1. Define Bureau staffing requirements to reflect necessary skills to effectively deal with all areas related to Bureau objectives (i.e. technical skills, language proficiencies, specialized capabilities.)
2. Anticipate and identify regional crisis management resources under varying crisis scenarios that have neither been programmed or planned.
3. Analyze and evaluate all Foreign Service American and Foreign National training requirements to comply with inspector general recommendations or other needs and that effects the best possible match of personnel to onward assignment.
4. Work with M,PER,FSI and other to maximize Department's recruitment and intensify targeted professional development activities to alleviate short-term and long-term personnel shortages in areas of critical need.
5. Identify and convert to Family Member Hire those positions which do not require full-time Foreign Service assets. Provide adequate training to selected employees.

ASSUMPTIONS:

- Staffing intake will not keep pace with attrition, while requirements for specialized skills with continue to expand. The Department will be unable to meet human resource requirements, especially on a short-notice basis.

Latin America and the Caribbean

- Moving all personnel to a summer assignment cycle increases staffing gaps and reduce availability for job related training during the transfer period as posts will be unable to sustain operations for prolonged vacancy periods.
- Requirements for specialized training will expand (i.e. language, technical skills, administrative management) as more and more responsibility devolves to the individuals at a post, but the Department will be unable to meet the training demands over a summer cycle period.
- Conditions at many posts in the region (i.e. security, dependent education facilities) will continue to decline, further exacerbating recruitment difficulties and related staffing success.
- Alternative staffing resources will have to be identified and actively pursued to meet overseas staffing requirements. Coordinated management of such resources will require additional support from the Bureau to provide effective and timely position reclassification and candidate identification for civil service excursion tours, Rockefeller hiring, etc.
- ICASS resource decisions at post will not have an immediate impact on State personnel staffing through FY-98.
- ICASS underlines need for effective training for American and FSN administrative personnel.

INDICATORS:

- Training needs are met for designated positions (i.e. language, information technology, administration).
- Requests for special personnel activities (i.e. volunteer cables) declines.
- Overall requests for TDY assistance decline, and Bureau is able to meet unexpected TDY requests effectively .
- Number of vacant positions declines.
- Length of time a position remains vacant declines.
- Amount of funds expended on WAE and other short-term employment to meet staffing gaps declines.
- Overall satisfaction with effectiveness of job performance and services provided is achieved.

ARA: FY 1999 REGIONAL PROGRAM PLAN

NATIONAL INTEREST: Diplomatic Readiness

STRATEGIC GOAL: Infrastructure and Operations

OPERATIONAL GOAL: Evaluate, maintain and project infrastructure requirements to facilitate communications, ensure personal and physical security and meet crisis requirements; and enhance and monitor operating capacities to provide optimal operational readiness in support of Bureau and Department interests and objectives throughout the ARA region.

STRATEGY:

Implement a comprehensive management strategy for property asset management, logistical re-engineering, and information management systems and security management, which reduce cost inefficiencies and that enhance ARA's overseas operational effectiveness.

OBJECTIVES:

- 1) **Management Systems: ICASS/Administrative Cost Sharing:** Coordinate fully integrated post-level participation by all appropriate agencies for full ICASS implementation in FY-98, and work with posts to ensure that quality customer service is provided by the most appropriate service provider.
- 2) **Property:** optimize space utilization at posts and provide effective cost-management of real property assets, especially in Rio de Janeiro, Port-au-Prince, San Salvador, Montevideo, and Mexico (in response to Border Crossing Card Initiative) .
- 3) **Logistics:** Monitor and evaluate the bureau's participation in the Department's world-wide logistics management process reengineering through direct participation in the pilot project at the Florida Regional Center (i.e. provide support for improved and streamlined processes for procurement, contracting, storage and shipping for seven regional posts.)
- 4) **Security:** Expand and enhance security networks at posts (i.e. E & E radio networks), through the Joint Planning Process (JPP) to assure adequate residence security coverage to domestic and vehicle level at posts with security threat concerns.
- 5) **Consular Management and Budget Accounting systems:** Monitor and review developing programs to ensure that Bureau and Department financial and human

resources are allocated in the most prudent and cost-effective manner to meet changing and developing requirements.

ASSUMPTIONS:

- Modifications to staffing will require reconfiguration within the workspace to improve and streamline workflow while reducing space required. Realignment of other agencies to maximize space utilization and reduce property expenses will require ongoing review and negotiation.
- Property systems reliant on computer technology will have to be evaluated by IM, FBO and DS in light of year 2000 considerations to ensure functionality of such systems (i.e. telephone switchboards) beyond the year 2000. Related replacement/upgrade costs will have to be negotiated.
- Overseas operating expenses will continue to fluctuate as the dollar/local currency ratio floats. "Fixed" costs will be affected as exchange rates vary, and may impact significantly on post budget projections versus actual budget requirements.
- Logistic costs related to shipments will vary based on geographic location and shipping issues specific to particular regions. Programs such as PUSH will accelerate and simplify logistical operations for participating posts, but may limit overall procurement possibilities.
- Reliance on local infrastructural elements (i.e. telephone systems) will remain problematical. The need for back-up systems such as E & E radios will continue or expand as conditions at posts evolve.
- ICASS principles will serve as primary management tools for posts in the identification of the best qualified and most applicable service provider.
- Posts will continue to experience infrastructure deficits in 3100 items (i.e. furniture and equipment.)
- Consular services will continue to expand as economic and leisure interest in the United States expands throughout the region. Related expansion in support and space requirements will augment overall operational costs.

INDICATORS:

- Physical plant space utilization is optimized and costs for "annex" operations are reduced. Rehabilitation/renovation completed in Port-au-Prince; facility for new COB in Rio de Janeiro; study of space needs undertaken in Montevideo; consular

renovations underway or completed in Guatemala, Santo Domingo, Rio, Sao Paulo, Brasilia and elsewhere.

- Success of the Logistics Pilot program will result in timely and cost-effective receipt of goods by posts. Pilot program's successes will be expanded to other posts.
- Backup security systems (i.e. E & E radios) will be provided and/or enhanced for those posts deemed security risks.
- Full potential of ICASS is realized, leading to more efficient administrative operations, lower costs, and enhanced customer satisfaction.
- Sufficient furniture and equipment will be purchased to meet critical post needs.

ARA: FY 1999 REGIONAL PROGRAM PLAN

NATIONAL INTEREST: Diplomatic Readiness

STRATEGIC GOAL: Information

OPERATIONAL GOAL: Develop and maintain a comprehensive Information Technology (IT) strategy within the parameters of the Information Management Strategic and Tactical Guidelines to facilitate all levels of information communication domestically and internationally, enabling the Department to process information for effective support of U.S. government interests in the ARA region.

STRATEGY:

Analyze and identify the bureau's prioritized information management needs, both domestically and at overseas posts, to facilitate improved productivity and efficiencies.

OBJECTIVES:

- 1) Identify specific IT requirements domestically and for all posts, working within the parameters of the IM Guidelines, that enhance posts' information communications capabilities.
- 2) Outside the scope of specific IM technological deployment plans (i.e. ALMA and Year 2000), identify and prioritize further post-specific information communications requirements (i.e. telephone and radio systems and classified processing systems) for presentation to the IRM Program Board through the Joint Planning Process, or other mechanism.
- 3) Enhance skills of IM personnel through training, managing human resources to facilitate participation in Department training programs.

ASSUMPTIONS:

- Fiscal resources for all programs will be limited. Prioritization of information requirements for funding will require coordination within the Bureau and with all overseas locations.
- Skill levels in support of Department Information initiatives will vary dramatically. Rapid deployment timetables (i.e. ALMA) will increase the need for additional training in all areas of information technology.
- Existing telephone and E & E radio technology is aging rapidly and requires replacement. Contract vehicles for telephone systems require full system replacements, augmenting all costs. Projects for presentation for central funding will have to be fully developed in coordination with post and Bureau assessed needs.

- Information technology will continue to evolve, rendering equipment procured in the short term obsolete in shorter and shorter periods of time. Lifecycle replacement plans will have to be maintained and prioritized to optimize funding available.
- Department implementation strategies will have to be reviewed regularly, in light of technology and personnel changes. Bureau personnel resources will be required to assist in coordinating and developing modification strategies.
- Personnel resources to implement Department and Bureau information projects will not expand to keep pace with project plans. Additional resources will be required, increasing project costs.
- Domestic and overseas information support staffing will not increase apace with technological implementations. Personnel will be required to do more with fewer people, requiring support prioritization.
- An appropriate level of bandwidth will be available for all posts for implementation of IM and CA initiatives.

INDICATORS:

- Installation of equipment and migration of software to Year 2000 compliance is completed in conjunction with the ALMA installation timetable (i.e. 22 posts in FY-98 and 3 posts in FY-99. Actual numbers of PCs for replacement and upgrades will be dependent upon ALMA post survey results; surveys to be completed in accordance with ALMA survey timetable).
- Systems reliant on computer related technology will be certified as Year 2000 compliant, or will be modified to meet such compliance.
- Information processing requirements between the Department and overseas locations is effective and comprehensive (i.e. classified electronic mail installation is completed at required posts, old telephone systems are replaced in accordance with the JPP process or are upgraded to provide current services.)
- All computer equipment fielded, both as part of ALMA deployments and other systems (i.e. CLAN) are upgraded or replaced to reflect Department configurations and security standards.
- Information technology support personnel training meets individual post requirements by supplementing transfer cycle training with alternative training (i.e. during R&R, certified self-study modules, local certification.)
- End user training in post-specific applications is incorporated into transfer cycle training to the greatest extent possible.
- Requests for central funding reflect overall Bureau Information priorities as they evolve and/or change through updated project presentations to the JPP Workshop.

| Argentina | | | |
|-------------------------|-------------------|---------------------|--------------------|
| Function 150 Resources | (\$ in thousands) | | |
| Appropriation | FY 1997 Actual | FY 1998 Estimate | FY 1999 Request |
| IMET | 603 | 600 | 600 |
| Total, Argentina | \$603 | \$600 | \$600 |

U.S. Foreign Policy Objectives:

Argentina is one of Latin America's largest and most developed countries. Under President Menem, the government of Argentina has privatized major industries and opened the economy to foreign trade and investment. U.S.-Argentine relations, once distant, have become close in recent years. Argentina has strongly supported U.S. positions at the UN and other international fora. It participates in efforts to improve human rights practices and achieve democratic rule in Cuba, and joins with the U.S. in international disarmament efforts from nuclear supply to control of missile technology. In recognition of Argentina's contribution to international security, especially through its participation in peacekeeping, the U.S. designated Argentina a Major Non-NATO Ally. The U.S. is seeking to establish an open skies civil aviation agreement with Argentina, as well as agreement on bilateral commercial satellite television. On the environment, the U.S. worked closely with the government of Argentina during the global climate change conference in Kyoto, Japan and will work closely on the follow-up conference to be held in Buenos Aires this year. U.S. objectives include:

- Consolidating Argentina's on-going progress toward a stable democratic order and open economy.
- Assuring high levels of U.S. exports, a secure environment for U.S. investment and improved protection for intellectual property rights holders.
- Strengthening U.S.-Argentine security ties.
- Encouraging continued Argentine participation in international peacekeeping and in regional confidence-building activities.
- Supporting a strong Argentine anti-terrorism and law enforcement capability.
- Foster Argentine leadership as they prepare to host the Fourth Conference of Parties on climate change.

Strategy for FY 1999:

The U.S. seeks to build on the great political and economic progress that the Argentine government and people have made and on our already close bilateral relationship, which was highlighted by the President's visit in October, 1997. Argentina continues to make progress in consolidating democratic institutions that support a free market and open society. Our strategy to promote the consolidation of those trends -- which is

essential to achieving all of our objectives -- calls for steady and broad engagement with Argentine leaders and civil society. Argentine leadership to promote market-based solutions for greenhouse gas emissions reductions will increase the likelihood for a productive outcome of the next round of climate change negotiations.

Participation in International Military Education and Training (IMET) courses improves the capabilities of Argentina's armed forces as they seek to modernize at a time of great budget stringency. These courses also provide increased inter-operability with U.S. and NATO forces, which is increasingly important as Argentina expands its worldwide peacekeeping activities. IMET also plays a key role in the development of civilian defense experts who can administer effectively the defense establishment. Argentina is the second largest recipient of IMET funding in South America, behind Colombia. U.S. anti-terrorism and anti-crime assistance is strengthening the Argentine state's ability to confront transnational threats to Argentine society and regional peace and security. Through training programs and visits by U.S. counter-terrorism and anti-crime specialists the U.S. is improving the capacity of Argentine government.

Argentina will be eligible in FY 1999 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA would be used to support the country's efforts to modernize and enhance its interoperability with U.S. and NATO forces. Argentina plays a key role in international peacekeeping operations in support of U.S. foreign policy objectives. Argentina has provided peacekeepers to the Middle East, Eastern Slavonia, Cyprus, Haiti and elsewhere.

Indicators:

- Level of free-market liberalization.
- Status of intellectual property rights legislation.
- Status of liberalization of trade barriers.
- Level of cooperation and leadership on climate change.
- Establishment of an open skies civil aviation agreement and a bilateral commercial satellite television agreement.
- Participation in worldwide peacekeeping missions, regional military exercises and confidence-building measures.
- Defense resource management capability and degree of oversight authority by civilian authorities.
- Police and judicial performance in the face of terrorism, narcotics, and law enforcement threats.

| The Bahamas | | | |
|-------------------------------|---------------------------|-----------------------------|----------------------------|
| Function 150 Resources | (\$ in thousands) | | |
| Appropriation | FY 1997 Actual | FY 1998 Estimate | FY 1999 Request |
| IMET | 107 | 100 | 100 |
| INL | 800 | 500 | 1,000 |
| Total, The Bahamas | \$907 | \$600 | \$1,100 |

U.S. Foreign Policy Objectives:

The Commonwealth of The Bahamas is a constitutional, parliamentary democracy and a member of the Commonwealth of Nations. Prime Minister Hubert Ingraham's Free National Movement (FNM) has controlled the government and parliament since 1992. The Bahamas is a stable, developing nation whose economy is based on tourism and financial services, primarily offshore banking and trust management. In recent years The Bahamas has become a major transit point for illicit narcotics entering the United States and continues to cope with a growing problem of migrant and alien smuggling issues. The Bahamas cooperates fully with the United States on a number of security-related issues, such as drug interdiction and joint military operations. U.S. foreign policy objectives in The Bahamas include:

- Decreasing the amount of cocaine and other illicit drugs transiting through Bahamian territory.
- Enhancing the effectiveness of the Bahamian judicial system.
- Promoting the professionalism of the Royal Bahamas Defense Force (RBDF) and improving its inter-operability with U.S. and allied forces.
- Continuing cooperation on migrant and alien smuggling issues.
- Strengthening the capacity of the Bahamian government to combat money laundering.

Strategy for FY 1999:

U.S. policy seeks to support the Bahamian government's efforts to combat the negative impact the drug trade has on its institutions and society, improve its judicial system, professionalize its military and police forces, and increase multilateral peacekeeping operations. Through Operation Bahamas and Turks & Caicos (OPBAT), an effective combined counternarcotics enforcement effort, we enjoy unparalleled bilateral cooperation which permits a significant interdiction and investigation infrastructure in The Bahamas involving U.S. aircraft, ships, and personnel. U.S. Coast Guard and Army helicopters are assigned to joint interdiction bases on the islands of New Providence, Exuma, and Great Inagua. Successful combined counternarcotics

operations and the improved ability of Bahamian law enforcement agencies to prosecute offenders will continue to define the OPBAT program's effectiveness.

Since the Bahamian government lacks the resources to simultaneously train and maintain its small defense force, the IMET program provides necessary advanced training for a limited number of RBDF officers and encourages a continued bilateral military cooperation. IMET's success is evidenced by the RBDF's participation in both the Multinational Force and the UN Mission in Haiti, and the U.S. military's ability to conduct exercises in Bahamian territory. Under the Caribbean Regional fund, The Bahamas will receive FMF to enhance the capability of the their Coast Guard to conduct search and rescue, disaster relief and law enforcement activities. FMF funding provides valuable support to a region that is becoming increasingly under greater threat from transnational crime. FMF provides Navy and Coast Guard support, fixed and rotary wing aircraft spares, communication upgrades, radios, tools, uniforms and other essential items.

The Bahamas will be eligible in FY 1999 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA would be used to support CARICOM's role as a stabilizing force in the Caribbean through active involvement in peacekeeping operations, search and rescue missions, disaster relief and counternarcotics operations.

Indicators:

- Amount of illegal narcotics seized.
- Number of successful prosecutions of narco-traffickers and alien smugglers.
- Prosecutorial and judicial effectiveness.
- Number of migrants intercepted and repatriated.
- Level of professionalism of the RBDF and inter-operability with other regional security forces.

| Belize | | | |
|------------------------|-------------------|---------------------|--------------------|
| Function 150 Resources | | | |
| (\$ in thousands) | | | |
| Appropriation | FY 1997 Actual | FY 1998 Estimate | FY 1999 Request |
| IMET | 208 | 250 | 250 |
| Peace Corps | 976 | 989 | 979 |
| Total, Belize | \$1,184 | \$1,239 | \$1,229 |

U.S. Foreign Policy Objectives:

Belize gained its independence from Great Britain in 1981 and has since continued its tradition of parliamentary democracy with elections due sometime in 1998. Its common borders with Mexico and Guatemala, long coastline, numerous cays and sparse population have made Belize a target of opportunity for international criminals and narco-traffickers. It is in the interest of the United States to help Belize defend itself against these threats. The Belize Defense Force (BDF) is a small, inadequately trained and equipped force, which looks to the United States for support. United States foreign policy objectives include:

- A resolution of the Belize-Guatemala border dispute.
- Belize's pursuit of an end to its border dispute with Guatemala.
- Belize's development and implementation of counternarcotics strategies to curb the flow of illicit drugs through the country.
- Improving Belize's cooperation on law enforcement issues.
- Improving Belize's commitment to democratic institutions and sustainable environmental and developmental policies.

Strategy for FY 1999:

To reach these objectives the United States will carefully allocate available resources to: encourage GOB support for United States policy objectives in the region; conclude new extradition and Mutual Legal Assistance Treaties to enhance GOB support for law enforcement efforts; promote trade and investment with Belize; and, support a more capable and professional Belize Defense Force (BDF). In reaching United States goals the following types of funding are appropriate to implement the strategy:

The BDF, albeit small, is a model in the region of a military functioning smoothly under civilian control. FMF funds under the Caribbean Regional Fund are needed to augment the limited resources the GOB is able to allocate to the BDF for basic supplies and equipment. The senior levels of the BDF have received adequate training, but the lower ranks are in need of training support. With the departure of the British forces and their assistance the need for IMET funds is more important than ever. The IMET

| Panama Canal Area Military Training School | |
|--|------------------|
| Function 150 Resources | |
| (\$ in thousands) | |
| | FY 1997 Actual |
| Appropriation | 520 |
| IMET | \$520 |
| Total | |
| | FY 1998 Estimate |
| | 550 |
| | 550 |
| | FY 1999 Request |
| | 550 |
| | \$550 |

U.S. Foreign Policy Objectives:

The United States has a strong interest in maintaining the U.S. Naval Training School (NAVSCIATTS) located in Panama. This school trains navies and coast guards from Latin American countries. This training is essential to meeting the demand for personnel to combat narcotics traffickers and smugglers. The international and regional partnerships of the training play a pivotal role in building trust and other governments throughout the region.

Strategy:

The U.S. will build upon the success of the NAVSCIATTS program through funding to enhance U.S.—Latin American and regional and coastal naval cooperation.

It will improve interoperability, and increased professionalism among the region's forces through joint operations and arrests and seizures of marijuana and coca leaves in the

bean

Latin America and the Carib

environmental protection. US Environmental Development (C
seven Central American countries
resource management issues
CCAD, and the influence
legislation are am-

AID also suggests the Central American Commission for (CCAD), a regional treaty organization supported by all countries to specifically address environmental and natural resource management issues. The political momentum generated by NAFTA in the area of harmonization of environmental legislation are am-

frameworks endorsed by CCAD
number of agreements ratified by all seven Central American countries.
assisted transboundary sites where local environmental resources have been reduced.

g Human Health:

development of Central America is threatened by the epidemic. The states most likely to be affected by HIV/AIDS include why, medical care and the size of the labor force. In order to maintain Central America, HIV/AIDS prevention activities are being implemented by that considers sub-regional commonalities and cross-border

The purpose of this seven year program is to strengthen local Central American organizations to deliver services and information of HIV/AIDS to target groups. USAID supports activities levels. On the broadest level, the activities are designed to improve the for the promotion of HIV/AIDS programs. On an intermediate level, it supports improved institutional capacity of NGOs and local units for the prevention programs and/or conduct research. Finally, note individual behavioral changes which are required to V/AIDS.

Indicators:

- Level of support for HIV/AIDS prevention prog
- Level of capacity of local NGOs to respond with HIV/AIDS project design, audience assessment
- Number of condoms sold under the projects' b

the Free Trade Area of the Americas (FTAA) by 2005. It is notable that three of the eleven FTAA hemispheric working groups are chaired by Central American countries [Costa Rica - investment, El Salvador - market access, and Honduras - Intellectual Property Rights (IPR)].

The Central American countries have made progress in recent years in accelerating the region's own economic integration which is consistent with World Trade Organization (WTO) standards. All Central American governments have acceded to the WTO, with the exception of Panama, which is currently negotiating accession requirements. Most countries in the region are continuing their negotiations with the U.S. Government on bilateral investment treaties (BITs) and bilateral intellectual property rights agreements (BIPRAs). Further reductions in external tariff rates are being implemented by most countries, although the pace should be accelerated. Central America has also advanced on its own process of subregional economic integration, abandoning its old model based on import substitution and high rates of external protection to pursue a more outward orientation consistent with WTO commitments.

The US has supported the revitalization, depoliticization and professionalization of the Permanent Secretariat for Central American Economic Integration (SIECA) enabling it to advance the regional trade agenda. With USAID/G-CAP support, SIECA has drafted model regional agreements on rules of origin, unfair trading practices and dispute settlement procedures, and is now facilitating efforts of the Central American governments to finalize these agreements, build regional support for them and get them ratified. Once in effect, these measures will contribute to greater economic integration and efficiency within the region and enhance Central America's preparedness to enter into hemispheric free trade agreements.

Indicators:

- Trade openness: total merchandise trade as a percentage of GDP
- Readiness to enter hemispheric free trade agreements (Based on numeric composite index of 1 to 5)

Protecting the Environment:

USAID's regional environmental program for Central America promotes effective regional stewardship of the key natural resources through the establishment of "biological corridors" throughout the isthmus. Recent achievements in this area include the establishment and progress towards effective management of major national protected areas in the region, the development of protected areas legislation, the adoption of appropriate natural resources management practices by target populations, and improved financial sustainability of environmental institutions. A new initiative designed to support the CONCAUSA Agreement commenced in FY 1996 to develop and consolidate a Central American system of cross-border parks and protected areas, and to promote a strengthened regulatory and enforcement framework for

| Central America Regional Development Assistance | | | |
|--|---------------------------|-----------------------------|----------------------------|
| Function 150 Resources | | | |
| (\$ in thousands) | | | |
| Appropriation | FY 1997 Actual | FY 1998 Estimate | FY 1999 Request |
| DA | 10,744 | 13,525 | 11,400 |
| Total | \$10,744 | \$13,525 | \$11,400 |

U.S. Foreign Policy Objectives:

Opening markets, expanding hemispheric economic integration and promoting sustainable development, have been enunciated as key areas promoting U.S. national interests in Central America. In 1995, Central American imports from the U.S. grew by 12% reaching \$7.4 billion, and are estimated to have increased another 5-6% in 1996. With continued growth and political stability, this region presents considerable untapped opportunities for U.S. business. At the December 1994 Summit of the Americas, the Presidents of the Central American countries and the United States signed an agreement (CONCAUSA) to increase trade and to make the Central American region a model of sustainable development. The US regional program provides the operational support for these Presidential commitments.

With over 30 million inhabitants in 1993, the population of Central America is increasing at an annual rate of 2.43% and will reach 38 million by the year 2000. However, approximately half of all Central Americans live in rural areas and some 42% live below the poverty line. Socio-economic conditions for the majority are worse now than they were 10 years ago, as reflected in the 1994 United Nations human development index which ranks Belize, Nicaragua, Guatemala, El Salvador and Honduras in the lowest third of all countries worldwide. Additionally, the countries of Central America are not prepared to face the cross-border spread of HIV/AIDS.

Strategy for FY 1999:

To effectively combat poverty and promote sustainable development in Central America, higher sustained economic growth rates are required. This growth must be achieved without degradation of the natural resource base. Central American commitment to action embodied in the CONCAUSA Agreement is particularly focused on areas of environmental protection and natural resources management.

Encouraging Broad-based Economic Growth:

Central America continues accelerating its integration into hemispheric markets. The Central American countries also remain strong supporters and active participants of the Summit of the Americas process initiated in December 1994 in Miami when the heads of the Hemisphere's 34 democracies signed a commitment to complete negotiations of

Indicators:

- Enforcement of child labor, wage and hour, and similar areas of worker rights.
- International environmental and product safety requirements, as well as consumer preferences for environmentally appropriate products.
- Strength of partnerships between the public and private sectors, and civil society.
- Maximization of the benefits from trade.
- Establishment and implementation of enabling legislation to allow foreign and domestic private sector involvement in the areas of transportation, telecommunications, and energy.
- Expanded private sector infrastructure investment.

Indicators:

- Curriculum reform
- Level of improved teacher training, standards and testing.
- Level of funding for textbooks and supplies.
- Accountability and increased parental involvement in schooling.

Improve Regulation, Increase Competition, and Provide Better Access to Financial System for All Citizens—Microfinance (\$6 million):

Microenterprise is a key tool to achieve the Summit goal of reducing poverty in the region by one-half. NGOs, commercial banks and credit unions have been shown to be effective instruments for assuring the access of even the very poor to financial services. Sixty percent of the resources will be used to directly fund microfinance loans. Better regulation of financial systems can also prevent financial crises of the kind currently being experienced in El Salvador and Jamaica.

Indicators:

- Strengthened microfinance institutions
- Level of access to the Inter-American Development Bank's Multilateral Investment Fund
- Ability of regulators to assure that financial institutions follow prudent banking practices

Promote Regional Trade and Investment and Improve the Capacity of Countries to Meet Their Obligations Under the Free Trade Area of the Americas:

The countries of the hemisphere are committed to implementing a Free Trade Area of the Americas by 2005. Especially for the smaller countries of Central America and the Caribbean, participation in multilateral trade agreement requires them to meet complex commitments in such areas as rules of origin and sanitary and phytosanitary rules. Deteriorating infrastructure resulting from lack of maintenance during a decade of conflict, hinders competitiveness. Governments will be assisted to put into place appropriate legal and regulatory frameworks to enable private investors to provide infrastructure so that governments can use their scarce resources to address human capital needs. Countries must improve both policies and implementation to achieve greater access to new markets, and to enhance their competitiveness once expanded access is attained. Small amounts of US grant resources will leverage large amounts of additional flows from the IDB, especially its Multilateral Investment Fund, the World Bank, and the private sector.

| Presidential Initiatives in Support of the Summit of the Americas | | | |
|--|---------------------------|-----------------------------|----------------------------|
| Function 150 Resources | | | |
| (\$ in thousands) | | | |
| Appropriation | FY 1997 Actual | FY 1998 Estimate | FY 1999 Request |
| DA | - | - | 20,000 |
| Total | - | - | \$20,000 |

U.S. Foreign Policy Objectives

In April of 1998, President Clinton will join the other democratically elected heads of state in Santiago for a second Hemispheric Summit. A key theme of this summit will be the eradication of poverty in the hemisphere which currently prevents 40 percent of the region's population from enjoying even a minimally adequate standard of living.

Strategy for FY 1999:

The US initiative will address three key priorities of the summit: weaknesses in basic education, access to financial systems by the poor, and obstacles to regional trade expansion.

Increase The Coverage and Improve the Quality Of Basic Education (\$5 million):

The most important additional reform needed in the region is improved basic education. Although overall enrollment in basic education in the region is now quite high, quality in many areas remains low, and many poor students, especially indigenous and female students, do not complete primary school. Needed reforms include improved teacher training, minimum budget allocations for textbooks and supplies, and curriculum reform. The regional component of this activity will strengthen regional networks in the region to promote a sharing of experience in basic education reform. This will allow limited U.S. grant resources to not only leverage much larger lending by the IDB but also insure that IDB lending is better focused and targeted.

The Miami Summit of the Americas called for universal access to education and a 100 percent primary completion rate by 2010. Currently, fewer than 40 percent of children currently complete primary school in Central America. South American countries with large indigenous populations also have poor primary completion rates, as do Haiti and the Dominican Republic. High repetition produces overage students whose loss of productive work on farms or in informal family businesses eventually becomes an intolerable cost to the poorest families.

Indicators:

- Vaccination: Target country coverage of each antigen under the Expanded Program on Immunizations.
- Health Reform: Whether target countries have an entity responsible for reform, with access to analytical skills, an enabling policy environment, and with authority to direct human and financial resources to implement reforms.

to strengthen professionalism of judges throughout the hemisphere, with increased emphasis on the networking of educational and training institutions. The Regional program will also seek to strengthen institutions and networks that provide training and assistance to new local officials, particularly in areas of high priority such as accountability and transparency, public security, sectoral service provision, and effective governance.

Indicators:

- Number of strengthened national and regional electoral bodies.
- Number of countries adopting integrated financial management systems.
- Number of multilateral donor-supported accountability projects.
- Public confidence level in media in targeted LAC countries.
- Number of LAC NGOs participating in regional network.

Encouraging Sound Environmental Management:

In the environment, the Parks in Peril program will emphasize improved park management, NGO strengthening and self sufficiency, compatible economic development activities, and targeted policy interventions to improve conservation. Four additional sites, covering almost five million acres, will graduate from USAID assistance, and eight new sites will be included in the program. The LAC Regional program will also be seeking opportunities to introduce energy efficiency and renewable energy technologies in the region.

Indicators:

- Number of independently functioning parks and reserves
- Area covered under Parks in Peril program
- Number of effective local NGOs.
- Amount of host country funds leveraged.
- Introduction of environmentally sound energy technologies.

Protecting Human Health

In population and health, increased attention will be given to countries with the lowest vaccination coverage rates to bring their levels up to 90 percent and 95 percent for the measles vaccine, to move closer to eliminating this child-killer from the hemisphere. In conjunction with the Pan American Health Organization (PAHO), data collection instruments to measure health reform and its effects on equity of access will be defined and monitoring initiated.

Strategy for FY 1999:

Human Capacity Built Through Education and Training

In the area of education, more attention will be given to providing local communities with greater control and responsibility for the education of their children. Support for civic organizations that can advocate for policy reforms, such as quality, equity, and governance and finance, will be the primary vehicle for the implementation of regional activities.

Indicators:

- Number of countries progressing towards implementation of key education reform policies at the national or local level.
- Education reform monitoring system established and operating efficiently in selected LAC countries.
- Increased education budgets allocated to primary education in selected LAC countries.

Promoting Broad-Based Economic Growth:

In microenterprise, the LAC Regional program will formalize a technical cooperation program with the IDB that will improve the capacity of NGOs engaged in microfinance to mobilize capital and expand their programs to underserved areas. The Regional program will also work with the IDB and the World Bank to ensure that their land titling programs incorporate the special needs of poor and indigenous communities providing both groups with secure title to their land and the incentive to make productive investments in these properties. Work will also be done with other U.S. agencies, such as the U.S. Trade Representative and the Department of Commerce, to enable smaller economies to comply with World Trade Organization obligations and expand trade with their neighbors in the hemisphere.

Indicators:

- Number of subregions with at least one-third of the countries advancing toward resolving identified economic equity issues.
- Number of subregions with at least one-third of the countries advancing toward resolving identified trade-related environmental issues.

Advancing Democracy:

In democracy, the LAC Regional program will continue to work on Summit planning and help develop and implement programs derived from its Principles and Plan of Action. Chief among them will be a new justice activity to support a Summit initiative

| Latin America and Caribbean Regional Development Assistance Fund | | | |
|--|-------------------|---------------------|-----------------------------|
| Function 150 Resources | | | |
| (\$ in thousands) | | | |
| Appropriation | FY 1997 Actual | FY 1998 Estimate | FY 1999 Request |
| DA | 40,753 | 52,622 | 38,052 |
| Total | \$40,753 | \$52,622 | \$38,052³ |

U.S. Foreign Policy Objectives

Despite healthy growth, the Western Hemisphere has the widest disparities in income in the developing world. The structural reforms begun in the 1980s have the potential to help lower the incidence of poverty and income inequities. Many of these reforms seek to replace privileged access with equality of opportunity. Structural reform is a difficult process, however, and staying the course is politically painful. Open and competitive private markets stimulate economic activity and accelerate growth, providing increased incomes and employment. Basic education provides people with the skills to participate in the market economy.

Democracy has become the common guiding principle of economic growth and social development in the Western Hemisphere. Elected governments began to replace authoritarian ones in the late 1970s. Nonetheless, these new democracies are incomplete and fragile. The transition to democracy in Latin America and the Caribbean is central to developing regional political stability, decreasing illegal immigration to the United States, increasing trade, improving human rights and creating conditions which are favorable to positive economic growth.

Awareness is growing throughout the Western Hemisphere that environmental degradation, economic decline, and social and political instability are closely linked. Addressing environmental issues requires dealing with factors that affect public welfare and human rights, as well as the physical resources on which life depends. Sound environmental and natural resource management is no longer perceived as a luxury, but as an integral part of growth -- a principle that must be followed if the benefits of development are to be realized and human welfare maintained and enhanced.

The Summit and USAID's LAC Regional program support and reinforce key U.S. national interests in the LAC region, such as promoting broad-based economic growth, increased adherence to democratic practices and respect for human rights, securing a sustainable global environment, stabilizing world population growth, and protecting human health, including control of infectious diseases.

³ Excludes Presidential Initiatives for the Summit of the Americas of \$20 million in FY 1999 DA, which is displayed separately below. Summit of the Americas initiative is included in USAID budget under Latin America and Caribbean Regional Development Assistance.

infrastructures will continue in FY 1999. In addition to ongoing training, law enforcement assistance programs include equipment, maintenance, and repair of vehicles, radio networks and other equipment. Increased interdiction efforts and increased law enforcement cooperation, as a follow-up to the San Jose Summit initiatives, will be required during FY 1999. Port security assistance will be provided to countries which actively export or transship products through port facilities. We also propose to provide training, equipment, and supplies to countries experiencing significant maritime transit. Judicial reform programs will provide training to bring judges and prosecutors up to date on narcotics law. In Panama, our counternarcotics program includes a significant level of support for the establishment of money laundering controls, including detection, investigation and prosecution of financial crimes. The budgets for Guatemala and Mexico appear as separate requests.

South America:

Drug trafficking in the Southern Cone countries of South America is increasing alarmingly. Paraguay, Chile, Uruguay and Argentina are used as transit points for cocaine originating in Bolivia. Arrests of local narcotics traffickers have revealed relationships with Colombian trafficking organizations. The FY 1999 plan includes support to Argentina to strengthen its capacity to disrupt trafficking and investigate money laundering and chemical diversion. In Paraguay and Chile, programs will assist the police to investigate and prosecute traffickers and train those in charge of enforcing new counternarcotics laws and money laundering legislation. In Uruguay, equipment and training will be provided to develop the enforcement capabilities of the narcotics police force, and provide the necessary tools to implement recent counternarcotics legislation.

Indicators:

- Adoption of effective anti-drug and money laundering statutes and anti-corruption measures;
- Decrease in illegal drug production and increased capabilities of regional counterdrug law enforcement agencies, as demonstrated by larger quantities of drugs interdicted or drug trafficking deterred and traffickers arrested;
- Increased prosecutions of major drug traffickers and money launderers, including forfeiture of the proceeds of crime, and disruption of trafficker networks; and
- Level of drug abuse and intolerance of drug trafficking in the region.

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storage facilities, and assist in drug investigations, arrests and prosecutions. Additionally, this program will provide public information/awareness materials to educate the public about the dangers of drug consumption and trafficking.

In FY 1999, the program will seek to strengthen these countries' abilities to more effectively address the ever changing conduct of drug producers and traffickers. Additional funds are required to improve law enforcement cooperation and support for enhanced interdiction capabilities. Regional narcotics affairs offices in Miami, Panama and Guatemala will help manage multi-country programs in their areas of responsibility. As a follow-up to the Presidential summits in San Jose and Barbados in May 1997, increased funding will support interdiction efforts throughout Central America and the Caribbean to include training, support and maintenance of equipment. C-26 aviation and maritime patrol vessel support in the form of spare parts, fuel and operational support will be provided in Barbados and maritime vessel support in Trinidad and Tobago.

Caribbean:

In response to increased drug trafficking, especially maritime trafficking, and money laundering in the Caribbean, an enhanced effort is needed to strengthen countries' law enforcement and judicial institutions by providing increasingly sophisticated training and equipment. By such mechanisms as maritime cooperation agreements and combined operations, the program seeks to encourage more vigorous regional counterdrug cooperation. Increased training, support and maintenance of equipment, as a follow-up to the Barbados Summit initiatives, will improve law enforcement cooperation. We will sustain our support for the Regional Security System of the small, independent states of the Eastern Caribbean, to continue its development as a viable and operational counterdrug partner.

The Latin America Regional program supports Caribbean counternarcotics programs in the Greater and Lesser Antilles, the Guianas and other countries. The Department of State and U.S. law enforcement agencies actively encourage and support many Caribbean nations that cooperate in joint drug interdiction operations. The program will expand countries' drug investigative capabilities by providing existing JICCs with upgraded equipment and advanced training. New JICCs will be established where appropriate. Judicial systems will be strengthened via provision of training and court automation equipment. We will provide training to develop local community action partnerships for drug abuse prevention and to improve the effectiveness of drug treatment professionals. The budgets for Jamaica and the Bahamas appear as separate requests.

Central America:

A full range of activities to assist Belize, Costa Rica, El Salvador, Nicaragua, Panama and Honduras disrupt trafficking and strengthen indigenous law enforcement

| International Narcotics and Law Enforcement Latin America Regional Cooperation | | | |
|---|-------------------|---------------------|--------------------|
| Function 150 Resources | | | |
| (\$ in thousands) | | | |
| Appropriation | FY 1997 Actual | FY 1998 Estimate | FY 1999 Request |
| INL | 5,100 | 4,000 | 9,000 |
| Total | \$5,100 | \$4,000 | \$9,000 |

U.S. Foreign Policy Objectives:

As drug control efforts in several Latin American program countries have become more effective, traffickers have sought new routes in the Caribbean, Central America and southern South America, and have developed new methods of transportation through major transit points. These areas are of increasing importance for the transshipment of cocaine, and to a lesser extent, production of opium and marijuana. Governments in most of these countries lack resources, strong law enforcement and judicial institutions, and adequately trained personnel. Many of the countries covered in this account are known or emerging money laundering centers. U.S. objectives are to:

- Adopt and implement strong narcotics control legislation.
- Improve the efficiency and effectiveness of judicial institutions to bring drug offenders to justice, including forfeiture of assets.
- Develop bilateral and multilateral mutual legal assistance cooperation.
- Strengthen host nation police/drug branch capabilities to interdict shipments of drugs and precursor materials, and control money laundering.
- Expand maritime enforcement capabilities throughout the region by entering into cooperation agreements supported by training, materiel and combined operations.
- Eradicate illegal drug cultivation by providing commodities and technical support; and
- Develop government and non-government organizations' institutional and resource bases to control the growth of drug abuse in the region.

Strategy for FY 1999:

Latin America Regional funds support programs in countries where the drug threat warrants increased assistance due to increasing exploitation by traffickers and money-launderers to finance and transship their illegal products. Regional assistance is used to improve host government capabilities in all aspects of drug control, including development of law enforcement and judicial institutions engaged in drug control and training. To assist in meeting the challenges of attacking the drug problem at the source, equipment and supplies will be provided to help develop programs to detect illicit cultivation for eradication, reduce drug trafficking, destroy drug processing and

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1996 and 1997 hurricane season, assisting in humanitarian relief efforts and in the maintenance of good order. The ability to participate in this type of cooperative operation is particularly important to regional stability and economic well-being. FY 1999 funds will help ensure that Caribbean military forces can execute this vital function in the event of a natural disaster.

Third, FY 1999 will ensure a high level of cooperation and interoperability between U.S. and Caribbean forces, for drug interdiction. The Caribbean region has been beset by the scourge of narcotics trafficking. Caribbean military forces cooperate with U.S. law enforcement operations designed to combat this criminal activity.

EDA for the Caribbean nations will be used to support a regional contingency force in the Caribbean to conduct peacekeeping, counternarcotics, humanitarian relief and search and rescue missions.

Indicators:

- Number of seizures of narcotics.
- Regional capacity to coordinate and contribute forces to joint military exercises.
- Interoperability with U.S. and other international peacekeeping forces.
- Capability to respond to regional natural disasters, search and rescue operations, disaster relief, and migrant interdiction operations.

| Caribbean Regional Fund | | | |
|-------------------------|-------------------|---------------------|--------------------|
| Function 150 Resources | | | |
| (\$ in thousands) | | | |
| Appropriation | FY 1997 Actual | FY 1998 Estimate | FY 1999 Request |
| FMF | 2,000 | 3,000 | 3,000 |
| Total | \$2,000 | \$3,000 | \$3,000 |

U.S. Foreign Policy Objectives:

Caribbean nations have traditionally been strong allies of the United States. Long-term U.S. objectives in the region include the maintenance of regional stability, as the Caribbean constitutes America's "third border." Other major objectives are stemming the narcotics flow through the region, halting drug production and use and improving local capabilities in areas such as disaster relief and migrant interdiction and processing. U.S. interests are served by continuing access to Caribbean nations for basing, fueling, repair, storage, and transshipment both at sea and through airports. The U.S. also seeks the full cooperation and coordination of host governments in operations to counter international crime, including terrorism, narcotrafficking, arms trafficking, money laundering, illegal migrants and smuggling.

The region conducts a large percentage of its trade with the United States and depends on a special trade status through the Caribbean Basin Initiative for economic stability. The banana industry, a major employer, may be adversely affected by the outcome of a World Trade Organization suit brought by Latin American growers and the U.S. against the EU regime that favors the Caribbean. From 1994 to 1996, the region provided support for U.S. efforts to restore the legitimate regime in Haiti, by contributing forces via a CARICOM (Caribbean Community) battalion to the U.S.-led Multinational Force (MNF), and then to the UN Mission in Haiti. CARICOM participants included The Bahamas, Belize, Guyana, Jamaica, Trinidad and Tobago, Antigua and Barbuda, Barbados, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, Suriname and St. Vincent. The Dominican Republic supported the U.S./UN mission in Haiti by assisting in regional migrant operations.

Strategy for FY 1999:

To enhance the region's capabilities in areas outlined above, U.S. strategy is designed first to maintain regional stability by increasing the participation. Caribbean regional troops in U.S.-supported regional military operations and exercises.

Second, we seek to sustain and upgrade local militaries' natural disaster response capability. Among the problems that affect the region are recurring tropical storms, hurricanes and volcanic activity. Local militaries provided critical support during the

Indicators:

- Achievement of more effective and transparent electoral systems;
- Participation of sub-national governments in the democratic process;
- and
- Level of access to strengthened judicial and legislative systems.

Ecuador: \$1.2 million

A constitutional crisis earlier this year highlighted the very unstable state of Ecuador's democracy: corruption is rife, governmental institutions lack credibility, and the party system is not responsive to the electorate. With elections in FY 1998 and a change of government in August 1998, ESF resources will address corruption and support for selected reforms in the electoral and justice systems.

Indicators:

- Strength of civil society;
- Level of transparency and accountability among government agencies;
- Level of corruption.

- Level of judicial professionalization and government accountability;

El Salvador: \$2.0 million

ESF resources will promote more effective legal/judicial protection for all citizens. Emphasis will be placed on municipal development, citizen pressure for rule of law and due process, citizen access to the legal system, a more effective police force, a more responsive judicial system that meets the highest ethical standards, and increased timeliness in the administration of justice.

Indicators:

- Level of opportunity for better informed electoral decisions;
- Access to enhanced legal/judicial protection;
- Participation in strengthened local government;
- Management of financial resources.

Mexico: \$1.5 million

Resources will respond to promising openings in the continuing evolution of Mexico's democracy. ESF will be focused on three key areas which Mexico has expressed interest in receiving U.S. collaboration: (a) strengthening the integrity and transparency of the justice system; (b) strengthening civil society and making local government more responsive to the needs of its citizens; and (c) financing electoral observation and technical assistance.

Indicators:

- Strength of non-governmental organizations;
- Level of judicial reform;
- Development and adoption of alternative dispute resolution mechanisms;
- Role of national associations in municipal governments.

Paraguay: \$800,000

ESF resources are needed to continue support for improved civil-military relations and political party strengthening in the aftermath of last year's averted military coup. The country's nascent democracy remains fragile and its institutions are weak. Emphasis will be placed on fostering a better understanding of civil-military relations with respect to needed reforms in the legislature, justice system, and local government. ESF will also be used for training in new criminal code procedures and improving the criminal justice system.

Dominican Republic: \$2.3 million

ESF resources will be used for activities supporting Strengthening the Rule of Law and Respect for Human Rights, which are fully consistent with the country team's law enforcement priorities. In 1999, USAID/DR's Strengthening Rule of Law (SROL) program will have completed a number of pilot activities and begun to consolidate and expand them nation-wide. For example, USAID will work with ICITAP to improve criminal justice coordination among police, prosecutors, public defenders and judges. Access to justice will continue to improve as public defender services are fully integrated into the judiciary and public defender advocates are increased nationally. Finally, good governance and accountability programs with the Supreme Court, Public Ministry and the Comptroller General will continue to combat corruption within these and other government organizations through the expansion of Inspector General of Tribunal offices and public Ministry anti-corruption units.

Indicators:

- Strength of civil society and public involvement in the democratic process.
- Level of reform of the justice system;
- Level of transparency, accountability and corruption of the governance system;

Caribbean Regional: \$700,000

FY 1999 funding for the Windward Island Diversification Project will be required to complete on-going scholarship training programs in the U.S. Funding will also be used for trade liberalization programs and assistance to the islands of Grenada, St. Vincent, St. Lucia and Dominica for FTAA membership.

Indicators:

- Establishment of scholarship training programs;
- Diversification and openness of economic systems.

Nicaragua: \$1.5 million

ESF resources will strengthen the administration of justice through technical assistance, training and developing improved criminal and civil codes, fostering a better human rights situation through supporting the Human Rights Ombudsman Office and the community peace commissions, and opening more access and participation for citizens through civil society efforts.

Indicators:

- Strength of civil society and non-governmental organizations;

| Inter-American Regional Democracy Fund | | | |
|--|-------------------|---------------------|--------------------|
| Function 150 Resources | | | |
| (\$ in thousands) | | | |
| Appropriation | FY 1997 Actual | FY 1998 Estimate | FY 1999 Request |
| ESF ² | 17,812 | 11,000 | 13,000 |
| Total | \$17,812 | \$11,000 | \$13,000 |

U.S. Foreign Policy Objectives:

Little progress toward development can be sustained where the political system represses the talents and efforts of its people. It is primarily a government's responsibility to involve its citizens in the development decisions that affect their lives. Governments also have the responsibility to ensure accountability and transparency of their actions if resources are to benefit all citizens. Corruption diverts attention and resources from the poor. The United States attaches great importance to advancing the process of democratization in the region through good governance. This involves a variety of approaches: modernizing public institutions, devolution of authority to local governments, fostering a respect for human rights and the rule of law, civic education, improved financial management for the public sector, and military demobilization.

U.S. programs supporting the strengthening of democracy in the region are fundamental to the success of all our other efforts. From underwriting elections in Haiti, to helping The Dominican Republic and Peru develop more responsive judicial systems, to advancing the peace process in Guatemala, El Salvador, and Nicaragua, we continue to be a key player pushing for consolidation of the recent transitions to democratic rule throughout this hemisphere.

Strategy for FY 1999

The proposed regional democracy program will provide ESF to those nations where democracy, support for human rights, economic reform, and equitable growth are part of comprehensive overhaul governmental institutions. A wide variety of programs in the region will be supported to promote and strengthen democratic institutions, local governments, labor, and grassroots organizations. Programs will also support human rights training for NGOs, elected and appointed officials throughout the hemisphere. Assistance will be provided to assist countries in making the transition to peace.

² Individual country ESF figures that comprise this account are included in the preceding country pages. Included in these totals are: The Windward Islands (FY 1997 – 0; FY 1998 –\$2 million; and FY 1999 –\$.7 million) and LAC Regional Democracy (FY 1997 – \$3 million).

members of the public not only to file complaints but receive assistance in accessing the legal system. A prisoner classification system is under development to enable Panamanian authorities to separate violent from non-violent offenders in the prison system.

Bolivia:

Like other countries in the region, Bolivia is moving to adopt a new criminal procedure code under which prosecutors will present cases in public trials. In FY 1999, ICITAP will assist in the development of a series of courses aimed at familiarizing police, prosecutors and judges with the new system. An entirely new investigative division, the Technical Judicial Police (PTJ) has been created within the Bolivia National Police (BNP), to handle criminal investigations nationwide. The PTJ has established investigative offices in all nine Bolivian departments, complete with operational regulations and trained personnel. The head of the PTJ and the Attorney General have formally adopted procedures for coordination of their respective functions, which are now being implemented at the departmental level. The first departmental inter-agency agreement has been signed in El Beni. The BNP National Training Directorate has been revamped and general police curricula revised; attendees can now receive university credits for their training.

Dominican Republic:

In coordination with assistance being provided by USAID to improve the professionalism of the judiciary and operation of the criminal justice system, ICITAP will provide assistance in revamping general police training curricula and improving technical aspects of criminal investigation by police, prosecutors and judges.

Indicators:

- Creation of new investigative units within police forces or prosecutor's office
- Improved forensic support;
- Adoption of investigative procedures manual for use by police, prosecutors and courts;
- Implementation of hiring standards and training programs for recruits appropriate to long-term development of professional civilian police forces;
- Establishment of self-sustaining training programs in specialized areas such as criminal investigation and for supervisory and executive-level personnel; and
- Adoption of organizational policies and procedures for police forces as a whole appropriate to civilian police.

development. The PNC has established the full complement of organizational components needed for a civilian police force, including specialized units as diverse as traffic and environmental protection and administrative and logistical systems. The PNC Criminal Investigative Division is working to improve its operational relationship with prosecutors in the Public Ministry and to develop a joint investigative procedures manual, looking toward enactment of a new Code of Criminal Procedure that will place prosecutors in charge of investigations.

In Guatemala, ICITAP is working with Spain and other donors to help the government meet its objective of deploying a new 20,000 member National Civilian Police by the year 2000. ICITAP is concentrating on reorganization, training and development of policies and procedures for the PNC, recruitment and training of officers, and specialized training in the areas of criminal investigation, police ethics and human rights. While Spain provides basic recruit training, ICITAP will be assisting the new PNC academy with curriculum development and management.

The legal framework for a new civilian police in Honduras is now expected to be enacted in 1998. Whether or not it incorporates the Criminal Investigative Division of the Public Ministry into the new police ministry, as is being proposed, implementation of the law will require significant restructuring of the current police organization and its supporting training institutions. ICITAP is working with the police transition commission to identify the areas in which its assistance will be requested in the future. Whatever the future of the DIC, ICITAP will continue to support its technical integration with prosecutors and the new civilian police. Recruitment and selection procedures have been established for the new Directorate of Criminal Investigations (DIC), created in 1995 as part of the Public Ministry. The foundation for a Public Ministry academy has been laid with the presentation of courses in criminal investigation for investigators and future local instructors. New forensic units have been developed in the areas of firearms identification, questioned documents and crime photography. A policies and procedures manual and legal guide have been prepared for the DIC.

ICITAP will begin in FY 1998 a modest program of assistance to Nicaragua aimed primarily at facilitating a common approach by police, prosecutors and judges to improving the criminal investigative process. It will also assist the Civil Inspection Unit of the Ministry of Government, and other similar organizations, to institute uniform policies for disciplinary matters involving the police. The program will be extended in 1999 based on experience to date.

The Panamanian National Police (PNP) now has over 12,000 officers, all of whom have received training at the new Police Academy. Recruit training is now largely self-sufficient. The Technical Judicial Police (PTJ), part of the Public Ministry, also has an established training program with Panamanian and international instructors. A functional forensic laboratory covering all basic areas is in operation. The PTJ has opened a Criminal Complaint Receiving Center, providing a centralized location for

| Administration of Justice | | | |
|----------------------------------|-------------------|---------------------|--------------------|
| Function 150 Resources | | | |
| (\$ in thousands) | | | |
| Appropriation | FY 1997 Actual | FY 1998 Estimate | FY 1999 Request |
| ESF | 7,500 | 10,000 | 10,000 |
| Total | \$7,500 | \$10,000 | \$10,000 |

U.S. Foreign Policy Objectives:

The International Criminal Investigative Training Assistance Program of the U.S. Department of Justice (ICITAP) supports the development of civilian police institutions and improvements to the criminal investigative capacity of police, prosecutors and courts in a growing number of developing democracies throughout the world. Priority is given through this program to countries in transition to democracy, where unique opportunities exist for major restructuring and refocusing of police and investigative resources toward establishment of a rule of law. The wholesale restructuring of police institutions begun in Panama and El Salvador in 1990 and 1992, respectively, are nearing completion. Assistance in these countries will thus taper down toward activities aimed at filling critical gaps, while other countries, notably Guatemala and Honduras, become the sites of broad efforts to create new police forces. At this time, we anticipate a continuing need in Panama and El Salvador to focus on integrating the investigative and prosecutive functions to ensure effective presentation of criminal cases in court. This remains a critical failing throughout Latin America, which requires not only additional technical assistance but clear political leadership at the national level to resolve. While ICITAP is conducting similar activities in Haiti, those activities are funded with bilateral funds, and not this regional account.

Strategy for FY 1999

Central America:

In El Salvador, with the entry into force of a new Criminal Procedure Code expected in 1998, there will still be significant work to be done in 1999 to refine procedures and expand the knowledge base of all investigators. Once police and prosecutors become comfortable with the new investigative procedures manual, attention will shift to expanding in-service training for the PNC Criminal Investigations Division nationwide. Assistance to the National Civilian Police (PNC) will continue at a reduced level in general management and administration, ensuring that the systems developed to date are effectively implemented. As of January 1996, over 10,000 recruits to the PNC have been trained at the National Public Security Academy (ANSP). Both organizations were formed in 1992 as a result of the Peace Accords. The ANSP now has a Salvadoran staff of 289, and ICITAP is providing only 11 full-time instructors (down from 20). A strategic plan to make the Academy fully self-sustaining is under

Latin America and the Caribbean

Additionally, we will support Venezuela's efforts to implement the new criminal procedures code. This reform will replace Venezuela's current inquisitorial system with an adversarial system. While the new system introduces juries in some cases and improves the overall transparency of the administration of justice, it will also require improved case management skills, investigative procedures, and courtroom skills. By working with the public prosecutor's office and other sections of the judiciary, we will assist in this monumental transition by providing training and equipment. Supporting the transition to the new system is important because restoring public confidence in the administration of justice is critical to consolidating the rule of law and instilling faith in the democratic system in Venezuela.

We will also continue to support efforts to provide Venezuelan law enforcement officials the legal and technical means to combat organized crime. The 1997 passage of the Casino Law was a major step forward in enhancing law enforcement capabilities to combat money laundering. We will support in 1998 passage of the Anti-Organized Crime Bill which will provide RICO-like capabilities to fight organized crime.

Support for Venezuela's privatization policies and its successful "Apertura (Opening)" in the petroleum sector is another key component of our country strategy. As a result of Venezuelan economic policies, Venezuela's oil, telecommunications and steel industries are open to significant foreign, including American, investment.

Venezuela will be eligible in FY 1999 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA would assist the Venezuelan military to improve its drug interdiction efforts along its vast internal river network, support its model crop eradication program, safeguard its border with Colombia against drug cartels and guerrillas, as well as modernize its equipment.

Indicators:

- Political stability
- Full support by military for decisions of the civilian government
- Number of joint and civil-military operations
- Control of Venezuelan territory along the Colombian border
- Interdiction of illicit drugs transiting Venezuelan territory
- Establishment of a centralized Financial Intelligence Unit in CAN
- Operation of Joint Intelligence Coordinated Center (JICC)
- Implementation of the new criminal procedures code
- Climate for U.S. investments and level of U.S. exports

| Venezuela | | | |
|-------------------------|-------------------|---------------------|--------------------|
| Function 150 Resources | (\$ in thousands) | | |
| Appropriation | FY 1997 Actual | FY 1998 Estimate | FY 1999 Request |
| IMET | 388 | 400 | 400 |
| INC | 600 | 600 | 700 |
| Total, Venezuela | \$988 | \$1,000 | \$1,100 |

U.S. Foreign Policy Objectives:

Venezuela has a long democratic tradition and its military leaders are committed to constitutional, democratic government. U.S. policy objectives include preserving constitutional democracy, particularly as the government continues its program of economic reform and market liberalization. U.S. policy objectives also include maintaining access to Venezuela's oil reserves, the largest in South America, and protecting U.S. exports and investment. We also seek closer counter-narcotics cooperation, secure frontiers for Venezuela and its neighbors, and successful institutional transition to the new judicial system.

Strategy for FY 1999:

The U.S. will pursue a multi-track approach to securing U.S. objectives in Venezuela. First, through IMET-funded training, we will seek to further professionalize the Venezuelan military to better meet challenges along the Colombian border and in the counter-drug effort. In addition to IMET-funded programs, we will provide deployments for training and mobile training teams. All training will foster respect for human rights, the non-political role of the military in the democratic process, and promote a more coordinated role for the military in the execution of Venezuela's national drug control plan.

Second, we will improve Venezuela's institutional ability to detect and interdict drug and precursor chemical shipments and to improve Venezuela's ability to detect and eradicate poppy cultivation. This project will be accomplished through the Narcotics Law Enforcement Project which provides training and equipment to improve Venezuela's drug information-sharing capabilities and support increased interdiction. The National Guard (GN) and Judicial Technical Police (PTJ) will receive detection and interdiction training, computers, and radios.

Third, we will work to support effective implementation of Venezuelan anti-money laundering activities by supporting a centralized Financial Intelligence Unit in the National Anti-drug Commission (CNA) and assisting financial crimes investigation units in the GN and PTJ.

Latin America and the Caribbean

Uruguay has become a regional leader in peacekeeping operations and an important role model for other Latin American countries. Uruguay will be eligible in FY 1999 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA would contribute to modernizing the Uruguayan military, enhance interoperability and support increased participation in peacekeeping missions.

Indicators:

- Cooperation on regional issues such as counter-narcotics, counter-terrorism, and arms control and regional economic integration.
- Level of U.S. exports.
- Involvement in worldwide peacekeeping missions.
- Participation in regional military exercises.
- Status of legislation regarding money laundering and intellectual property rights protection.
- Placement of IMET-trained personnel in key military and civilian leadership positions.

| Uruguay | | | |
|------------------------|-------------------|---------------------|--------------------|
| Function 150 Resources | (\$ in thousands) | | |
| | FY 1997 Actual | FY 1998 Estimate | FY 1999 Request |
| Appropriation | | | |
| IMET | 332 | 300 | 300 |
| Peace Corps | 679 | - | - |
| Total, Uruguay | \$1,011 | \$300 | \$300 |

U.S. Foreign Policy Objectives:

Uruguay is one of the region's most solid democracies and Uruguayans enjoy one of the highest standards of living in the region. Reform aimed at lessening the substantial weight of the state in the economy has proceeded slowly but steadily. Uruguay staunchly advocates free trade, both as a member of the Southern Cone Common Market (MERCOSUR) and through the regional Summit of the Americas process to create a free trade area of the Americas. U.S. objectives in Uruguay include:

- Seeking adoption of economic reforms and ensuring adequate protection of intellectual property rights.
- Expanding U.S. investments.
- Assisting Uruguay to implement effective counter-narcotics, counter-terrorism, and arms control efforts.
- Helping enhance professionalism of Uruguay's armed forces, and continue its participation in international peacekeeping.

Strategy for FY 1999:

We will seek more open trade and greater economic reform in Uruguay both through MERCOSUR and bilaterally. U.S. agencies will work to enhance Uruguay's ability to fight drug trafficking and terrorism through participation in exchange and other programs. We will also encourage Uruguay to take greater action against money laundering. U.S. programs seek to increase the professionalism of Uruguay's armed forces and facilitate military cooperation with Uruguay and the rest of the Southern Cone.

The IMET program in Uruguay is designed to support long-standing U.S. goals of maintaining civilian rule and reinforcing democratic values in the military, while also helping to provide the armed forces with greater expertise in international peacekeeping and support for disaster relief. The proposed program for FY 1999 includes a mix of expanded IMET, professional military education, and technical training.

The Embassy has worked to assist U.S. businesses with investment prospects in Trinidad and Tobago. The GOTT has developed framework legislation covering environmental protection which now needs implementing regulations.

U.S. strategy for ensuring access and inter-operability with the TTDF rests on continued training of the TTDF leadership and joint operations. The U.S. will focus on ensuring cooperation in contingency situations for basing, fueling, repair, material storage, transshipment both at sea and through airport facilities, and full cooperation and coordination with U.S. elements in operations to counter international crime, including terrorism, narco-trafficking and alien smuggling. IMET funding will provide education and training of the TTDF in leadership, resource management, and decision making in order to improve the TTDF's capability to mount drug interdiction and eradication programs. FMF support to Trinidad and Tobago will increase the maintenance and modernization of the Trinidad and Tobago Defense Force maritime fleet, providing the capability to participate in extended and real time security and law enforcement missions.

Trinidad and Tobago will be eligible in FY 1999 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA would be used to support CARICOM's role as a stabilizing force in the Caribbean through active involvement in peacekeeping operations, search and rescue missions, disaster relief and counternarcotics operations.

Indicators:

- Level of U.S. exports.
- Level of professionalism of TTDF senior staff.
- Level of cooperation between the USG and GOTT in counternarcotics programs.
- Enhanced capabilities of the TTDF in such areas as disaster assistance, search and rescue.
- Level of effective environmental protection.

| Trinidad and Tobago | | | |
|-----------------------------------|-------------------|---------------------|--------------------|
| Function 150 Resources | | | |
| (\$ in thousands) | | | |
| Appropriation | FY 1997 Actual | FY 1998 Estimate | FY 1999 Request |
| IMET | 95 | 125 | 125 |
| Total, Trinidad and Tobago | \$95 | \$125 | \$125 |

U.S. Foreign Policy Objectives:

The U.S. and Trinidad and Tobago enjoy excellent bilateral relations. Free and fair elections have been held in Trinidad and Tobago at regular intervals since its independence from the U.K. in 1962. Trinidad and Tobago's close proximity to South American drug producing countries makes it an ideal location for the transshipment of drugs to the U.S. Drugs are smuggled in and out of the islands by both air and sea. U.S. investment in Trinidad and Tobago is expected to total approximately \$3 billion for the period 1996-1998.

The Trinidad and Tobago Defense Force (TTDF), the largest of the English-speaking Caribbean, closely coordinates its activities with the U.S. The TTDF in 1990 successfully repulsed a coup attempt by the radical Jamaat Al Muslimeen Islamic sect. Trinidad and Tobago shipriders regularly embark on U.S. vessels to conduct joint maritime counter-narcotics patrols in Trinidad and Tobago strongly supported the restoration of democracy in Haiti by providing a substantial contribution of troops for the CARICOM Battalion in Haiti.

A limited TTDF budget, however, makes it difficult for the TTDF to participate fully in joint exercises with the U.S. U.S. objectives are:

- Supporting a cadre of professional military leaders who support democratic principles.
- Enhancing the inter-operability and understanding of U.S. tactics and logistics.
- Promoting open trade and investment, and sustainable development.

Strategy for FY 1999:

The USG counternarcotics effort has focused on assisting the TTDF perform drug interdiction and demand reduction exercises, and in one case helping the GOTT in a complex murder trial involving a major Trinidadian trafficker. Further, the U.S. and Trinidad and Tobago have signed extradition and mutual legal assistance treaties, and a maritime counternarcotics agreement. In support of investment opportunities for U.S. investors, the USG negotiated a bilateral investment treaty and an IPR agreement, although the remaining legislation to comply with the IPR agreement is still pending.

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democratic institutions and inhibit illegal activities, like drug trafficking and unauthorized or destructive exploitation of natural resources, particularly forest resources, which threaten national security and the environment.

Through the IMET program, the U.S. will help Suriname build an apolitical and professional military by educating junior officers to respect democratic principles, rule of law and human rights. Program funds will be focused on training which instills appropriate military values and nation building skills. Infighting amongst the parties of the governing coalition and lack of consensus support in the coalition for Government policies may hinder progress towards our objectives.

Suriname will be eligible in FY 1999 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA would be used to support CARICOM's role as a stabilizing force in the Caribbean through active involvement in peacekeeping operations, search and rescue missions, disaster relief and counternarcotics operations.

Indicators:

- Pace of democratic reform.
- Number of U.S.-trained officers and officials promoted to policy-making and higher leadership positions.
- Military successes in counter-drug, anti-smuggling and environmental protection operations.
- Professionalization of a military with a healthy respect for civil society, rule of law and human rights.
- Enforcement of regulations to protect the environment and a reduction in the level of sustainable forestry use.

| Suriname | | | |
|-------------------------------|---------------------------|-----------------------------|----------------------------|
| Function 150 Resources | | | |
| (\$ in thousands) | | | |
| Appropriation | FY 1997 Actual | FY 1998 Estimate | FY 1999 Request |
| IMET | 149 | 100 | 100 |
| Peace Corps | 804 | 890 | 1,025 |
| Total, Suriname | \$953 | \$990 | \$1,125 |

U.S. Foreign Policy Objectives:

Since gaining independence from the Netherlands in 1975, Suriname's checkered past includes almost a decade of military rule. In the 1990's, democratically-elected governments have made some progress in building democratic institutions and redefining the role of the military under civilian rule to prevent a return to military government.

The former Venetiaan-led government coalition was replaced in September 1996 by a coalition government led by newly-elected President Jules Wijdenbosch. In its efforts to expand relations with other countries and reduce its dependence on the Netherlands, the Wijdenbosch government is seeking cooperation and support from a variety of countries, including the U.S. The Wijdenbosch government has actively sought U.S. assistance to promote economic diversity, stability and development. U.S. objectives in Suriname include:

- Strengthening democratic institutions and civilian government.
- Building a corps of professional U.S.-trained military instilled with respect for human rights and rule of law.
- Improving Suriname's ability to secure its borders, combat drug trafficking and protect the environment.

Strategy for FY 1999:

Our strategy focuses on consistent efforts to persuade the Government of Suriname (GOS) that a strong, responsible and democratic civilian government will promote economic prosperity and win Suriname international respect. We will continue to encourage the government to legislate and implement policies which firmly establish civil rule of law, protect human rights, promote economic opportunity, combat drug trafficking and related crimes, and protect the environment. We will encourage Suriname interaction with U.S. government agencies such as the DEA, the U.S. Forest Service, the U.S. Geological Survey, as well as the U.S. private sector, international institutions and non-governmental organizations to achieve these ends. We will also continue to encourage the Government of Suriname to use its military to defend

Strategy for FY 1999:

International Narcotics Control funded programs support Peruvian government agencies engaged in counter-narcotics efforts. Effective drug interdiction – especially air bridge denial – and law enforcement are key to disrupting the cultivation, processing, wholesale purchase, and export of refined coca. INL support of interdiction and enforcement efforts includes the training and equipping of law enforcement air, ground, and riverine units and the development of intelligence and prosecutorial capabilities. Funds are also used to support Peruvian government demand reduction.

Development Assistance in Peru will strengthen democracy and respect for human rights, foster microenterprises, promote health and family planning, and protect the environment. Assistance is also provided to the Office of the Ombudsman for Human Rights and local NGOs. Local government development programs provide technical assistance to strengthen public administration. A Title II food program is targeted to the poor and children.

The IMET program is designed to enhance civilian control of the military. Courses for mid-level, junior and non-commissioned officers include professional military training, human rights education, and in light of the Peru-Ecuador border conflict, peacekeeping. Objectives are to ensure that participants gain an appreciation of the democratic process, to open new channels of communication with Peru's military, and to increase Peruvian military support for democracy.

Peru will be eligible in FY 1999 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA would be used to assist the government's counterdrug efforts in all stages. The U.S. supported narcotics aircraft intercept program is one example of a successful program that has led to a dramatic decrease in coca leaf prices. EDA will also establish greater interoperability with Peru's military.

Indicators:

- Strength of democratic institutions.
- Protection of human rights and freedom of speech.
- Level of illicit coca cultivation and trafficking of cocaine and cocaine base.
- Strength of institutions that bolster democracy and human rights, prevent corruption, and provide a stable environment for economic development.
- Scope of chronic malnutrition and income levels of the poor.
- Professionalization of the police and armed services.

| Peru | | | |
|------------------------|-------------------|---------------------|--------------------|
| Function 150 Resources | | | |
| (\$ in thousands) | | | |
| Appropriation | FY 1997 Actual | FY 1998 Estimate | FY 1999 Request |
| DA | 24,526 | 30,760 | 33,959 |
| PL - 480 | 53,865 | 53,981 | 49,745 |
| IMET | 483 | 450 | 450 |
| INL | 25,750 | 31,000 | 50,000 |
| Total, Peru | \$104,624 | 116,191 | 134,154 |

U.S. Foreign Policy Objectives:

The Peruvian government's comprehensive economic reform program and resolute stands against narcotrafficking and terrorism have helped create conditions conducive to further economic and political development. However, weak democratic institutions, human rights abuses, widespread poverty, continued narcotrafficking, a lingering terrorist threat, and a border dispute with Ecuador are problems which must be addressed if Peru is to maintain economic growth and strengthen its democracy.

Peru remains the world's largest coca producer, although hectareage under cultivation has fallen sharply over the past two years. The US-supported air interdiction program and other law enforcement efforts have disrupted the air bridge used by drug traffickers to transport coca base to Colombia. This has led to a coca base glut and coca prices below production costs, resulting in steep declines (18% in 1996 and 27% in 1997) in coca cultivation. Interdiction efforts are complemented by a community-based alternative development program which provides licit economic opportunities to farmers abandoning coca growing. By the end of 1997, 237 communities were participating in U.S. supported alternative development projects. Funding restraints, however, have not allowed implementation of the alternative development program in all of Peru's coca growing areas. Overall U.S. objectives in Peru are:

- Strengthen democratic institutions, including the judiciary.
- Foster greater governmental respect for human rights.
- End the illicit cultivation of coca.
- Support Peruvianization of the anti-narcotics efforts.
- Assist professionalization of the police and armed services.
- Facilitate resolution of the border dispute with Ecuador.
- Protect U.S. investments and other business interests.
- Support continued economic reform and poverty alleviation.

financial sector reform, intellectual property rights protection, and more effective counter-narcotics efforts.

IMET training will provide both civilians and military personnel with an understanding of how a professional military functions under civilian control and how an apolitical military supports democracy. Such training and exposure to U.S. armed forces will be particularly important in an election year where the military may perceive its interests as being threatened.

Paraguay is a major narcotics trafficking country, and INL funds will be used to provide technical assistance and training to Paraguay's Anti-Drug Secretariat. The United States expects to see improved enforcement efforts, government-wide coordination, and increased cooperation with Paraguay's neighbors.

Paraguay's military has expressed interest lately in modernizing its military, enhancing interoperability and contributing to peacekeeping missions. Paraguay will be eligible in FY 1999 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA would be used to begin the process of updating the military's equipment and contribute to modernizing its forces.

Indicators:

- Strength of democratic institutions.
- Success of free and fair national elections in 1998.
- Efforts under a new Paraguayan administration to combat international crime.
- A professional military with leadership committed to supporting the democratic system and to regional and international cooperation such as peacekeeping activities.
- Passage of key legislation, increased enforcement activities, and cooperation in fighting drug trafficking and other illicit activities.

| Paraguay | | | |
|-------------------------------|-------------------|---------------------|--------------------|
| Function 150 Resources | | | |
| (\$ in thousands) | | | |
| Appropriation | FY 1997 Actual | FY 1998 Estimate | FY 1999 Request |
| DA | 4,785 | 5,625 | 4,525 |
| ESF | 200 | 500 | 800 |
| IMET | 284 | 200 | 200 |
| Peace Corps | 3,126 | 3,159 | 3,271 |
| Total, Paraguay | \$8,395 | \$9,484 | \$8,796 |

U.S. Foreign Policy Objectives:

Nearly two years after the constitutional crisis of April 1996 that threatened to bring to an end the country's seven-year-old democracy, Paraguay's democratic institutions remain fragile. The country's transition from its first democratically elected civilian president to its second--generally one of the most difficult transitions--is due to take place following elections in May. General Lino Oviedo, who was forced into retirement after he staged the 1996 coup attempt, is the front-runner to succeed President Juan Carlos Wasmosy, who cannot run for re-election. Oviedo's candidacy has created political instability that has distracted from other pressing needs. Membership in the Southern Cone Common Market (MERCOSUR) has so far failed to provide sufficient incentive to investors and exports to boost the country's sluggish economy. U.S. objectives include:

- Supporting a stable, civilian government that will build solid democratic and economic institutions.
- Increased cooperation in combating narcotics trafficking, terrorism and other illegal activities.
- Protecting intellectual property rights.
- Enhancing transparency and modernization of the economy.

Strategy for FY 1999:

The U.S. strategy in Paraguay is to strengthen democratic and economic institutions, help increase the professionalism of the military, and fight drug trafficking, terrorism, intellectual property piracy, smuggling, and other illegal activities. The strategy includes technical assistance, high-level visits, and multi-agency teams to consult with the Government of Paraguay and provide expertise. ESF funds will be used to fund electoral assistance and legislative and local government strengthening, especially directed at helping ensure efficient and transparent national elections in May and the transition in August. Improved operation of the legislative branch will facilitate promulgation of reform laws, including those designed to address economic and

- Evidence of strengthened political independence of the Panamanian justice system.
- Adequate GDP funding for and cooperation in anti-money laundering and counternarcotics efforts.
- Passage of a strong banking reform law to permit greater transparency of financial transactions.

- Smooth transfer of the Panama Canal.
- Develop institutional capacity and capabilities of public and private organizations.
- Political independence of the Panamanian justice system.
- Successful cooperation in anti-money laundering and counternarcotics efforts.
- Passage of a strong banking reform law to permit greater transparency of financial transactions.
- Standardization, inter-operability, and increased professionalism among the region's coastal and riverine forces.
- Prosecution of trafficker arrests and seizures of marijuana and coca leaves in the region.
- Facilitate finding productive uses for reverted properties.
- Promote improvements in the justice sector.
- Improve the sustainable environmental protection and management of the Panama Canal Watershed.

Strategy for FY 1999:

The U.S. will continue to provide assistance to improve the management and technical capabilities of key responsible GOP institutions, local governments, non-government organizations, and communities in the area, to better protect and conserve the natural resources of the Panama Canal Watershed (PCW). As a result of ongoing U.S. assistance, four of the five national parks established to help protect the Panama Canal

The watersheds have been demarcated, provided with essential infrastructure, communication and transportation equipment, and have developed management plans. The U.S. also supports a monitoring program to measure changes in forest cover, hydrology, bio-diversity and human settlements.

IMET for Panama is requested for the first time in order to maintain strong military-to-military cooperation among both countries. Panama will be eligible in FY 1999 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA would be used to assist the Panamanian security forces to combat drug trafficking and modernize its defense capabilities.

Indicators:

- Amount of land reforested and forest cover in the PCW.
- Institutional capacity and capabilities of public and private organizations charged with management of the PCW transfer of the canal and conversion of reverted properties.

| Panama | | | |
|------------------------|-------------------|---------------------|--------------------|
| Function 150 Resources | | | |
| (\$ in thousands) | | | |
| Appropriation | FY 1997 Actual | FY 1998 Estimate | FY 1999 Request |
| DA | 2,741 | 2,932 | 4,850 |
| IMET | - | - | .100 |
| Peace Corps | 1.345 | 1.494 | 1.549 |
| Total, Panama | \$4,086 | \$4,426 | \$6,499 |

U.S. Foreign Policy Objectives:

The United States has a strong interest in the maintenance of a free and democratic government, coupled with an open economy to help bring prosperity and stability to Panama and the region. The United States also has strategic interests in the continued efficient and secure operations of the Panama Canal, including protection of the Canal watershed and productive use of the reverted properties in the Canal Area. A fair justice system, protection of intellectual property rights, and a variety of law enforcement issues, principally money laundering and narcotics trafficking, are also significant interests.

The transition plan for the Panama Canal is moving ahead smoothly. The Panama Canal Commission (PCC), a U.S. Government agency, currently operates the Canal. In accordance with a 1994 amendment to the Panamanian constitution, an independent Panamanian Canal Authority (PCA) will operate the Canal after 1999. The amendment protects the Canal organization from tactical political influence. President Perez Balladares named PCA board members in 1997. The Panamanians are deeply and substantially involved in operating the Canal. Currently, over 90 percent of employees are of Panamanian nationality including the Administrator and two of three section chiefs. Both governments are committed to a change of management with no interruption of service.

In September 1997 the U.S. Southern Command (SOUTHCOM) Headquarters completed the move of its headquarters from Quarry Heights, Panama to Miami. In preparation for complete departure by the end of 1999, the U.S. military has begun the process of returning property consisting of about 70,000 acres and about 5,600 buildings to the Government of Panama (GOP). Estimates of the value of reverting land and improvements range upward from ten billion dollars. The GOP must work to ensure that the sale or use of these properties can help to offset GDP and employment losses brought about by the closure of U.S. military bases. As recently as the mid-1990s, the bases contributed an estimated \$450-500 million to Panama's economy. U.S. foreign policy objectives include:

Nicaragua will be eligible in FY 1999 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA would be used to assist Nicaragua in updating its military equipment and contribute to modernizing its forces.

Indicators:

- Level of democratic consolidation.
- Capacity of the civilian defense ministry.
- Level of oversight of military budgets by the National Assembly and the Comptroller General's office.
- Number of caseload backups within the Nicaraguan judicial system.
- Investigation and punishment of human rights abuses.
- Establishment of a national security strategy which incorporates civilian control and establishes effective mechanisms to combat illegal narcotics trafficking.
- Sustainable growth in employment and income.

Due to the extremely impoverished conditions in Nicaragua, USAID will continue to target programs aimed at stimulating sustainable growth in employment and income and fostering better educated, healthier and smaller families. Development Assistance programs seek to expand political participation, compromise and transparency by advancing judicial reform, strengthening democratic institutions, improving local government services, and expanding the role of civil society. It also seeks to improve technology and marketing services to organizations serving small farmers, to provide credit and business training to micro and small entrepreneurs, and to manage natural resources effectively. Health and education strategies focus on providing better primary and preventive health care, improving the nutrition of young children and health practices among mothers, improving the knowledge and health of reproductive health techniques; and reforming primary grade curriculum, improving teaching, stimulating parental and community participation in schools and decentralizing administration.

Nicaragua's human rights situation has dramatically improved during the past three years although some problems persist. A GON campaign to disarm and reinsert into civilian life the last of the rearmed former combatants was completed December 19. We will encourage the investigation and punishment of human rights violations and to strengthen domestic human rights organizations. The OAS Technical Cooperation Mission (OAS/TCM) is the successor organization to the OAS International Support and Verification Commission (OAS/CIAV), which completed its mission in July. OAS/TCM is present in 12 of Nicaragua's most conflictive rural municipalities and focuses on local government development, social work, civic education and continued training of grass-roots "peace and human rights commissions." USAID is providing assistance to OAS/TCM during the next three years. The naming of a human rights ombudsman has been delayed in the National Assembly but is a top priority for early 1998. The USG has already designated support for the new office once an ombudsman is appointed.

The civilian Ministry of Defense (MOD)--the only such entity in Central America--was created in January 1997. The MOD's exclusive focus in 1997 on demobilization of the remaining rearmed groups distracted the fledgling ministry from setting the nation's defense and security policy. With USG assistance, provided through E-IMET, the MOD plans to focus on strengthening its currently limited capacity to exercise civilian oversight control over the military. IMET training for MOD civilian personnel will also increase expertise in defense resource management and national security planning. On counternarcotics programs, the State Department's International Narcotics and Law Enforcement Bureau (INL) funding will target interdiction and demand reduction programs, particularly in the Atlantic coast areas that are seeing increased drug use. The new DEA office opened in October and is increasing cooperation, coordination and training with the Nicaraguan police. The Justice Department's International Criminal Investigative Training and Assistance Program (ICITAP) will provide training to improve the criminal investigative process and coordination for police, prosecutors and judges.

| Nicaragua | | | |
|-------------------------|-------------------|---------------------|--------------------|
| Function 150 Resources | | | |
| (\$ in thousands) | | | |
| Appropriation | FY 1997 Actual | FY 1998 Estimate | FY 1999 Request |
| DA | 15,648 | 23,595 | 22,540 |
| ESF | 7,112 | 1,000 | 1,500 |
| PL - 480 | 2,875 | 1,103 | 2,362 |
| IMET | 57 | 200 | 200 |
| Peace Corps | 1,669 | 1,779 | 1,992 |
| Total, Nicaragua | \$27,361 | 27,677 | 28,594 |

U.S. Foreign Policy Objectives:

In 1997, for the first time, Nicaragua successfully transferred power from one democratically-elected government to another. The conflicts and the economic mismanagement of the 1980s still resonate strongly in Nicaragua. This impedes efforts to strengthen its relatively unseasoned democratic institutions, reinforce significant market reforms and extend the benefits of robust economic growth to the majority of the population still living in poverty. Crime continues to grow as has the use of Nicaraguan territory by drug and alien smuggling networks. The Nicaraguan government successfully disarmed and demobilized the last of the re-armed groups operating in the country's traditionally conflictive northern regions. Nevertheless, smaller armed bandit groups continue to operate in some remote areas and effective security and law enforcement are impeded by scarce resources, lack of training and a weak judiciary. United States foreign policy interests in Nicaragua include:

- Deepening democratic rule.
- Restoring American citizen property claims
- Building cooperation with counternarcotics forces and increasing drug interdiction.
- Improving the commercial climate for U.S. businesses.
- Promoting human rights by encouraging the investigation and punishment of violations and strengthening domestic human rights groups including the independent human rights ombudsman.
- Promoting civilian control over a professional, apolitical military.

Strategy for FY 1999:

ESF through the Inter-American Affairs Regional Fund for Democracy will support democratic initiatives, including assistance to human rights monitoring activities and civil society.

reduce the rate of population growth to a rate sustainable within the country's economic and environmental constraints.

Indicators:

- Implementation of NAFTA.
- Level of U.S. exports.
- Narcotics eradicated under Mexican program (hectares).
- Mexican drug seizures (kilograms).
- Effective enforcement of regulations aimed at protecting the environment.
- Protection of workers' rights.
- Rule of law activities conducted.
- High-level defense meetings and military-to military contacts.
- Number and ranks of military members trained under IMET; types of courses completed.
- Operational ready rate for PGR and U.S.—leased counternarcotics air fleets.
- Fertility rates.
- Rate of HIV/AIDS transmission and number of new cases.
- Rates of emissions of greenhouse gases and deforestation, level of biological diversity, and sustained natural resource management.
- Levels of illegal migration to the U.S.

FY 1999 IMET funding for Mexico will provide professional and military training in areas of mutual concern, including strengthening military command, professionalizing the Mexican military, increasing technical capabilities, teaching English language and resource management skills, and providing instruction in the protection of human rights. Education and training provided by the U.S. will foster a greater sense of common purpose and interests with the U.S. among Mexican trainees. This training and education should also promote a greater willingness to cooperate with U.S. counterparts and establish more common operational assumptions and procedures. An important element of strategy will be to encourage U.S.-Mexico high-level civilian defense and military-to-military contacts, as well as greater Mexican defense cooperation within the hemisphere.

FY 1999 narcotics assistance funding will support a Mexican counternarcotics program that has been given priority attention by President Zedillo. U.S. assistance will provide training and material support for the Mexican aviation program, including the fleet of U.S.-leased helicopters, which is critical for eradication and interdiction efforts. Direct material support to Mexican eradication programs will be another element in expanded cooperation on narcotics control. Narcotics assistance funds also will support an administration of justice program, in cooperation with other USG agencies. Mexico will be eligible in FY 1999 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA would be used to continue to assist Mexico's counternarcotics capabilities.

In FY 1999 we will continue to support the challenging mission of the Border Environment Cooperation Commission (BECC) to identify, develop and certify border projects aimed at improving environmental quality, using a binational, grassroots-based and transparent approach that seeks to maximize local involvement and participation in these efforts. In partnership with the BECC, the North American Development Bank (NADBank) is expected to increase funding of BECC-certified projects.

The U.S. continues to seek democratic reforms in Mexico. We will continue to support Mexican NGO programs that combat pre-election fraud and coercion; and seek the guarantee of free and fair elections. Justice reforms also remain an important objective through an exchange program which brings together senior Mexican and U.S. judges to consider issues of mutual concern; technical assistance to improve court management and reduce caseload backlogs; and NGO activities to increase protection of victims' rights of low-income people. We are supporting an important participatory reform program involving preparation of local level (largely municipal) officials to manage resources and stimulate community self-determination under the Mexican government's plan to decentralize governance. Finally, Congressional reform is an important objective that we are pursuing by strengthening selected Committee staffs to improve independent Congressional budget oversight and legislative skills.

Development Assistance will fund efforts to strengthen Mexico's political institutions and promote the rule of law, and to support Mexico's successful multi-decade effort to

| Mexico | | | |
|------------------------|-------------------|---------------------|--------------------|
| Function 150 Resources | (\$ in thousands) | | |
| Appropriation | FY 1997 Actual | FY 1998 Estimate | FY 1999 Request |
| DA | 15,218 | 9,377 | 7,332 |
| ESF | 700 | 1,000 | 1,500 |
| IMET | 1,008 | 1,000 | 1,000 |
| INL | 5,000 | 5,000 | 8,000 |
| NADBANK | 56,000 | 56,500 | - |
| Total, Mexico | \$77,926 | \$72,877 | \$17,832 |

U.S. Foreign Policy Objectives:

The U.S. has a huge stake in a politically stable, economically sound Mexico. We share a 2000-kilometer border and vital interests in trade, combating crime and narcotics trafficking, international financial stability, managing migration, and expanding environmental cooperation. Over the past decade, cooperation between our two nations has deepened significantly on a range of economic, commercial, social and political issues. This stronger bilateral relationship has also opened possibilities for enhanced security cooperation. We will use various USG resource bases, including foreign operations assistance, to advance our diverse objectives:

- Foster open and mutually beneficial trading and investment relations through NAFTA.
- Improve and deepen narcotics control cooperation.
- Strengthen government institutions and promote the rule of law.
- Promote increased environmental protection, particularly along the border.
- Develop a cooperative, open security relationship.
- Sustain Mexico's success in reducing the rate of population growth.

Strategy for FY 1999:

The continued successful operation of the North American Free Trade Agreement (NAFTA) will not require foreign operations assistance. The health and dynamism of U.S.-Mexican trade clearly rests primarily in the hands of the respective private sectors. A key mission of USG elements in Mexico is the continued close monitoring of Mexican financial and macroeconomic performance to ensure adequate warning of any future economic crisis. Related to this mission is the need to ensure continued Mexican commitment to the tenets of macroeconomic stabilization and liberalization, with attendant positive effects on U.S. direct investment and trade interests in Mexico.

Contraband Enforcement Team, and the Port Security Corps. The USG supports GOJ efforts to first adopt comprehensive narcotics control legislation and then to prosecute drug violators. The USG supports demand reduction efforts by private organizations as well as efforts to increase public awareness of the effects of drug trafficking in Jamaica.

Development Assistance will support increased participation in economic growth and better governance through microenterprise and targeted support for small businesses with competitive growth potential, and technical support to the Government of Jamaica toward a more supportive governance for the private sector. Environmental priorities will be addressed through implementation of an integrated "ridge-to-reef" resource management program focusing on areas that are economically and environmentally important and sustainable management of natural resources. Education and health priorities include improving literacy/numeracy of at-risk Jamaican youth, decreasing teenage pregnancy and improving the social and job skills of Jamaican adolescents and decreasing HIV/AIDS transmission rates.

The IMET program will enhance professional and logistics management skills. Furthermore, technical maintenance skills will be enhanced allowing technicians to keep old equipment functional. IMET will also enhance JDF ability to participate in operations promoting regional stability.

The Caribbean Regional Fund will provide vital support to help sustain modest equipment maintenance and troop support programs, including sustainment of the Jamaica Defense Force's air wing maintenance program for 13 rotary and fixed wing aircraft. FMF also funds spare parts for vehicles and troop support. Jamaica will be eligible in FY 1999 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA would be used to support CARICOM's role as a stabilizing force in the Caribbean through active involvement in peacekeeping operations, search and rescue missions, disaster relief and counternarcotics operations.

Indicators:

- Amount of illegal narcotics seized
- Amount of marijuana production sites located and destroyed.
- Number of successful prosecutions of traffickers.
- Investment climate for U.S. business.
- Level of drug abuse and drug trafficking.
- Crime rate.
- Level of military technical expertise, maintenance management and interoperability.
- US/Jamaican collaboration in regional and international peacekeeping activities.
- Protection of key natural resources.

| Jamaica | | | |
|------------------------|-------------------|---------------------|--------------------|
| Function 150 Resources | | | |
| (\$ in thousands) | | | |
| Appropriation | FY 1997 Actual | FY 1998 Estimate | FY 1999 Request |
| DA | 11,248 | 11,040 | 10,096 |
| IMET | 487 | 500 | 500 |
| INL | 650 | 600 | 800 |
| Peace Corps | 1,935 | 1,980 | 2,015 |
| Total, Jamaica | \$14,320 | \$14,120 | \$13,411 |

U.S. Foreign Policy Objectives:

Although Jamaica's reform program has created a more open economy, years of stagnant growth and reduced social expenditures have led to increased poverty and income inequality. This has generated new political and economic pressures on Jamaica's institutions and society. Continued U.S. foreign assistance will help ensure a stable political environment while enhancing broad-based sustained economic development. USAID will continue to concentrate its approach on three areas: the use of information technology as a major development tool; increased collaboration with partners including other donors; and community-based development solutions. U.S. foreign policy objectives in Jamaica include:

- Improving the ability of the Government of Jamaica (GOJ) to conduct a full range of counternarcotics operations.
- Increasing the number of successful prosecutions of Jamaican narcotics traffickers, and of extraditions for prosecution in the U.S.
- Reducing the illegal import from the U.S. of firearms into Jamaica.
- Promoting the professionalism of the Jamaican Defense Force (JDF), furthering its inter-operability with US and allied forces and its ability to maintain leased counternarcotics helicopters.
- Increasing protection of key natural resources in environmentally and economically significant areas.
- Improving the situation of Jamaican youth at risk.

Strategy for FY 1999:

U.S. policy seeks to support the Jamaican government's efforts to combat the drug trade, increase the professionalism of its military and police, and increase participation in multilateral peacekeeping operations, in addition to development goals.

The JCF Narcotics Unit is the major Jamaican counter-drug law enforcement agency. The USG provides extensive training and equipment to the JCF Narcotics Unit, the

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- Assignment of U.S. IMET graduates to command positions.
- Level of information sharing on counternarcotics operations.
- Number of drug seizures and arrests.
- Number of prosecutions of those arrested for drug offenses.
- Cooperation on extradition cases.

Environment goals include strengthening legal incentives and improving sustainable management of natural resources.

The U.S. will achieve its objectives in Honduras through a multi-track approach. IMET funds will be used to further instill within the military recognition of its proper role in a functioning democracy and promote a viable and appropriately sized military subordinate to civilian authority and respectful of human rights. Funds will support continuation of expanded IMET initiatives in the areas of civil-military cooperation in defense resource management, counternarcotics, international peacekeeping, disaster relief and civil affairs training while sustaining professional military education at the mid-grade officer level. USAID development assistance supports programs that are aimed at increasing income for the very poor, improving family health, protecting the environment, and facilitating court reform.

During 1997, Honduran police forces were transferred from military to civilian control; during 1998, Honduras will finalize this process and will work to strengthen the newly civilianized police force. Honduras will also receive funds from the International Criminal Investigative Training Assistance Program (ICITAP) to train personnel in the Public Ministry's Criminal Investigation Division (DIC) and the newly civilianized police force. INL Regional Cooperation Funds will allow us to continue assisting Honduras in its efforts to combat the growing problem of drug trafficking by continuing our support of the Honduran Government's Public Ministry and the new anti-narcotics unit within the Ministry. We will also continue to support a Joint Information Coordination Center, a canine program and a demand reduction effort.

Honduras has become a transshipment point for illegal narcotics entering the U.S, because of Honduras' proximity to the United States. Honduras will be eligible in FY 1999 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA for Honduras would be used to provide the military with the essential resources required to interdict drug shipments.

Indicators:

- Level of institutionalization of democratic reforms.
- Level of free market reforms.
- Military's ability to manage resources.
- Resolution of cases involving AMCITS held without trial.
- Status of a maritime counternarcotics agreement and a stolen car treaty.
- Prosecutions of military officers accused of involvement in illicit activity.
- Military responsiveness to civilian judicial authority.

| Honduras | | | |
|------------------------|-------------------|---------------------|--------------------|
| Function 150 Resources | | | |
| (\$ in thousands) | | | |
| Appropriation | FY 1997 Actual | FY 1998 Estimate | FY 1999 Request |
| DA | 21,651 | 17,685 | 21,585 |
| PL - 480 | 3,722 | 5,097 | 4,403 |
| IMET | 425 | 500 | 500 |
| Peace Corps | 2,765 | 2,771 | 2,825 |
| Total, Honduras | \$28,563 | \$26,053 | \$29,313 |

U.S. Foreign Policy Objectives:

U.S. interests in Honduras are numerous. For many years, the Honduran military had an excessively heavy influence in many areas of national life. The outgoing administration of Carlos Roberto Reina made significant progress in bringing the Honduran military more completely under civilian control; the incoming administration of Carlos Flores Facusse is expected to continue this progress. The United States strongly supports the Honduran government's efforts to strengthen democracy, fight corruption and further institutionalize civilian control over the military. Because of its geographic location, Honduras has the potential to serve as a transshipment point for illegal narcotics destined for the United States; the U.S. has an interest in helping the Hondurans fight international narcotics trafficking. U.S. objectives in Honduras include:

- Strengthening democracy, including respect for the rule of law and human rights.
- Effective civilian control of the military.
- A more prosperous and open economy.
- Resolution of cases involving AMCITS held without trial.
- Concluding a maritime counternarcotics agreement and a stolen car treaty.
- Increasing awareness of and commitment to resolving environmental problems.

Strategy for FY 1999:

Development Assistance will seek progress most importantly on the economy, and also on democracy, population and the environment. Economic goals are focused on policy reform, improved market access and competitiveness by the poor, increased educational attainment, and improved pine forest management. Democracy efforts seek to strengthen the rule of law and respect for human rights and developing a more responsive and effective municipal government. Population and health efforts are centered on achieving sustainable improvements in family health with emphasis upon reducing fertility, infant and maternal mortality, malnutrition and the spread of HIV/AIDS by improving the delivery and increasing the use of health care services.

IMET funding of \$300,000 is needed to continue technical training and professional military education and maritime law enforcement or a professional coast guard, a particularly important component of effective Haitian counternarcotics efforts. In 1997 the fledgling Haitian Coast Guard cooperated with the U.S. Coast Guard to seize two metric tons of cocaine. Continuation of an IMET program is important to sustain efforts to support security and stability in Haiti. Haiti will be eligible to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA would be used to assist the country's efforts to develop a modern and capable Coast Guard which will involve itself in counternarcotics efforts, coastal and external surveillance, and migration control.

INL funding for Haiti (through the INL regional fund) is designed to achieve two key U.S. policy goals: combating narco-trafficking and equipping the Haitian National Police so that it can perform its role as a professional and apolitical law enforcement entity that provides a secure and stable environment. Haiti is listed in the 1997 INCSR as a major drug transit country and was fully certified by the President in 1997. INL funds would complement the IMET and ICITAP country activities planned for FY 1999.

Indicators:

- Peaceful resolution of the political impasse.
- Successful completion of scheduled parliamentary elections.
- Formation of a permanent electoral council.
- GOH privatizes at least two more parastatals and opens the energy and telecommunications sectors to private sector participation.
- Parliament takes necessary action to unblock international assistance flows.
- GOH operates within the policy parameters of its IMF program.
- Increases in the use of primary and reproductive health services.
- Stable or falling malnutrition levels.
- GOH forms technical assistance teams which assist farmers to practice sustainable hillside agricultural practices.
- HNP maintains security and stability in a manner consistent with the Haitian Constitution and human rights principles.
- HNP Special Investigative Unit makes demonstrable progress toward solution of politically-motivated crimes.
- HNP makes additional narcotics seizures.
- Levels of illegal migration to the U.S.

even as we maintain linkage between the balance of our assistance and important economic reform measures the Government of Haiti must continue to implement. Specific U.S. assistance objectives include:

- Developing democratic institutions such as an independent judiciary and an apolitical, civilian police force that includes a coast guard and a counternarcotics unit.
- Reducing the use of Haitian territory for narcotrafficking activities.
- Supporting policies that facilitate increased private sector investment and increase employment and income.
- Promoting healthier, smaller, and better-educated families.
- Improving agricultural productivity and environmental management.

Strategy for FY 1999:

We will continue to help Haiti consolidate democratic gains and develop democratic institutions. We seek to play a useful role in the resolution of Haiti's political impasse. We have urged all parties to act in the national interest and to settle their differences promptly so Haiti can move forward. We must continue our efforts to help Haiti strengthen and reform its judicial system through our Administration of Justice program.

We will also maintain significant support for macroeconomic policy reform, including public administration reform and the privatization of state-owned enterprises. We must work with the Haitian government to maintain momentum generated by the privatization of the flour mill and cement plant so that inefficient state-owned enterprises such as the electric utility and telephone company can be opened to private investment. Haiti benefits from generous external donor support, with existing commitments for the 1995-1999 period exceeding USD 2 billion.

USG policy in Haiti recognizes the linkages between population growth and environmental degradation, and the resulting negative consequences for economic development. Following a strategy of leveraging limited USG resources, we intend to maintain our leadership role in developing appropriate pilot programs which can be replicated by other donors.

It is essential to continue the professional development of the Haitian National Police (HNP), Haiti's first apolitical police force. We intend to place particular emphasis on development of the HNP counternarcotics unit and the Haitian Coast Guard. FMF available to Haiti under the Caribbean Regional fund will assist Haiti's Coast Guard. ICITAP funding will focus on consolidating gains made by the HNP through developing long term strategic plans for recruitment, selection, and retention of management and supervisory-level HNP officers.

| Haiti | | | |
|------------------------|-------------------|---------------------|--------------------|
| Function 150 Resources | (\$ in thousands) | | |
| Appropriation | FY 1997 Actual | FY 1998 Estimate | FY 1999 Request |
| DA | 15,612 | - | - |
| ESF | 56,888 | 70,000 | 140,000 |
| PL - 480 | 22,535 | 30,213 | 30,000 |
| IMET | 275 | 300 | 300 |
| PKO | 15,728 | 15,500 | 11,000 |
| Peace Corps | 914 | 1,104 | 1,234 |
| Total, Haiti | \$111,952 | \$117,117 | \$182,534 |

U.S. Foreign Policy Objectives:

The United States has clear, long-standing interests in Haitian democracy, stability and economic development that warranted our intervention in 1994 and require our continued active engagement in Haiti. Haiti's elected leaders need to make further progress toward development of a stable, democratic and prospering society, but we must acknowledge that much has been achieved: multiparty democratic institutions are in place; Haitians are working to resolve a political crisis through negotiation rather than violence; structural economic reform legislation has been enacted and the first of several planned privatizations of state-owned enterprises has occurred; Haiti's first civilian police force has been trained and fielded; the Haitians have demonstrated a will to join us in efforts to combat narco-trafficking by seizing over 6000 pounds of cocaine over the past two years and entering into a bilateral maritime counternarcotics agreement; and while 67,140 Haitian migrants were interdicted at sea during the three years of de facto rule, 3,798 migrants were picked up in three years of democratic government (including only 288 migrants in FY 1997), a marked reduction in illegal migration that reflects significant savings of lives and resources for both Haiti and the United States.

The institutional basis for sustainable democracy in Haiti has been laid, but we cannot expect democracy to thrive unless the Haitian people realize some relief from the deepest poverty in our hemisphere. Our FY 99 budget request reflects a substantial increase in assistance to Haiti that will allow us to make more demonstrable inroads against unemployment, hunger and rural poverty. With this assistance, we will be able to significantly expand successful agricultural production projects, increase microenterprise projects, maximize our impact on education and health sectors, and provide support to local authorities who are anxious to take on public works and developmental activities that have for too long exceeded the capacity of the central Haitian government to implement. Moreover, programs to develop the rural sector and secondary cities will help alleviate migration to the slums of Port-au-Prince or U.S. destinations. Our assistance will facilitate our ability to improve rural Haitian lives

and maintain the integrity of Guyana's borders. The GDF is badly underfunded and faces severe budgetary constraints. Under the Caribbean Regional Fund, FMF will assist Guyana in operating and maintaining its military equipment. Guyana will be eligible in FY 1999 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. EDA for Guyana would be used to support CARICOM's role as a stabilizing force in the Caribbean through active involvement in peacekeeping operations, search and rescue missions, disaster relief and counternarcotics operations.

Indicators:

- Level of free market reform.
- Strength of democratic institutions.
- GOG support for sustainable development and strengthened democratic institutions and processes.
- Level of the GDF's understanding of its role in relation to a civilian government.
- GDF performance of its duties in an apolitical fashion, respecting human rights
Level of professionalism of GDF.
- Level of inter-operability with the U.S. and CARICOM forces.

| Guyana | | | |
|------------------------|-------------------|---------------------|--------------------|
| Function 150 Resources | (\$ in thousands) | | |
| Appropriation | FY 1997 Actual | FY 1998 Estimate | FY 1999 Request |
| DA | 2,786 | 2,800 | 2,300 |
| IMET | 178 | 175 | 175 |
| Peace Corps | 678 | 784 | 795 |
| Total, Guyana | \$3,642 | \$3,759 | \$3,270 |

U.S. Foreign Policy Objectives:

The Republic of Guyana, a member of the Commonwealth of Nations and the Caribbean Community (CARICOM), is a small, multiracial developing nation with a unicameral Parliament. After more than 25 years of authoritarian rule, democratic elections took place in 1992 and again in 1997. One of the hemisphere's poorest countries, Guyana's economy is based on sugar and rice exports, gold mining, and timber production. The Guyanese Defense Force (GDF) contributed personnel to the CARICOM battalion to restore democracy to Haiti and could be called upon for other regional peacekeeping operations. They face threats to their border integrity from narcotics traffickers and other international criminals. U.S. foreign policy objectives in Guyana include:

- Consolidating the Guyana's transition from a state-controlled to a free-market economy.
- Strengthening democratic institutions.
- Enhancing the capability of law and defense forces to counter narcotics transshipment and activities.
- Broad-based economic growth.
- Expanding economic opportunities for the urban and rural poor.

Strategy for FY 1999:

In support of our strategy to help Guyana transform its economy, the USG has provided advisors to the Ministry of Trade and scheduled meetings with the GOG to present private sector policy positions. USAID development assistance seeks to expand economic opportunities for the urban and rural poor, implement agriculture sector reforms, and restore basic agriculture infrastructure.

The Guyanese military forces are small and require training. Through IMET funding, the U.S. supports the professional development of the Guyana Defense Force by expanding the military-to-military relationship. IMET training is needed to help the GDF function as an apolitical and professional entity, address drug interdiction needs

of the Foreign Assistance Act. EDA would be used to assist Guatemala in supporting the peace process.

Indicators:

- Status of restructuring of the Guatemalan military as outlined in the Peace Accords.
- Passage of legislative measures which restructure the Guatemalan government as outlined in the Peace Accords.
- Conclusion of agreement with IMF and other donor disbursement of aid for Peace Accords implementation.
- Prosecution of criminal and narcotics trafficking cases.
- Cooperation on anti-narcotics programs, especially as related to opium poppy production and transshipment of drugs.
- Drug awareness and demand reduction education for professionals and the general public alike.
- Effectiveness in conserving environmentally sensitive areas and in promoting environmentally sustainable economic activities.
- Levels of illegal migration to the United States.

Strategy for FY 1999:

Guatemala has begun to travel the long road of development, filling the gaps created during 36 years of conflict. Sufficient funding is necessary to ensure the successful implementation of the Peace Accords and the extension of the benefits of peace throughout the country.

While Guatemala is the largest Central American country in terms of population (10 million) and economic activity (1997 GDP of \$18 billion), its largely rural, Mayan population lives in some of the most difficult conditions found in the Central American region. Distribution of land, income and other wealth is highly skewed toward a small share of Guatemala's Spanish speaking population. An estimated 75 percent of Guatemalans live in poverty, and the roughly 5 million Mayans are isolated socially, economically, and politically due to geographic and language barriers.

Development Assistance to Guatemala has been continually refined to focus on four principal areas: democratic development, improved health for women and children, poverty reduction, and sustainable natural resource management. Geographically, US programs are targeted on the departments most affected by the civil conflict and highest levels of poverty. The proposed mix of \$24 million Development Assistance, \$12 million P.L. 480 Title II and \$25 million of Economic Support Funds in FY 1999 will enable the United States to pursue its highest priority objectives and help address the root causes of Guatemala's long-standing armed conflict, among them, persistent and widespread poverty.

US democracy activities are designed to capitalize on the positive environment for change produced by the signing of the Peace Accords and are linked closely to US Special Objective for Peace, especially in the area of modernization of the State. Some of the peace funded activities that will be closely coordinated with the regular democracy program are the decentralization of justice services to ex-conflictive zones and technical assistance for specific legislative and constitutional reforms implied by the Peace Accords. US assistance also seeks to conserve national biological resources of international importance by providing sustainable income alternatives to marginalized populations and improving the management and protection of these natural resources.

INL funds seek to enhance Guatemala's drug control strategy, including interdiction and eradication; encourage the passage of legislation adopting international counter-narcotics standards; and promote public awareness of the dangers of drug consumption.

Guatemala benefited from the Expanded-IMET program during 1997, utilizing training opportunities to strengthen and promote civil-military relations. It is exactly this type of training which will help the Guatemalan military improve its human rights record and fully accept the role of the civilian authority in military matters. Guatemala will be eligible in FY 1999 to receive grant Excess Defense Articles (EDA) under Section 516

| Guatemala | | | |
|-------------------------------|---------------------------|-----------------------------|----------------------------|
| Function 150 Resources | | | |
| (\$ in thousands) | | | |
| Appropriation | FY 1997 Actual | FY 1998 Estimate | FY 1999 Request |
| DA | 18,589 | 23,338 | 23,885 |
| ESF | 20,000 | 25,000 | 25,000 |
| PL - 480 | 11,827 | 11,789 | 10,505 |
| IMET | 205 | 225 | 225 |
| INL | 2,000 | 3,000 | 4,000 |
| Peace Corps | 3,077 | 3,587 | 3,794 |
| Total, Guatemala | \$55,698 | \$66,939 | \$67,409 |

U.S. Foreign Policy Objectives:

One year after Guatemala signed the historic peace accords ending 36 years of internal strife, President Arzu and the Government of Guatemala (GOG) are working to implement the many facets of those accords. Profound changes are on tap for all levels of society, as the process addresses the inequalities which were the root cause of the armed struggle. With 36 percent of the total population of Central America and a similar percentage of regional economic production, a strong and stable Guatemala will promote the investment needed to sustain socio-economic improvements while opening new markets for U.S. exports and investments. A stronger economy will act as a deterrent to illegal immigration to the United States. U.S. interests in Guatemala include: promoting a lasting peace, strengthening democratic institutions, improving respect for human rights and the rule of law, encouraging the long term socio-economic development necessary to address the needs of Guatemala's largely indigenous population, increasing the conservation and sustainable use of natural resources, and enhancing the GOG's ability to cooperate on counternarcotics matters. Specific U.S. objectives include:

- Successful implementation of the Peace Accords.
- Conclusion of an IMF agreement, to allow disbursement of other donor funding to support the Peace Accords.
- Military compliance with the implementation of the peace accords respect for internationally recognized human rights standards.
- Stemming the flow of illegal narcotics through Guatemala.
- Halting opium poppy production.
- Enhancing the effectiveness of the narcotics law enforcement agency and improving the judiciary's capability to deal with offenders.
- Promoting national and cross border efforts to achieve sustainable resource management.

Indicators:

- Continuation of the program to complete the transition from war to peace.
- Acceptance by the military of civilian control over selection of the Minister of Defense and other top-level military posts.
- Placement of IMET graduates in key billets.
- Transparency and accountability of the military procurement process and overall budget management.
- Access of citizens to enhanced legal and judicial protection.
- Availability of potable water.
- Level of enforcement of fisheries management.
- Level of sustainable land use practices.
- Levels of illegal migration to the U.S.

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- Increasing military role in maritime law enforcement, and anti-alien smuggling efforts, as well as participation in joint U.S.-sponsored regional exercises.
- Increasing effectiveness of the Anti-Narcotics Division (DAN) of the National Civilian Police (DAN).
- Government policies and programs to address critical environmental problems, such as: deforestation, protection of freshwater resources, fisheries management and unsustainable land use.

Strategy for FY 1999:

Development Assistance to El Salvador seeks to encourage broad based economic growth by expanding access and opportunity to the poor and better educating rural residents; developing more inclusive and effective democratic processes through increased citizen and participation in democratic processes; expanding the coverage of health services, especially for women and children; expanding access to financial and technical services; and enhancing rural infrastructure and improved use of land. ESF assistance through the Inter-American Affairs Regional Democracy Fund will strengthen the consolidation of democracy in El Salvador and promote both grass-roots and governmental efforts to improve environmental protection and sustainable development.

Our strategy for fostering military respect for elected civilian leadership will be supported by IMET programs designed to educate senior civilian and military leaders on defense policy-making and civil-military cooperation issues. Programs will demonstrate the efficacy and wisdom of civilian oversight of military institutions in democracies. The IMET and E-IMET programs will also focus on professional military education and effective defense resource management for a drastically downsized Salvadoran military (62,000 to 17,000 since the end of the war), while instilling at every level of instruction the paramount need to respect human rights.

IMET funding will also provide assistance to the ESAF in its continuing transition from a counter-insurgency force to one focused on territorial defense, disaster relief, and transnational law enforcement. As part of our strategy to increase the professionalism the ESAF, we will continue to include Salvadoran military units and personnel in regional exercises designed to increase confidence building measures and promote effective communication among Central America's militaries which have recently entered into a formal process to explore regional military integration. El Salvador will be eligible in FY 1999 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA would be used to enhance El Salvador's ability to control its coastline and coordinate maritime law enforcement activities. It would also enhance the Salvadoran military's interoperability with the U.S. and facilitate further participation in U.S. sponsored regional exercises.

| El Salvador | | | |
|---------------------------|-------------------|---------------------|--------------------|
| Function 150 Resources | (\$ in thousands) | | |
| Appropriation | FY 1997 Actual | FY 1998 Estimate | FY 1999 Request |
| DA | 25,913 | 34,116 | 31,328 |
| ESF | 5,000 | 1,000 | 2,000 |
| IMET | 455 | 500 | 500 |
| Peace Corps | 1,131 | 1,186 | 1,237 |
| Total, El Salvador | \$32,499 | \$36,802 | \$35,065 |

U.S. Foreign Policy Objectives:

Our principal interest in El Salvador is the continued consolidation of peace in a post-war democratic society. Since 1992 El Salvador has transformed itself from a nation wracked by a 12-year civil war and dependent on international aid to a constitutional democracy, dedicated to free-market principles, the protection of civil and human rights, and sustainable economic development policies. At peace, El Salvador is a solid U.S. trading partner and provides many opportunities for U.S. business.

The free and transparent legislative and municipal elections held in March 1997 marked a symbolic end to a five-year phase of Peace Accord implementation by the government and people of El Salvador. During this period, substantial bilateral U.S. and international donor assistance was required to assist El Salvador in modernizing its government, purging and overhauling its security forces and strengthening its democratic institutions. Although U.S. assistance has declined significantly over the last four years, it still plays a vital and necessary role in furthering U.S. interests in El Salvador. The benefits of five years of strong economic growth have not yet reached the vast majority of El Salvador's citizens. Chronic poverty, especially in rural areas, threatens the country's development and ultimately its civic governance. Similarly, environmental degradation, including alarming levels of deforestation, and water and air contamination, jeopardize the sustainability of El Salvador's development efforts. A stronger economy will act as a deterrent to illegal immigration to the United States. Limited military assistance is still required to assist a recently professionalized armed forces to develop new missions and expertise that will contribute to the country's stability and prosperity. A stronger economy will act as a deterrent to illegal immigration to the United States. U.S. goals in El Salvador include:

- Strengthening democratic institutions and alleviating rural poverty.
- Expanding access to health care and educational opportunities for rural families living in poverty.
- Continuing to refine appropriate military roles and missions in the context of the armed forces' acceptance of democratically-elected, civilian leadership.

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- Assignment of U.S.-trained IMET graduates to leadership and command positions, and greater respect for human rights.
- Participation at the police counternarcotics training center and other locations.
- Number of narcotics seizures.
- Establishment of community-based drug abuse prevention programs.
- Level of effective protection of the environment and degree of sustainability of economic attitudes.

- Resolution of the Ecuador/Peru border conflict.
- Sound environmental policies and productive sustainable use of natural resources.

Strategy for FY 1999:

With elections in FY 1998 and a change of government in August 1998, ESF resources through the Inter-American Regional Democracy Fund will address corruption and support for selected reforms in the electoral and justice systems.

Development Assistance will focus on an integrated approach to help Ecuador achieve sustainable development. U.S.-supported activities encourage broad-based economic growth, including a major emphasis on social and democratic policy reforms, microenterprise development and productive activities for low-income groups. Activities with NGOs focus on basic health, environmental protection and sustainable economic growth through greater economic opportunities for the poor. U.S. efforts to promote environmental protection balance policy and field objectives – improving natural resource management, conserving biodiversity and municipal environmental management.

International Narcotics Law Enforcement projects through the Latin America Regional Fund will strengthen the Interpol police law enforcement capability, continue to improve police skills and performance and support a police counternarcotics training center. The National Drug Council Project will emphasize ministerial-level drug coordination efforts, including money laundering efforts, asset seizures and storage, control and monitoring of precursor and essential chemicals and drafting of related counter-narcotics laws and procedure.

In order for Ecuador to effectively and efficiently combat the drug trade, protections against human rights abuses, corruption, and respect for civilian authority must be in place. The U.S. IMET program in Ecuador focuses on professionalizing the military, fostering respect for the rule of law and human rights, and developing an understanding of civilian control of the military. Ecuador will be eligible in FY 1999 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA would be used to enhance Ecuador's counternarcotics capabilities by providing the military with the resources to counter the production and shipment of illicit narcotics.

Indicators:

- Openness and fairness of 1998 elections and transfer of power.
- Continued military support for the democratic constitutional process.
- Institutional capacity to interdict illegal drugs and precursor chemicals, prosecute traffickers, seize drug assets and reduce money laundering.
- Status of liberalization of trade and investment barriers.
- Level of defense resource management skills and civilian control over the military.

| Ecuador | | | |
|------------------------|-------------------|---------------------|--------------------|
| Function 150 Resources | (\$ in thousands) | | |
| Appropriation | FY 1997 Actual | FY 1998 Estimate | FY 1999 Request |
| DA | 11,882 | 8,800 | 12,305 |
| ESF | 300 | 1,000 | 1,200 |
| IMET | 425 | 500 | 500 |
| INL | 600 | 500 | 1,500 |
| Peace Corps | 2,611 | 2,621 | 2,574 |
| Total, Ecuador | \$15,818 | \$13,421 | 18,079 |

U.S. Foreign Policy Objectives:

The U.S. has a number of significant interests in Ecuador. The Ecuadorian economy is based on private enterprise, although there continues to be heavy government involvement in key sectors such as petroleum, utilities, and aviation. The Ecuadorian military enjoys substantial autonomy, reinforced by guaranteed access to revenues from the nation's petroleum exports. Ecuador's commitment to free trade is demonstrated by the trade agreements it has signed with Bolivia, Chile, Colombia, Peru, Venezuela, as well as its membership in the World Trade Organization. Ecuador needs to do more to improve the climate for foreign investment and to protect intellectual property rights.

Official corruption remains a problem. Last year Abdala Bucaram was ousted by the Ecuadorian Congress on the grounds of mental incompetence. Interim President Fabian Alarcon took office for an abbreviated term set to expire on August 10, 1998. His tenure was ratified in May 1997 by a popular referendum. The referendum also approved an overhaul of Ecuador's Supreme Court, which was accomplished in late 1997. Judicial reform at lower levels remains pending. A National Assembly was elected in November 1997 to consider constitutional reforms.

Ecuador faces the challenge of alleviating the pervasive poverty which affects approximately four million people. Ecuador's growing environmental degradation has attracted international attention and points to the need for a coherent strategy to deal effectively with this problem. The El Nino weather phenomenon has caused floods, crop and property damage, and loss of life. U.S. objectives in Ecuador include:

- The consolidation of democratic institutions and practices and respect for human rights.
- Free and fair elections and transfer of power in August 1998
- Increasing investment and export opportunities for US companies.
- Increasing GOE cooperation against international crime, particularly narcotics trafficking and alien smuggling.

almost all of the nations of the eastern Caribbean. These agreements provide further support for efforts against drug trafficking and other forms of international crime.

To consolidate gains made over the past decade with regard to RSS competence, interoperability and usefulness for the region, U.S. support will focus on maintaining and improving RSS equipment, capabilities and training. With this support, the RSS can continue to play a key role in supporting U.S. policy in the sub-region and with proper training, can provide effective interdiction of illegal drugs and immigrants. The willingness of the RSS to provide troops to their neighbors reduces the need for unilateral U.S. intervention to restore stability at a government's request.

Past funding of IMET programs for eastern Caribbean militaries and coast guards has contributed significantly to their professionalism. Although all RSS countries are functioning democracies, IMET funding reinforces and strengthens this professionalism. FY 1999 IMET funding will be used to train RSS military personnel in counter-narcotics, disaster relief, resource management and peacekeeping.

FMF funds are vital in the seven tiny nations of the Eastern Caribbean, whose small defense budgets make them almost completely reliant on FMF to fund basic Coast Guard operations -- fuel, parts, consumables, and station support. The region is arguably the hemispheric standard for regional cooperation in security and is extremely important to the U.S. in combating transnational threats. FMF also funds the three-person USCG technical assistance field team (TAFT), which provides material, logistics, and engineering support to all RSS countries.

All seven nations of the Eastern Caribbean will be eligible in FY 1999 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA would be used to support the countries' role as stabilizing forces in the Caribbean through active involvement in peacekeeping operations, search and rescue missions, disaster relief and counternarcotics operations.

Indicators:

- Seizure of illicit narcotics.
- Security of the Eastern Caribbean against narco-traffickers.
- Disruption of arms, illegal alien and narcotics smuggling rings.
- Protection of American citizens
- Investment climate for U.S. investors.
- RSS response capability.
- Apolitical performance of military duties.
- Increased economic diversification.

| Eastern Caribbean | | | |
|---------------------------------|-------------------|---------------------|--------------------|
| Function 150 Resources | | | |
| (\$ in thousands) | | | |
| Appropriation | FY 1997 Actual | FY 1998 Estimate | FY 1999 Request |
| IMET | 420 | 450 | 450 |
| Peace Corps | 2,236 | 2,206 | 2,227 |
| Total, Eastern Caribbean | \$2,656 | \$2,656 | \$2,677 |

U.S. Foreign Policy Objectives

U.S. policy in the eastern Caribbean seeks to work in partnership with the region to promote economic prosperity and political stability, and stem the flow of narcotics through the region to the United States while combating the problem of drug use in the islands. To this end, the United States has worked to strengthen the Regional Security System (RSS). The tiny nations of the eastern Caribbean formed the RSS in 1983 to establish a system of collective security. The RSS is composed of all seven eastern Caribbean countries -- Antigua and Barbuda, Barbados, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines.

The RSS serves as a regional stabilizing force, and helps protect its seven democratic nations from political and economic instability caused by illicit narcotics trafficking. U.S. objectives include:

- Combating the flow of illicit drugs transiting through the region.
- Enhancing the capability of law enforcement and RSS forces to deal with narcotics and money-laundering activities.
- Promoting prosperity, open trade and sustainable development.

To this end, the U.S. and RSS nations (along with other countries in the Caribbean) participate in productive annual joint exercises designed to provide training and interoperability, while deterring drug traffickers.

Strategy for FY 1999:

The strategy to encourage regional stability and prosperity consists of several parts. The U.S. and European nations are cooperating closely in the fight against narcotics trafficking, including supporting the judicial processes in the islands which face an upsurge in drug-related cases. There is also close cooperation in the implementation of the 1996 Barbados Declaration, which sets Caribbean and donor goals in the fight against drug trafficking. Over the past few years, the U.S. has concluded maritime law enforcement agreements, and Mutual Legal Assistance and Extradition treaties, with

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- Military judicial action against any member who may promote unconstitutional or illegal actions by the military.
- GODR commitment to environmentally sustainable economic activity, effective enforcement of regulations to protect the environment, and availability and use of environmentally sound energy sources.
- Level of reforestation and soil conservation.
- Level of access to primary health care and education.
- Level of judicial sector reform and administration of justice.
- Number of illegal migrants.

agenda for the new administration to expedite the establishing of programs in the judicial sector. ESF resources, through the Inter-American Affairs Regional Democracy Fund, will support on-going activities to enhance professionalism of the judicial system.

Development Assistance to the Dominican Republic seeks to build strong, supportive relations with the new, reform-oriented government to facilitate key political, economic and social reforms, while using our experiences with NGOs to foster efficient linkages between them and the State. Principal activities include reform of the justice sector, civic education and support for popular participation in the democratic processes, technical assistance for economic policy analysis, HIV/AIDS prevention, health sector reform, pilot testing of commercially viable alternative energy needs, and natural resource conservation. A professional Dominican military which understands and respects its proper role in a democratic society is a fundamental element in this process.

Continued IMET funding is instrumental in developing the Dominican military's professionalism by exposing military students to U.S. respect for human rights, democratic values, and the belief in the rule of law. A disciplined military, clearly subordinate to civilian authorities, will enhance the political stability necessary for fuller democracy in the Dominican Republic. The Dominican Republic has recently emerged as a key partner in the region, increasing cooperation with the U.S. on migration and counternarcotics. Defense funding is inadequate and equipment modernization is needed. Under the Caribbean Regional Fund, FMF will be used for Navy and Coast Guard support and for providing spare equipment. The Dominican Republic will be eligible in FY 1999 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA would be used to support the Dominican Republic's coast guard, counternarcotics efforts, and safeguard the border with Haiti.

Through targeted USAID programs, the United States will continue to seek increased use of effective primary health care services by underserved populations. USAID intends to market its successful record of NGO-assisted, community-managed water and sanitation projects as a model to mobilize private sector, other donor and government funding. The United States is working with the World Bank and other international donors and the private sector to support solar power for community potable water and domestic lighting systems; solar cooking, heating and drying ventures; pilot conservation projects in critical watersheds; and, wind energy and mini-hydro pilot demonstrations for community electrification.

Indicators:

- Status of foreign investment and free market reforms.
- Citizen participation in democratic governance.
- Level of military professionalism.

| Dominican Republic | | | |
|----------------------------------|-------------------|---------------------|--------------------|
| Function 150 Resources | | | |
| (\$ in thousands) | | | |
| Appropriation | FY 1997 Actual | FY 1998 Estimate | FY 1999 Request |
| DA | 11,028 | 10,762 | 8,824 |
| ESF | - | 2,500 | 2,300 |
| PL - 480 | 392 | - | - |
| IMET | 622 | 500 | 500 |
| Peace Corps | 2,694 | 2,648 | 2,751 |
| Total, Dominican Republic | \$14,736 | \$16,410 | \$14,375 |

U.S. Foreign Policy Objectives:

The Dominican Republic is a multi-party constitutional democracy that has a popularly-elected president and a bicameral Congress. Following the flawed 1994 elections, the country underwent a politically traumatic two-year period which resulted in constitutional changes and new elections. National and international observers agreed that the 1996 elections were free and fair. The United States seeks to integrate the Dominican Republic fully into the growing community of democratic nations in the hemisphere, and enhance our bilateral relationship. These objectives will be achieved through diplomatic engagement, supported by USAID development assistance programs aimed at strengthening the country's democratic institutions through local NGO's, and by IMET funding. U.S. foreign policy objectives in the Dominican Republic include:

- Enhancing American investment opportunities.
- Promoting economic prosperity, open trade and sustainable development.
- Strengthening the nation's democratic institutions.
- Combating narcotics trafficking.
- Reducing environmental degradation and promoting environmentally sustainable economic activities.
- Stemming the flow of illegal immigrants.

Strategy for FY 1999:

Following the historic elections of 1996 and peaceful transfer of power, the focus of U.S. interests has turned towards developmental and trade issues. A key to sustained democratic development in the Dominican Republic lies in addressing the issues of official corruption and narcotics trafficking, and supporting the new administration's economic and judicial reform efforts. The Government of the Dominican Republic continues to implement activities to enhance the independence, professionalism and efficiency of the judiciary and related institutions. Following the election, a presidential technical team on judicial reform developed a serious and practical action

| Cuba | | | |
|------------------------|-------------------|---------------------|--------------------|
| Function 150 Resources | | | |
| (\$ in thousands) | | | |
| Appropriation | FY 1997 Actual | FY 1998 Estimate | FY 1999 Request |
| ESF | 1,500 | 2,000 | 3,000 |
| Total | \$1,500 | \$2,000 | \$3,000 |

U.S. Foreign Policy Objectives:

Based on a Presidential determination announced in early FY 1996, and under the authority of the Cuba Democracy Act of 1992, the U.S. began providing assistance to U.S. NGOs to provide support for individuals and independent groups in Cuba to promote a peaceful democratic transition. The Cuba Liberty and Democratic Solidarity Act of 1996 reconfirmed this authority and directed the Administration to undertake planning for a democratic transition in Cuba.

Strategy for FY 1999

The FY 1999 program complements privately funded activities to disseminate information to the Cuban people, support the development of civil society, and assist human rights groups and victims of repression.

Indicators:

- Increased attention to human rights abuses.
- Dissemination of information on democracy and human rights to the Cuban people.
- Greater initiative and freedom of action and thought by civil society in Cuba.

Section 516 of the Foreign Assistance Act. EDA would be used in border protection and to assist efforts against drug trafficking and alien smuggling.

Indicators:

- Level of violent crime.
- Protection of U.S. citizen property owners.
- Resolution of land dispute cases involving American Citizens.
- Effective enforcement of regulations to protect the environment and regional leadership to promote Transboundary solutions to regional environmental problems.
- Seizures of cocaine and heroin transiting Costa Rica to the United States.
- Number of investigations resulting in the dismantling of drug distribution networks.
- Number of convictions and longer prison sentences for drug traffickers.

| Costa Rica | | | |
|--------------------------|-------------------|---------------------|--------------------|
| Function 150 Resources | | | |
| (\$ in thousands) | | | |
| Appropriation | FY 1997 Actual | FY 1998 Estimate | FY 1999 Request |
| IMET | 200 | 200 | 200 |
| Peace Corps | 1,083 | 663 | 293 |
| Total, Costa Rica | \$1,283 | \$863 | \$493 |

U.S. Foreign Policy Objectives:

Costa Rica's tradition of stable, democratic government continues. February 1 elections will likely result in a smooth transition of power on May 8, 1998. We do not expect any major changes in Costa Rican policy. The constitution of 1949 abolished the military in favor of a small police force. Costa Rica's stable and progressive economy depends in large part on tourism and the export of bananas, coffee, and other agricultural products. Costa Rica has signed a free trade agreement with Mexico and has instituted other free-market reforms in response to a slowing economy and an increasing budget deficit. Costa Rica has assumed a leading role in global discussions on environmental issues, and the USG responded by establishing an environmental hub for Central America and the Caribbean at our embassy in San José. While Costa Rica has an admirable record of democratic progress, recent incidents involving attacks on American property owners serve as reminders that much work needs to be done in strengthening the rule of law in Costa Rica. U.S. objectives in Costa Rica include:

- Strengthening governmental and financial systems to withstand illegal activities.
- Improving respect for security and property rights of American citizens.
- Combating drug smuggling, vehicle thefts, money laundering and smuggling of endangered species.
- Promoting sound environment policies and encouraging further Costa Rican leadership in regional approaches to environmental issues.

Strategy for FY 1999:

The Figueres administration, with U.S. support, has undertaken to professionalize the police and insulate them from political influence and constant turnover. U.S. efforts to professionalize Costa Rica's security forces will enhance their ability to fight serious regional crime problems such as alien and narcotics smuggling and trafficking in endangered species. FY 1999 IMET funds will be used by the Ministry of Public Security, and will focus on professional development, civil-military relations, resource management, computer systems and maintenance of aircraft, boats and motors. Costa Rica will be eligible in FY 1999 to receive grant Excess Defense Articles (EDA) under

management. Two major guerrilla insurgencies, a growing and increasingly brutal paramilitary movement and extremely well funded and subversive drug cartels have placed severe strains upon the country.

The primary U.S. objectives in Colombia are to support the nation's efforts against the drug cartels and to strengthen the country's democratic institutions. Colombia will be eligible in FY 1999 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA would be used to disrupt and destroy the narcotics trafficking organizations in support of U.S. policy.

Indicators:

- Eradication of coca and opium poppy crops.
- Arrests and prosecutions of major drug traffickers.
- Number of narcotics related convictions.
- Level of interdictions and seizures of cocaine and precursor materials.
- Adherence to democratic rule.
- Number of reported cases of human rights abuses by GOC security forces.
- Prosecution of human rights abuses by the Colombian government.
- Safety of American citizens.

| Colombia | | | |
|------------------------|-------------------|---------------------|--------------------|
| Function 150 Resources | (\$ in thousands) | | |
| Appropriation | FY 1997 Actual | FY 1998 Estimate | FY 1999 Request |
| DA | 50 | 20 | - |
| IMET | - | 900 | 800 |
| INL | 33,450 | 66,000 ¹ | 45,000 |
| Total, Colombia | \$33,500 | \$66,920 | \$45,800 |

U.S. Foreign Policy Objectives:

Colombia is a multi-party, constitutional democracy in which the Conservative and Liberal parties have long dominated the political scene. Colombia has a mixed private/public sector economy, with crude oil and coffee accounting for the country's principal legal exports. Colombia is an essential regional partner with the United States in the fight against narcotics trafficking. Although the government has taken steps to curb production, Colombia remains a major source of cocaine entering the United States and a significant source of heroin. U.S. foreign policy objectives in Colombia include:

- Reducing the flow of cocaine, heroin and other drugs into the United States.
- Strengthening democratic institutions against the corrupting influence of narco-trafficking, and the destabilizing influence of insurgent activities.
- Promoting the protection of human rights.
- Ending the violence which affects US citizens and commercial interests in Colombia and threatens regional stability.
- Protecting American citizens.

Strategy for FY 1999:

U.S. counternarcotics assistance to Colombia aims to disrupt the cocaine, marijuana and heroin trafficking infrastructure by eradicating illegal crops and supporting and improving investigative, evidence-gathering, arrest, prosecution, and asset seizure measures. We also provide an Administration of Justice program to improve the efficiency of the overburdened Colombian judicial system. Our assistance counters the drug trafficking threat posed to Colombia's internal security, political system and economy, and provides a foundation for maintaining democratic governance. IMET funding will train civilians and senior, mid-level and junior officers in courses that emphasize democratic principles, human rights, professionalism and resource

¹ FY 1998 INL funding includes \$36 million for Blackhawk helicopters per FY 1998 Foreign Operations Appropriations Act report language.

Strategy for FY 1999:

The U.S. will continue its broad and intense efforts to strengthen the economic and political ties between our two countries. In the area of trade and investment, the U.S. Embassy team in Santiago, with the full support of a broad array of U.S. government agencies, including the Departments of Commerce and Agriculture and USTR, will continue to promote and advance a favorable climate for U.S. investors and exporters. Chile's well-established free market reforms provide the basis for pursuing expanded markets for U.S. goods and services. Our strategy will focus on advocacy efforts and assistance to U.S. firms.

A crucial means for strengthening civilian control of the Chilean military involves expanding civilian participation and expertise in defense management issues. Our strategy supports this development by using the Expanded IMET program to complement existing Chilean consolidation efforts by training civilian Ministry of Defense officials. GOC interest in participating in peacekeeping operations is rising; our strategy focuses on modernizing the attitudes, strategies, and tactics of Chile's armed forces. IMET training and familiarization with U.S. peacekeeping operations provide excellent exposure to Chilean military officers in standard operating procedures of U.S. forces, thereby enhancing the Chilean military's desire (and practical ability) to participate in regional military operations.

Engagement with the military is also at the core of our strategy for improved military-to-military ties and is supplemented by a regular program of high-level visits. Our links include regular Defense Consultative Committee (DCC) military-to-military and joint staff political-military (Pol-Mil) talks. Also, the Chilean naval forces are training with US forces, thus enabling continued Chilean support in coalition operations. Chile possesses one of most technically competent and advanced militaries in Latin America. Chile will be eligible in FY 1999 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA for Chile would be used to continue the level of interoperability between our militaries and to support Chilean efforts to participate in regional military operations.

Indicators:

- Negotiation of a free trade agreement.
- Level of U.S. exports.
- Institutionalization of democracy in Chile, including military acceptance of, and respect for, civilian control.
- Operational compatibility with U.S. and allied forces in peacekeeping operations.
- Civilian involvement in defense management.

| Chile | | | |
|-------------------------------|-------------------|---------------------|--------------------|
| Function 150 Resources | (\$ in thousands) | | |
| Appropriation | FY 1997 Actual | FY 1998 Estimate | FY 1999 Request |
| IMET | 395 | 450 | 450 |
| Peace Corps | 1,131 | 696 | - |
| Total, Chile | \$1,526 | \$1,146 | \$450 |

U.S. Foreign Policy Objectives:

Chile is a vital economic and diplomatic partner of the United States in Latin America. Its vibrant market economy, commitment to free trade, and strong democratic values serve as a sound basis for cooperation and as an excellent example to other developing nations. Chile's president, Eduardo Frei Ruiz-Tagle, has increased spending on Chile's social and education sectors, attracted foreign direct investment, promoted Chilean exports, and encouraged aggressive modernization plans of the military. Evidence of the excellent partnership the U.S. enjoys with Chile was displayed during the February 1997 state visit to Washington by President Frei, as well as by President Clinton's strong support for renewal by Congress of his Fast Track authority to negotiate trade agreements (including one with Chile). President Clinton's participation in the April 1998 Summit of the Americas in Santiago, Chile, to be accompanied by a separate state visit to Chile, will be further proof of how highly the U.S. government values its ties with Chile.

President Frei has been a particularly ardent supporter of human rights and democracy. His administration, in office until March 11, 2000, is committed to persevering with political reforms in Chile in order to provide elected civilian leaders more authority over the armed forces. The March 1998 retirement of Army Commander Pinochet will mark an important milestone in this effort. Such democratization fulfills broader hemispheric and global U.S. goals of promoting democracy and peace. Key elements of U.S. policy toward Chile include:

- Negotiate a comprehensive bilateral trade agreement with Chile.
- Obtain greater access to Chilean market for U.S. goods and services.
- Strengthened civilian expertise in security issues and defense establishment management.
- Expand U.S. - Chilean cooperation on shared foreign policy interests, especially on peacekeeping operations.
- Improve military-to-military relations.



Indicators:

- Status of liberalization of trade barriers.
- Level of U.S. exports.
- Level of democratic reform.
- Rate of destruction of Amazon rainforest and degree of cooperation on climate.
- Control over drug transshipment in Amazon Basin.
- Involvement in regional security issues.
- Level of Brazilian support for U.S. positions in international fora.
- Success of family planning and AIDS education.
- Brazilian involvement in the Military Observer Mission for Ecuador and Peru.

Strategy for FY 1999:

Our overall strategy for Brazil is to continue to build on the good will established during President Clinton's October 1997 visit in order to strengthen a growing partnership on a wide range of issues. We will intensify diplomatic engagement, even on issues of disagreement, such as climate change and the pace of development of the FTAA, and continue our active dialogue with Brazil on all issues of mutual concern.

On security issues, the Brazilian military has demonstrated an increased willingness to conduct joint exercises with U.S. forces, and wants to increase their participation in international peacekeeping operations. (Brazil recently had the seventh largest national contingent involved in peacekeeping worldwide). Participation of Brazilian personnel in IMET provides otherwise unavailable leadership training and professional military education to the Armed Forces. It also has improved the military's inter-operability in such missions as the Brazilian-led Military Observer Mission in Ecuador and Peru (MOMEPE). Moreover, returning IMET graduates have multiplied the program's value by developing new training courses for their colleagues. U.S. trained officers familiar with U.S. equipment and training will also be helpful in securing contracts for U.S. suppliers in the large Brazilian Armed Forces. For example, a recent Brazilian purchase of helicopters, support and training for MOMEPE may be attributed to the two militaries' interoperability exercises. Also, the Brazilian naval forces are training with US forces, thus enabling continued Brazilian support in coalition operations

In counternarcotics, Brazil is a growing transshipment route for cocaine moving to Europe and the U.S. from Andean producers. Brazil has expressed a strong desire to enhance cooperation with us, as long as our efforts are truly collaborative, addressing the counter-narcotics concerns of both nations. Most U.S. counternarcotics (INC) funding provides equipment and training for the Brazilian Federal Police to enhance its interdiction and investigative capability.

On the environmental front, U.S. efforts will focus on the protection and sustainable use of natural resources in Brazil's critical regions for biodiversity, through a contribution to the G-7 pilot project for the Amazon, and effective measures to address the reduction of greenhouse gas emissions, including alternative energy sources and collaboration to design and obtain global support for a clean development mechanism to be negotiated in Buenos Aires in 1998. Finally, limited U.S. assistance in the health area will focus on family planning and AIDS prevention.

Brazil will be eligible in FY 1999 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA for Brazil would be used to support the military's interoperability with other forces, and in deployment to Angola to assist in U.N. demining/peacekeeping efforts. EDA will also be used to assist Brazil in interdicting increasing narcotics shipments through its borders.

| Brazil | | | |
|------------------------|-------------------|---------------------|--------------------|
| Function 150 Resources | | | |
| (\$ in thousands) | | | |
| Appropriation | FY 1997 Actual | FY 1998 Estimate | FY 1999 Request |
| DA | 12,610 | 10,878 | 10,617 |
| IMET | 222 | 225 | 225 |
| INL | 700 | 500 | 1,200 |
| Total, Brazil | \$13,532 | \$11,603 | \$12,042 |

U.S. Foreign Policy Objectives:

As Latin America's largest nation, the world's fifth most populous country, and the tenth largest economy, Brazil is a major power in the hemisphere and of significant importance to the United States. Most of our hemispheric objectives can be accomplished without consequential engagement with Brazil. On regional diplomatic and security issues Brazil has recently taken a more active role in international crisis management such as its actions during last year's Paraguay crisis, and the Brazilian Army's assumption of the helicopter support mission on the Peru-Ecuador border. On hemispheric and summit issues such as free trade and education, Brazil is a key voice whose support and participation are critical. As the hemisphere's largest economy after the U.S., Brazil represents a market with great potential for U.S. goods and services. The U.S. is the largest foreign investor in Brazil, and upcoming privatizations are of great interest to U.S. companies. Growth in U.S. exports, however, is contingent on the continuation of the relatively recent trend in Brazil of economic stability and market opening. Additionally, Brazilian cooperation remains pivotal to our environmental and counternarcotics policies in the hemisphere. Finally, Brazil is an increasingly important player on issues of global concern such as climate change, environment, nuclear non-proliferation and U.N. reform. Specific U.S. objectives in Brazil include:

- Enlarging the market for U.S. goods and services, while collaborating on development of FTAA.
- Cooperating on key hemispheric security issues, including Peru-Ecuador, Paraguay, and terrorism.
- Encouraging and supporting the establishment of a civilian Minister of Defense.
- Enhancing cooperation on global issues such as nuclear proliferation and U.N. reform.
- Fighting narcotics trafficking.
- Conservation and sustainable use of the Amazon rain forest.
- Establish a clean development mechanism under the climate change protocol.
- Expanding U.S./Brazilian cooperation on shared foreign policy issues such as international peacekeeping operations.

Latin America and the Caribbean

- Number of arrests and prosecutions of major drug traffickers.
- Amount of hectarage planted with alternative crops.
- Health statistics of the Bolivian people.
- Level of degradation of forest and water resources and biodiversity.
- Level of civil-military relations and respect for human rights and democratic values.

illegal coca leaf, cocaine base and precursor chemicals. U.S. assistance supports the Bolivian illicit coca eradication agency; improvements in ground, air, and riverine law enforcement counternarcotics operations; chemical control efforts; investigations and prosecutions of major drug traffickers; and improved counternarcotics intelligence gathering and dissemination.

Our strategy for promoting sustainable development and broad economic growth builds upon the success already realized in the development of viable, licit, income-earning alternatives for coca farmers. Demand for alternative development crops is significant and growing. The export market for bananas, pineapples, hearts of palm and black pepper has grown rapidly and is stimulating private investment. Our strategy includes projects to develop alternative sources of income and employment, expand financial services to micro-entrepreneurs, promote Bolivian exports, protect the environment and natural resources, and support macro-economic balance-of-payments assistance to the Bolivian Government. In FY 1999, the program will continue to promote broad-based economic growth led by the private sector by creating an attractive climate for foreign trade and investment. To improve family health, U.S. assistance targets Bolivian women and children and supports Bolivian efforts to lower fertility and space births. In support of the Improved Health Strategic Objective, PL - 480 II, the maternal and child health program, provides supplementary feeding, oral rehydration therapy, nutrition education and other services.

Our strategy for helping Bolivia reform its judicial system includes three major components: improving judicial efficiency and accountability; increasing the effectiveness of criminal prosecutions and investigations; and providing access to justice through alternative dispute resolution centers. In 1997 the Bolivian government took the significant step of introducing legislation for a new Code of Criminal Procedures, the Constitutional Court and the Judicial Council. In 1999, the program will provide the training and technical expertise to bring to life the functioning judicial components established by the above legislation. Our strategy for the Bolivian military is to expose its personnel to well-organized, professional operations and training, to instill greater respect for human rights and to reinforce the importance of civilian command and oversight of the armed forces in a democracy. IMET has also encouraged modernization of the armed forces structure in view of resource constraints. Bolivia will be eligible in FY 1999 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA would be used to assist Bolivia primarily in its counternarcotics program.

Indicators:

- Gross and net coca eradication figures.
- Number of interdictions and seizures of cocaine and precursor materials.

| Bolivia | | | |
|-------------------------------|-------------------|---------------------|--------------------|
| Function 150 Resources | | | |
| (\$ in thousands) | | | |
| Appropriation | FY 1997 Actual | FY 1998 Estimate | FY 1999 Request |
| DA | 28,106 | 35,625 | 33,880 |
| PL - 480 | 20,528 | 24,070 | 23,910 |
| IMET | 509 | 550 | 550 |
| INL | 45,500 | 12,000 | 45,000 |
| Peace Corps | 2,408 | 2,414 | 2,156 |
| Total, Bolivia | \$96,551 | \$74,659 | \$105,496 |

U.S. Foreign Policy Objectives:

The United States has an overriding interest in eliminating Bolivian narcotics production and trafficking. As the world's second largest producer of refined cocaine Bolivia is a major source of the cocaine smuggled into this country. Sustainable development and broad economic growth are essential to provide viable economic alternatives to narcotics production. The Bolivian economy has opened to foreign investment in recent years and we are advocating fair and equal access to the Bolivian market for American companies. The United States objectives include:

- Strengthen democratic institutions and reform the judicial system.
- Increase the professionalism of the Bolivian military and strengthen civilian control.
- Combat high infant, child and maternal mortality rates through innovative family health programs and food assistance.
- Help Bolivia develop sound environmental regulations and building local capabilities to bring increased areas of forests under responsible environmental management.

Strategy for FY 1999:

Our strategy for curbing illicit narcotics production and trafficking depends upon the development of strong, cohesive, accountable and more responsive institutions of government in Bolivia. President Hugo Banzer's coalition government, inaugurated in August 1997, has pledged to remove Bolivia from the narco-trafficking circuit by the end of its term in 2002. The Banzer government kicked off a major coca eradication campaign in the final three months of 1997 that met the 7,000 gross hectare eradication goal for the year. The Narcotics Law Enforcement program for FY 1999 is designed to enhance the Banzer government's ability to direct and finance counternarcotics efforts. Projects continue to strengthen the civilian police units which conduct counter-drug law enforcement operations and the military units which support them. A primary objective of these law enforcement operations is to disrupt the transport and sale of

program will provide professional military education for officers and NCOs, as well as training in the areas of peacekeeping, search and rescue, and maritime law enforcement.

Belize remains on the majors list as a transshipment country for illicit drugs. As efforts to the east and west are successful, the traffickers are forced to follow routes which at times take them through Belizean territory. The resource demands of combating the narco-traffickers are beyond the limited means of the GOB. We will use INL Latin America regional funds (see INL regional paper) to work with both the police and judiciary to assist Belize in the development and implementation of a coordinated counter-narcotics strategy.

Belize will be eligible in FY 1999 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA would be used to support CARICOM's role as a stabilizing force in the Caribbean through active involvement in peacekeeping operations, search and rescue missions, disaster relief and counternarcotics operations.

Indicators:

- Status of extradition and MLAT treaties.
- Level of efforts to eliminate corruption within the police and military forces.
- Improvement in the criminal justice system, especially in the ability to successfully prosecute drug traffickers.
- Participation in regional military initiatives.
- Passage of sound environmental legislation.
- BDF and police participation with the US Coast Guard in law enforcement operations.

Arms Control Considerations

Security assistance continues to be an indispensable U.S. policy instrument in the post-Cold War era for exerting constructive leadership in advancing international peace and security, and increasing the number of states with democratic political institutions and free market economies. Judiciously used, arms transfers can deter aggression, foster internal and regional stability, strengthen and revitalize mutual security relationships, and demonstrate enduring interest in the security of friends and allies. New and creative uses of security assistance, such as the worldwide Nonproliferation and Disarmament Fund, promote bilateral and multilateral efforts to control the spread of missiles, nuclear and chemical/biological weapons, and destabilizing conventional arms transfers. These mutually reinforcing approaches to international security promote regional and global stability by enhancing the deterrent and defense capabilities of U.S. friends and allies, and actively advancing U.S. nonproliferation and arms control objectives.

The U.S. security assistance program complements U.S. arms control policy of promoting international security through negotiation and support for bilateral, regional, and multilateral agreements and arrangements, and assuring compliance with existing agreements. It also enhances the United States' ability to limit the proliferation of potentially destabilizing weapons, especially in regions of tension and conflict, by giving countries other means for ensuring their security. As the President's arms transfer policy states, the United States will actively seek greater transparency and responsibility in the area of arms transfers to regions of instability. Carefully structured security assistance programs support U.S. arms control policy of allowing transfers which enhance stability, and U.S. nonproliferation objectives of curbing the spread of weapons of mass destruction, their delivery systems, and destabilizing conventional arms transfers.

The President's arms transfer policy requires the careful, case-by-case evaluation of each request for arms in terms of its contributions to foreign policy and national security. The arms control implications of each transfer are essential elements of this evaluation, and each transfer is specifically reviewed for its impact upon U.S. arms control and nonproliferation objectives. Such a review considers, *inter alia*, whether a proposed transfer is consistent with U.S. interests in maintaining or enhancing stability within the region; whether the proposed transfer can be absorbed without overburdening the recipient's military support system or financial resources; whether the proposed transfer adds or detracts from fulfilling our nonproliferation goals; and whether possible adverse effects of the transfer are offset by positive contributions to U.S. regional interests and objectives.

The Arms Control and Disarmament Agency (ACDA) exercises statutory authority for evaluating the arms control and nonproliferation implications of arms transfer proposals. As required by the Arms Export Control Act and the Foreign Assistance Act of 1961, ACDA assesses whether proposed military sales and assistance, and

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commercial arms exports might contribute to an arms race; support international terrorism; increase the possibility of outbreak or escalation of conflict; prejudice the development or negotiation of bilateral or multilateral arms control arrangements; or adversely affect the arms control policy of the U.S.

ACDA also takes into account factors such as regional stability and the military balance; legitimate defense needs relative to threats; the military force structure, strategy and doctrine of the proposed recipient and its neighbors; whether the transfer would constitute a "new", offensive, power-projection, or destabilizing capability; its proliferation implications; and risks of misuse or unauthorized retransfer.

ACDA is an active participant in the U.S. arms transfer and security assistance decision-making process. The Agency participates in the interagency security assistance program development process in order to ensure that arms control and proliferation implications are considered in the development of all programs contained in the annual security assistance budget request. ACDA continues to play an active role in the development and support of major Administration arms transfer and weapons nonproliferation initiatives, and participated in and contributed to, the establishment and implementation of the President's conventional arms transfer policy. The Agency is also supporting U.S. efforts to strengthen the new multilateral Wassenaar Arrangement on Export Controls for Conventional Arms and Dual Use Goods and Technologies. ACDA has strongly supported initiatives for regional and global restraint in arms transfers, consistent with the Administration's overall policy.

These efforts will accelerate as the focus of arms control adapts to the post-Cold War world, where the proliferation of weapons of mass destruction and regional instability increasingly pose the most dangerous threats to world peace. Recent initiatives to control the proliferation of weapons of mass destruction, their delivery systems, and destabilizing conventional weapons, and efforts to promote regional arms control arrangements will intensify as we now share many common objectives with former adversaries.

ACDA has played a major or leading role in U.S. efforts to foster regional arms control efforts worldwide. In sub-Saharan Africa, ACDA supported Mali's proposed moratorium on the import, export, and production of small arms by providing technical assistance in drafting a sub-regional register on small arms and light weapons. The agency was also instrumental in identifying sources of U.S. financial and technical support for the moratorium—the Programme for Coordination and Assistance on Security and Development (PCASED).

ACDA also vigorously led U.S. Government efforts to foster and support regional arms control in Latin America and the Caribbean. This has led to U.S. leadership at the OAS on this issue, greater dialogue among members of the hemisphere, and concrete progress in implementing the Santiago Declaration of confidence and security building measures (CSBMs). ACDA continued to support U.S. efforts to foster the

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development of an arms transparency and restraint mechanism between Peru and Ecuador in order to avoid an arms race, and support the ongoing negotiations on resolution of their border dispute. ACDA continues to be active in the 21-member ASEAN Regional Forum (ARF) to promote regional arms control through military transparency and other confidence building measures in the Asia-Pacific region. The Agency also is leading efforts to gain support within the OAS on a legal framework for advance notification of major weapons acquisitions.

ACDA continues to be active in the 21-member ASEAN Regional Forum (ARF) to promote regional arms control through military transparency and other confidence building measures in the Asia-Pacific region.

New programs like the Nonproliferation and Disarmament Fund permit the use of security assistance funds for activities, such as technical assistance in support of defense industry conversion or dismantlements, regional arms control arrangements, and nonproliferation and export control objectives. The United States remains committed to helping its friends and allies maintain and enhance their security through prudent arms transfers and nonproliferation and arms control initiatives which promote regional stability and world peace.

Estimating Foreign Military Sales

Foreign Military Sales (FMS) policies derive from U.S. statutes, Presidential directives, and policies of the Departments of State and Defense. The U.S. offers to sell defense articles and services (including training) under FMS procedures only in response to specific requests from authorized representatives from foreign governments or eligible international organizations.

The following table is in two parts. The first part shows the total dollar value by country of government-to-government FMS Letters of Offer and Acceptance (LOA's) signed in FY 1997, regardless of when the articles and services were or will be delivered.

The second part shows the estimated dollar values projected for FY 1998 and FY 1999. These estimates are derived through an analysis of each country under conditions of extreme uncertainty. Projections are based on: analysis of expectations of interests by potential purchasers which may not result in official requests; judgments of which requests may be approved and which may result in actual sales offers after completion of a thorough, and often lengthy, U.S. Government review process; and a judgment not only of how essential the military equipment or defense service is to the country's defense needs, but also of whether the purchase will be approved during the purchasing country's budget process. Projections include an estimate of potential requests for major increases in scope (amendments) to prior-year cases. These amendments are reflected as a sale in the current fiscal year. In some instances, training, publications, maps, medical supplies, technical assistance, and some spare parts are not included in these figures. (Further information is provided in the classified annex to this document).

Each phase of the request/offer/acceptance process has many variables which make it difficult to determine exactly when--or even if--a particular sale may occur. Variance of one day in a purchasing country's acceptance of a single significant sales agreement could shift the recording of the transaction from one fiscal year to the next. In addition, U.S. agreements cannot always be segregated on a cash or financing basis when Letters of Acceptances are concluded by purchasing countries. Also, for countries eligible for U.S. financing, it is not always possible to determine until full payment has been made how much of that payment was U.S.-financed.

Supporting Information

FOREIGN MILITARY SALES & CONSTRUCTION SALES AGREEMENTS
(DOLLARS IN THOUSANDS)

| | ACTUAL FY 1997 | | | ESTIMATED | |
|----------------------------|---------------------|-------------------|--------|-----------|---------|
| | DEFENSE ART/SERV | CONSTR/ DESIGN | TOTAL | FY 1998 | FY 1999 |
| AFRICA: | | | | | |
| ANGOLA | 0 | 0 | 0 | 2,000 | 2,500 |
| BOTSWANA | 439 | 0 | 439 | 1,489 | 300 |
| CAMEROON | 0 | 0 | 0 | 120 | 0 |
| CHAD | 36 | 0 | 36 | 100 | 100 |
| COTE D'IVOIRE | 187 | 0 | 187 | 0 | 0 |
| ERITREA | 1,934 | 544 | 2,478 | 2,350 | 2,350 |
| ETHIOPIA | 1,120 | 388 | 1,508 | 3,350 | 3,350 |
| GHANA | 0 | 0 | 0 | 5 | 5 |
| GUINEA-BISSAU | 121 | 0 | 121 | 100 | 100 |
| KENYA | 779 | 0 | 779 | 2,000 | 2,000 |
| MOZAMBIQUE | 0 | 0 | 0 | 500 | 1,000 |
| NAMIBIA | 286 | 0 | 286 | 500 | 1,000 |
| ORG. OF AFRICAN UNITY | 250 | 0 | 250 | 0 | 0 |
| RWANDA | 0 | 0 | 0 | 800 | 2,000 |
| SENEGAL | 1,965 | 0 | 1965 | 0 | 0 |
| SEYCHELLES | 62 | 0 | 62 | 0 | 0 |
| SOUTH AFRICA | 154 | 0 | 154 | 0 | 0 |
| TANZANIA | 0 | 0 | 0 | 124 | 0 |
| UGANDA | 3,872 | 0 | 3872 | 2,000 | 0 |
| ZIMBABWE | 91 | 0 | 91 | 0 | 0 |
| REGIONAL TOTAL | 11,296 | 932 | 12,228 | 15,438 | 14,705 |
| AMERICAN REPUBLICS: | | | | | |
| ANTIGUA-BARBUDA* | 262 | 0 | 262 | 110 | 110 |
| ARGENTINA | 18,981 | 0 | 18,981 | 20,000 | 20,000 |
| BAHAMAS, THE | 51 | 0 | 51 | 2,010 | 2,010 |
| BARBADOS* | 139 | 0 | 139 | 110 | 110 |
| BELIZE | 327 | 0 | 327 | 10 | 10 |
| BOLIVIA | 3 | 0 | 3 | 1,500 | 1,500 |
| BOLIVIA - INTL. NARC. | 8,638 | 485 | 9,124 | 4,600 | 4,900 |
| BRAZIL | 24,962 | 0 | 24,962 | 28,000 | 23,500 |
| CHILE | 2,322 | 0 | 2,322 | 16,500 | 26,000 |
| COLOMBIA | 74,487 | 500 | 74,987 | 18,000 | 18,000 |
| COLOMBIA - INTL. NARC. | 0 | 0 | 0 | 10,000 | 10,000 |
| COSTA RICA | 175 | 0 | 175 | 4,400 | 11,010 |
| DOMINICA* | 0 | 0 | 0 | 110 | 110 |
| DOMINICAN REPUBLIC | 187 | 0 | 187 | 2,000 | 2,000 |
| ECUADOR | 4,158 | 0 | 4,158 | 8,510 | 8,000 |
| ECUADOR - INTL. NARC. | 1,812 | 0 | 1,812 | 3,410 | 1,210 |
| EL SALVADOR | 4,869 | 1,834 | 6,703 | 2,100 | 2,100 |
| GRENADA* | 353 | 0 | 353 | 110 | 110 |
| GUYANA | 70 | 0 | 70 | 80 | 80 |
| HAITI | 877 | 0 | 877 | 1,000 | 1,000 |
| HONDURAS | 910 | 0 | 910 | 1,000 | 950 |
| JAMAICA | 50 | 0 | 50 | 2,000 | 2,000 |
| MEXICO | 27,663 | 0 | 27,663 | 15,000 | 15,000 |
| OAS HQS | 601 | 0 | 601 | 0 | 0 |
| PANAMA | 0 | 0 | 0 | 1,510 | 1,510 |
| PARAGUAY | 31 | 0 | 31 | 0 | 0 |
| PERU | 285 | 0 | 285 | 3,710 | 3,510 |
| PERU - INTL. NARC. | 100 | 0 | 100 | 0 | 0 |

FOREIGN MILITARY SALES & CONSTRUCTION SALES AGREEMENTS
(DOLLARS IN THOUSANDS)

| | DEFENSE ART/SERV | ACTUAL FY 1997 | | ESTIMATED | |
|------------------------------------|---------------------|-------------------|-----------|-----------|-----------|
| | | CONSTR/ DESIGN | TOTAL | FY 1998 | FY 1999 |
| ST. KITTS AND NEVIS* | 187 | 0 | 187 | 110 | 110 |
| ST. LUCIA* | 0 | 0 | 0 | 110 | 110 |
| AMERICAN REPUBLICS (CONTD): | | | | | |
| ST. VINCENT & GREN.* | 66 | 0 | 66 | 110 | 110 |
| SURINAME | 0 | 0 | 0 | 182 | 110 |
| TRINIDAD & TOBAGO | 185 | 0 | 185 | 110 | 110 |
| URUGUAY | 1,078 | 0 | 1,078 | 2,240 | 2,260 |
| VENEZUELA | 59,421 | 0 | 59,421 | 15,000 | 15,000 |
| REGIONAL TOTAL | 233,250 | 2,819 | 236,070 | 163,642 | 172,540 |
| EAST ASIA & PACIFIC: | | | | | |
| AUSTRALIA | 287,524 | 0 | 287,524 | 58,000 | 134,500 |
| BRUNEI | 69 | 0 | 69 | 0 | 0 |
| CAMBODIA | 1,246 | 49 | 1,295 | 0 | 0 |
| INDONESIA | 793 | 0 | 793 | 5,000 | 5,000 |
| JAPAN | 346,758 | 0 | 346,758 | 456,750 | 491,750 |
| LAOS | 1,070 | 0 | 1,070 | 1,200 | 1,000 |
| MALAYSIA | 11,481 | 0 | 11,481 | 5,000 | 5,000 |
| NEW ZEALAND | 24,271 | 0 | 24,271 | 3,629 | 3,100 |
| PHILIPPINES | 20,055 | 0 | 20,055 | 20,000 | 20,000 |
| SINGAPORE | 192,230 | 266 | 192,496 | 470,000 | 150,000 |
| SOUTH KOREA | 853,987 | 0 | 853,987 | 300,000 | 300,000 |
| TAIWAN | 353,737 | 0 | 353,737 | 329,425 | 400,000 |
| THAILAND | 187,413 | 0 | 187,413 | 20,000 | 20,000 |
| REGIONAL TOTAL | 2,280,634 | 315 | 2,280,949 | 1,669,004 | 1,530,350 |
| EUROPE & CANADA: | | | | | |
| ALBANIA | 759 | 0 | 759 | 0 | 0 |
| AUSTRIA | 27,187 | 0 | 27,187 | 8,000 | 9,000 |
| BELGIUM | 122,049 | 0 | 122,049 | 44,000 | 19,000 |
| BOSNIA-HERCEGOVINA | 2,103 | 0 | 2,103 | 7,100 | 4,000 |
| BULGARIA | 4,332 | 0 | 4,332 | 4,780 | 9,500 |
| CANADA | 103,253 | 0 | 103,253 | 100,000 | 100,000 |
| CZECH REPUBLIC | 2,268 | 0 | 2,268 | 8,000 | 8,000 |
| DENMARK | 32,558 | 0 | 32,558 | 26,000 | 19,000 |
| ESTONIA | 999 | 0 | 999 | 2,350 | 2,350 |
| FINLAND | 291 | 0 | 291 | 28,000 | 28,000 |
| FRANCE | 102,163 | 0 | 102,163 | 26,000 | 17,000 |
| GEORGIA | 0 | 0 | 0 | 1,450 | 750 |
| GERMANY | 325,754 | 1,405 | 327,158 | 174,000 | 207,000 |
| GREECE | 224,467 | 0 | 224,467 | 658,000 | 415,000 |
| HUNGARY | 6,905 | 0 | 6,905 | 10,650 | 8,000 |
| ITALY | 41,194 | 0 | 41,194 | 62,000 | 50,000 |
| KAZAKSTAN | 0 | 0 | 0 | 1,500 | 1,500 |
| KYRGYZSTAN | 0 | 0 | 0 | 800 | 850 |
| LATVIA | 1,417 | 0 | 1,417 | 2,950 | 2,000 |
| LITHUANIA | 1,175 | 0 | 1,175 | 2,300 | 2,000 |
| LUXEMBOURG | 4,326 | 0 | 4,326 | 0 | 0 |
| MACEDONIA (FYROM) | 2,057 | 0 | 2,057 | 2,000 | 2,000 |
| MOLDOVA | 0 | 0 | 0 | 1,350 | 800 |
| NETHERLANDS | 225,314 | 0 | 225,314 | 100,000 | 70,000 |
| NORWAY | 64,494 | 0 | 64,494 | 40,000 | 34,000 |
| POLAND | 4,893 | 0 | 4,893 | 29,500 | 26,000 |

Supporting Information

FOREIGN MILITARY SALES & CONSTRUCTION SALES AGREEMENTS
(DOLLARS IN THOUSANDS)

| | ACTUAL FY 1997 | | | ESTIMATED | |
|------------------------------------|---------------------|-------------------|-----------|-----------|-----------|
| | DEFENSE ART/SERV | CONSTR/ DESIGN | TOTAL | FY 1998 | FY 1999 |
| PORTUGAL | 19,241 | 0 | 19,241 | 200,000 | 16,080 |
| ROMANIA | 331 | 0 | 331 | 5,000 | 5,000 |
| EUROPE & CANADA (CONT): | | | | | |
| RUSSIA | 0 | 0 | 0 | 3,750 | 2,000 |
| SLOVAKIA | 2,003 | 0 | 2,003 | 3,800 | 3,800 |
| SLOVENIA | 216 | 0 | 216 | 4,360 | 5,000 |
| SPAIN | 828,768 | 0 | 828,768 | 100,000 | 100,000 |
| SWEDEN | 6,194 | 0 | 6,194 | 4,500 | 4,500 |
| SWITZERLAND | 13,413 | 0 | 13,413 | 17,000 | 21,000 |
| TURKEY | 339,597 | 0 | 339,597 | 200,000 | 200,000 |
| TURKMENISTAN | 0 | 0 | 0 | 500 | 500 |
| UKRAINE | 0 | 0 | 0 | 7,850 | 4,600 |
| UNITED KINGDOM | 558,949 | 0 | 558,949 | 341,800 | 289,000 |
| UZBEKISTAN | 0 | 0 | 0 | 1,000 | 1,000 |
| REGIONAL TOTAL | 3,068,670 | 1,405 | 3,070,074 | 2,230,290 | 1,688,230 |
| NEAR EAST & SOUTH ASIA: | | | | | |
| BAHRAIN | 54,049 | 0 | 54,049 | 318,000 | 100,000 |
| BANGLADESH | 1,592 | 0 | 1,592 | 2,900 | 3,000 |
| EGYPT | 1,065,593 | 21,356 | 1,086,950 | 1,571,600 | 1,393,000 |
| INDIA | 299 | 0 | 299 | 230 | 230 |
| ISRAEL | 524,988 | 0 | 524,988 | 435,000 | 2,705,000 |
| JORDAN | 18,253 | 0 | 18,253 | 20,000 | 20,000 |
| KUWAIT | 48,116 | 0 | 48,116 | 681,200 | 50,000 |
| LEBANON | 21,960 | 0 | 21,960 | 14,500 | 10,000 |
| MOROCCO | 3,466 | 3,476 | 6,942 | 6,000 | 2,000 |
| OMAN | 11,541 | 0 | 11,541 | 13,205 | 12,000 |
| PAKISTAN | 101 | 0 | 101 | 0 | 0 |
| QATAR | 0 | 0 | 0 | 500 | 500 |
| SAUDI ARABIA | 742,372 | 0 | 742,372 | 1,180,000 | 1,131,500 |
| SRI LANKA | 74 | 0 | 74 | 450 | 550 |
| TUNISIA | 15,235 | 0 | 15,235 | 5,000 | 2,000 |
| UNITED ARAB EMIRATES | 5,586 | 0 | 5,586 | 133,000 | 60,200 |
| REGIONAL TOTAL | 2,513,225 | 24,832 | 2,538,058 | 4,381,585 | 5,489,980 |
| NON-REGIONAL: | | | | | |
| CLASSIFIED TOTALS (a) | 609,749 | 0 | 609,749 | 300,000 | 300,000 |
| INTERNATIONAL ORG. | 61,426 | 0 | 61,426 | 101,500 | 114,500 |
| NON-REGIONAL TOTAL | 671,175 | 0 | 671,175 | 401,500 | 414,500 |
| WORLDWIDE TOTAL | 8,778,250 | 30,303 | 8,808,551 | 8,861,459 | 9,310,305 |

NOTE: Totals may not add due to rounding.

* These countries comprise the Eastern Caribbean. See Eastern Caribbean narrative for a discussion of specific country programs.

(a) For further information, please see Classified Annex to this document.

Foreign Military Sales Administrative Costs

FMS/
Commission
5 rows

The Foreign Military Sales (FMS) program is implemented, for the most part, by the same Department of Defense personnel who work in the military departments and defense agency procurement, logistics support and administrative organizations established to carry out DoD's requirements for procurement and support of weapons, equipment, supplies and services needed by our Army, Navy, Air Force and Marines. A small number of fully dedicated security assistance organizations and personnel are also employed by the military departments and defense agencies in accomplishing the FMS mission. This integration of FMS provides organizational efficiencies and procurement cost economies to both the U.S. and the FMS customer countries.

The Arms Export Control Act (AECA) requires that the costs of implementing FMS be paid by FMS customer countries. To satisfy this requirement, an "administrative surcharge" of three percent is applied to most FMS cases. A five percent rate is applied to non-standard articles and services and supply support arrangements. In addition, a "logistics support charge" of 3.1 percent is also applied on certain deliveries of spare parts, equipment modifications, secondary support equipment and supplies. These administrative funds, collected from the FMS customer, are made available to the military departments and defense agencies to pay for their FMS administrative costs related to such functions as FMS case preparation (including preparation of price and availability estimates/information), sales negotiations, case implementation, procurement, program control, ADP operations, accounting, budgeting and other financial and program management. A majority of the operating costs of overseas Security Assistance Organizations (SAOs) are also financed from FMS administrative funds. DSAA administers an annual budget process to develop estimated funding requirements and establish approved administrative funding levels.

The Foreign Operations, Export Financing and Related Programs Appropriations Act of 1997, P.L. 105-118, included, for FY 1998 only, a ceiling of \$350 million on obligations of FMS administrative funds. All FMS administrative budget obligations and expenditures are from FMS customers' funds which have been collected into the U.S. Treasury in the Foreign Military Sales Trust Fund account. There is no net outlay impact on the U.S. budget from the operations of the FMS administrative budget.

In FY 1999, \$340 million is required. Fewer work years will be financed in FY 1999 versus FY's 1996 - 1998, lowering payroll costs for FMS management in line with declining workload. However, this reduction will be offset by the non-recurring initial cost required to design and develop a single FMS management information system throughout DoD. This Defense Security Assistance Management System (DSAMS) will replace thirteen major systems operated in the Military Department and Defense Agencies, provide a much needed new technology infrastructure, and reduce overall operation and maintenance costs in the years following DSAMS development and full implementation.

Supporting Information

Description: The requested funding provides for the cost of administrative activities related to non-FMS security assistance programs implemented by the Unified Commands, Military Departments and DSAA.

Objectives:

- Supports worldwide administration of International Military Education and Training (IMET)
- Finance administrative costs for all security assistance activities incurred by the Unified Commands
- Finance administrative costs incurred by the Military Departments and DSAA headquarters for all security assistance activity not related to Foreign Military Sales (FMS)
- Fund operating costs of non-FMS activities of overseas security assistance offices.

Justification:

The proposed program level represents the projected costs required to prudently, and effectively, accomplish the managerial and administrative actions necessary to manage and implement the non-FMS segments of security assistance programs, as authorized under the AECA and the FAA. These functions include staffing headquarters, personnel management, budgeting and accounting, office services and facilities and support for non-FMS functions of the overseas Security Assistance Organizations (SAOs).

The Defense Administrative Costs account implements such non-FMS activities as: administration of the IMET program; management of drawdowns of military equipment and services; grant transfers of excess defense articles; as well as fulfilling responsibility for monitoring military items previously transferred under the former Military Assistance Program (MAP). The initiation and expansion of security assistance relationships with many new democracies around the world, but principally in Central Europe, the New Independent States, and South Africa, require the establishment of SAOs in an increasing number of locations. The FY 1998 request for Defense Administrative costs will fund the establishment and/or the continuing operating costs of these new SAOs and is essential to the effective management of security assistance programs with these new defense partners. The recent increases in IMET funding levels (from \$26 million in FY 1995, \$39 million in FY 1996, \$43 million in FY 1997, and \$50 million in FY 1998) will also increase administrative workload and funding requirements. In FY 1998, we will hold costs to the same level as FY 1996 and FY 1997, absorbing pay raises, inflation, and the increased costs associated with the additional SAO operating locations and IMET. The amount requested is the minimum essential funding to do the job.

Supporting Information

Effectiveness of Measurement:

Effective administration of grant military assistance programs, within the requested budget level.

Supporting Information

| FMS ADMINISTRATIVE COSTS/WORKYEARS (Dollars in Millions) | | | | | | |
|---|----------------|----------------|-------------------|----------------|------------------|----------------|
| | Actual FY 1997 | | Estimated FY 1998 | | Proposed FY 1999 | |
| | Workyrs | Dollars | Workyrs | Dollars | Workyrs | Dollars |
| Military Departments | 3,938 | 243.288 | 3,487 | 231.970 | 3,284 | 218.324 |
| Other Defense Activities | 775 | 88.973 | 874 | 95.424 | 849 | 99.236 |
| SAOs (Net) | 402 | 22.739 | 361 | 22.606 | 316 | 22.440 |
| Total | 5,115 | 355.000 | 4,722 | 350.000 | 4,449 | 340.000 |

Overseas Military Program Management

United States military personnel are assigned to Security Assistance Organizations (SAOs) overseas to ensure effective planning and management of host country security assistance programs. These individuals, along with U.S. civilians and local national civilians serve under the direction and supervision of the Chiefs of U.S. Diplomatic Missions. The SAO provides liaison among the Mission, the Department of Defense, and the host country defense establishment in security assistance matters.

SAO personnel work closely with members of the host country defense establishment to develop and execute training programs and to accomplish realistic and effective procurement actions. These efforts are key to the development of a defense infrastructure capable of integrating weapons and support systems into the existing force structure. Professional exchanges and cooperative planning contribute to effective and efficient country security assistance programs.

The Department of Defense reviews staffing authorizations in coordination with the Department of State, the Chiefs of U.S. Diplomatic Missions, and the regional area military Commanders-in-Chief to ensure that SAOs are properly staffed to conduct their missions efficiently. These reviews have resulted in a reduction of total SAO personnel authorizations from the 729 (Actual for FY 1996) reported in last year's CPD to 709 (Actual for FY 1997).

In FY 1998, separate SAOs will be assigned to fifty-five countries. In thirty-eight additional countries, programs will be administered by augmentation personnel assigned to carry out security assistance management functions under the supervision of the Defense Attaché or other Mission staff. In other countries with which the U.S. maintains a security assistance relationship, Defense Attaches and other Mission personnel manage the programs without augmentation personnel.

The following tables identify the security assistance authorized staffing levels and associated costs at the conclusion of FY 1997 and the estimated levels for FY 1998 and FY 1999. Actual assigned strengths for FY 1998 and FY 1999 may be less than the authorized levels shown. Staffing requirements may change as individual country programs develop.

The following is a glossary of Organizations assigned to U.S. Diplomatic Missions overseas that manage host-country security assistance programs:

Supporting Information

U.S. SECURITY ASSISTANCE ORGANIZATIONS

| | |
|----------|---|
| DAO | Defense Attaché Office |
| JUSMAG | Joint U.S. Military Assistance Group |
| JUSMAG-K | Joint U.S. Military Affairs Group - Korea |
| KUSLO | Kenya U.S. Liaison Office |
| MAP | Military Assistance Program |
| MDAO | Mutual Defense Assistance Office |
| NLO | Navy Liaison Office |
| ODC | Office of Defense Cooperation |
| ODR | Office of Defense Representative |
| ODRP | Office of Defense Representative - Pakistan |
| OMC | Office of Military Cooperation |
| OMC-K | Office of Military Cooperation - Kuwait |
| SAO | Security Assistance Office |
| USLO | U.S. Liaison Office |
| USMAAG | U.S. Military Assistance Advisory Group |
| USMILGP | U.S. Military Group |
| USMLO | U.S. Military Liaison Office |
| USMTM | U.S. Military Training Mission |

Supporting Information

| Overseas Military Program Management - Costs | | | | | | | | | | |
|--|----------------|--------------|------------|-------------------|--------------|------------|------------------|--------------|------------|--------------|
| <i>(Dollars in Thousands)</i> | | | | | | | | | | |
| ORG. | ACTUAL FY 1997 | | | ESTIMATED FY 1998 | | | PROPOSED FY 1999 | | | |
| | FMF COSTS | FMS COSTS | TOTAL | FMF COSTS | FMS COSTS | TOTAL | FMF COSTS | FMS COSTS | TOTAL | |
| AFRICA: | | | | | | | | | | |
| ANGOLA | DAO | 0 | 0 | 0 | 4 | 0 | 4 | 4 | 0 | 4 |
| BENIN | EMBASSY | 11 | 0 | 11 | 37 | 0 | 37 | 0 | 0 | 0 |
| BOTSWANA | ODC | 218 | 51 | 269 | 377 | 66 | 443 | 338 | 60 | 398 |
| CAMEROON | DAO | 15 | 2 | 17 | 19 | 2 | 21 | 20 | 2 | 22 |
| CAPE VERDE | EMBASSY | 5 | 0 | 5 | 4 | 0 | 4 | 4 | 0 | 4 |
| CHAD | DAO | 17 | 4 | 21 | 20 | 5 | 25 | 21 | 5 | 26 |
| CONGO | DAO | 3 | 0 | 3 | 3 | 0 | 3 | 3 | 0 | 3 |
| COTE D'IVOIRE | DAO | 3 | 0 | 3 | 3 | 0 | 3 | 3 | 0 | 3 |
| DJIBOUTI | USLO | 201 | 25 | 226 | 305 | 36 | 341 | 333 | 39 | 372 |
| ERITREA | USLO | 127 | 7 | 134 | 184 | 10 | 194 | 184 | 10 | 194 |
| ETHIOPIA | DAO | 10 | 1 | 11 | 90 | 10 | 100 | 93 | 10 | 103 |
| GABON | EMBASSY | 0 | 0 | 0 | 2 | 0 | 2 | 2 | 0 | 2 |
| GHANA | EMBASSY | 0 | 0 | 0 | 31 | 3 | 34 | 31 | 4 | 35 |
| GUINEA | EMBASSY | 0 | 0 | 0 | 1 | 0 | 1 | 1 | 0 | 1 |
| KENYA | KUSLO | 162 | 242 | 404 | 426 | 229 | 655 | 400 | 266 | 666 |
| LESOTHO | EMBASSY | 0 | 0 | 0 | 4 | 0 | 4 | 4 | 0 | 4 |
| MADAGASCAR | EMBASSY | 5 | 0 | 5 | 8 | 0 | 8 | 10 | 0 | 10 |
| MALAWI | DAO | 23 | 6 | 29 | 33 | 8 | 41 | 34 | 8 | 42 |
| MALI | EMBASSY | 2 | 0 | 2 | 3 | 0 | 3 | 3 | 0 | 3 |
| MOZAMBIQUE | DAO | 1 | 0 | 1 | 1 | 0 | 1 | 1 | 0 | 1 |
| NAMIBIA | EMBASSY | 29 | 7 | 36 | 38 | 10 | 48 | 40 | 10 | 50 |
| NIGER | ODC | 51 | 13 | 64 | 15 | 4 | 19 | 15 | 4 | 19 |
| RWANDA | DAO | 17 | 0 | 17 | 19 | 0 | 19 | 20 | 0 | 20 |
| SENEGAL | DAO | 246 | 27 | 273 | 312 | 35 | 347 | 314 | 35 | 349 |
| SEYCHELLES | EMBASSY | 11 | 0 | 11 | 10 | 0 | 10 | 11 | 0 | 11 |
| SIERRA LEONE | EMBASSY | 3 | 0 | 3 | 3 | 0 | 3 | 3 | 0 | 3 |
| SOUTH AFRICA | DAO | 2 | 0 | 2 | 3 | 1 | 4 | 3 | 1 | 4 |
| UGANDA | EMBASSY | 2 | 0 | 2 | 3 | 0 | 3 | 3 | 0 | 3 |
| ZAMBIA | EMBASSY | 0 | 0 | 0 | 3 | 0 | 3 | 4 | 0 | 4 |
| ZIMBABWE | DAO | 2 | 0 | 2 | 3 | 0 | 3 | 4 | 0 | 4 |
| REGIONAL TOTAL | | 1,166 | 385 | 1,551 | 1,964 | 419 | 2,383 | 1,906 | 454 | 2,360 |
| AMERICAN REPUBLICS: | | | | | | | | | | |
| ARGENTINA | USMILGP | 334 | 111 | 445 | 391 | 98 | 489 | 383 | 96 | 479 |
| BAHAMAS | USNLO | 18 | 1 | 19 | 44 | 2 | 46 | 46 | 2 | 48 |
| BELIZE | USMLO | 158 | 68 | 226 | 217 | 73 | 290 | 209 | 70 | 279 |
| BOLIVIA | USMILGP | 202 | 375 | 577 | 369 | 451 | 820 | 344 | 420 | 764 |
| BRAZIL | USMLO | 366 | 197 | 563 | 434 | 186 | 620 | 419 | 180 | 599 |
| CHILE | USMILGP | 196 | 84 | 280 | 346 | 116 | 462 | 333 | 111 | 444 |
| COLOMBIA | USMILGP | 670 | 447 | 1,117 | 813 | 435 | 1,248 | 773 | 417 | 1,190 |
| COSTA RICA | ODR | 204 | 23 | 227 | 230 | 26 | 256 | 218 | 24 | 242 |
| DOMINICAN REPUBLIC | DAO | 244 | 61 | 305 | 297 | 53 | 350 | 304 | 54 | 358 |
| EASTERN CARIBBEAN | USMLO | 260 | 87 | 347 | 239 | 42 | 281 | 234 | 59 | 293 |
| ECUADOR | USMILGP | 245 | 105 | 350 | 302 | 101 | 403 | 315 | 105 | 420 |
| EL SALVADOR | USMILGP | 195 | 585 | 780 | 470 | 384 | 854 | 491 | 401 | 892 |

Supporting Information

| Overseas Military Program Management - Costs (Dollars in Thousands) | | | | | | | | | | |
|--|----------|----------------|--------------|--------------|-------------------|--------------|---------------|------------------|--------------|--------------|
| | | ACTUAL FY 1997 | | | ESTIMATED FY 1998 | | | PROPOSED FY 1999 | | |
| ORG. | | FMF COSTS | FMS COSTS | TOTAL | FMF COSTS | FMS COSTS | TOTAL | FMF COSTS | FMS COSTS | TOTAL |
| GUATEMALA | USMILGP | 186 | 33 | 219 | 213 | 24 | 237 | 122 | 14 | 136 |
| HAITI | USMLO | 206 | 137 | 343 | 116 | 63 | 179 | 125 | 67 | 192 |
| HONDURAS | USMILGP | 395 | 310 | 705 | 481 | 259 | 740 | 470 | 253 | 723 |
| JAMAICA | USMLO | 150 | 122 | 272 | 279 | 186 | 465 | 279 | 186 | 465 |
| MEXICO | DAO | 171 | 140 | 311 | 197 | 131 | 328 | 182 | 121 | 303 |
| PANAMA | DAO | 29 | 43 | 72 | 65 | 22 | 87 | 59 | 25 | 84 |
| PARAGUAY | ODC | 268 | 30 | 298 | 270 | 30 | 300 | 257 | 28 | 285 |
| PERU | MAAG | 392 | 43 | 435 | 572 | 64 | 636 | 546 | 61 | 607 |
| URUGUAY | ODC | 222 | 95 | 317 | 290 | 97 | 387 | 280 | 93 | 373 |
| VENEZUELA | USMILGP | 367 | 245 | 612 | 408 | 219 | 627 | 380 | 204 | 584 |
| REGIONAL TOTAL | | 5,478 | 3,342 | 8,820 | 7,043 | 3,062 | 10,105 | 6,769 | 2,991 | 9,760 |
| EAST ASIA & PACIFIC: | | | | | | | | | | |
| AUSTRALIA | DAO | 72 | 88 | 160 | 92 | 92 | 184 | 87 | 107 | 194 |
| CAMBODIA | DAO | 35 | 0 | 35 | 26 | 0 | 26 | 30 | 0 | 30 |
| CHINA | DAO | 37 | 0 | 37 | 9 | 0 | 9 | 9 | 0 | 9 |
| FUJI | DAO | 5 | 1 | 6 | 5 | 1 | 6 | 6 | 1 | 7 |
| INDONESIA | DAO | 325 | 325 | 650 | 553 | 237 | 790 | 538 | 231 | 769 |
| JAPAN | MDAO | 83 | 744 | 827 | 153 | 864 | 1,017 | 160 | 905 | 1,065 |
| MALAYSIA | DAO | 174 | 213 | 387 | 257 | 139 | 396 | 268 | 145 | 413 |
| NEW ZEALAND | DAO | 5 | 5 | 10 | 5 | 4 | 9 | 6 | 5 | 11 |
| PHILIPPINES | JUSMAG | 175 | 324 | 499 | 380 | 380 | 760 | 369 | 302 | 671 |
| SINGAPORE | SAO | 71 | 283 | 354 | 212 | 319 | 531 | 221 | 331 | 552 |
| SOUTH KOREA | JUSMAG-K | 786 | 1,835 | 2,621 | 884 | 1,606 | 2,490 | 820 | 1,505 | 2,325 |
| THAILAND | JUSMAG | 866 | 738 | 1,604 | 902 | 583 | 1,485 | 819 | 522 | 1,341 |
| REGIONAL TOTAL | | 2,634 | 4,556 | 7,190 | 3,478 | 4,225 | 7,703 | 3,333 | 4,054 | 7,387 |
| EUROPE & CANADA: | | | | | | | | | | |
| ALBANIA | DAO | 50 | 50 | 100 | 81 | 54 | 135 | 102 | 44 | 146 |
| AUSTRIA | DAO | 38 | 57 | 95 | 50 | 172 | 222 | 42 | 163 | 205 |
| BELARUS | DAO | 6 | 0 | 6 | 2 | 0 | 2 | 2 | 0 | 2 |
| BELGIUM | ODC | 187 | 347 | 534 | 171 | 381 | 552 | 184 | 400 | 584 |
| BOSNIA | DAO | 4 | 1 | 5 | 143 | 16 | 159 | 149 | 17 | 166 |
| BULGARIA | DAO | 67 | 36 | 103 | 99 | 33 | 132 | 112 | 37 | 149 |
| CANADA | DAO | 3 | 36 | 39 | 2 | 48 | 50 | 3 | 49 | 52 |
| CROATIA | DAO | 26 | 0 | 26 | 159 | 0 | 159 | 165 | 0 | 165 |
| CZECH REPUBLIC | DAO | 112 | 75 | 187 | 169 | 72 | 241 | 176 | 76 | 252 |
| DENMARK | ODC | 72 | 290 | 362 | 118 | 361 | 479 | 119 | 365 | 484 |
| ESTONIA | DAO | 55 | 30 | 85 | 67 | 38 | 105 | 69 | 37 | 106 |
| FRANCE | ODC | 32 | 608 | 640 | 36 | 684 | 720 | 36 | 693 | 729 |
| GEORGIA | DAO | 6 | 0 | 6 | 58 | 0 | 58 | 59 | 0 | 59 |
| GERMANY | ODC | 89 | 804 | 893 | 100 | 898 | 998 | 84 | 758 | 842 |
| GREECE | ODC | 772 | 1,802 | 2,574 | 721 | 707 | 1,428 | 747 | 745 | 1,492 |

Supporting Information

| Overseas Military Program Management - Costs | | | | | | | | | | |
|--|---------|----------------|--------------|---------------|-------------------|--------------|---------------|------------------|--------------|---------------|
| (Dollars in Thousands) | | | | | | | | | | |
| | | ACTUAL FY 1997 | | | ESTIMATED FY 1998 | | | PROPOSED FY 1999 | | |
| | ORG. | FMF COSTS | FMS COSTS | TOTAL | FMF COSTS | FMS COSTS | TOTAL | FMF COSTS | FMS COSTS | TOTAL |
| HUNGARY | DAO | 116 | 78 | 194 | 168 | 91 | 259 | 172 | 114 | 286 |
| ITALY | ODC | 140 | 559 | 699 | 160 | 642 | 802 | 166 | 663 | 829 |
| KAZAKSTAN | DAO | 9 | 0 | 9 | 62 | 0 | 62 | 64 | 0 | 64 |
| KYRGYZSTAN | EMBASSY | 8 | 0 | 8 | 58 | 0 | 58 | 60 | 0 | 60 |
| LATVIA | DAO | 69 | 17 | 86 | 98 | 25 | 123 | 98 | 24 | 122 |
| LITHUANIA | DAO | 98 | 25 | 123 | 88 | 22 | 110 | 85 | 23 | 108 |
| MACEDONIA (FYROM) | DAO | 49 | 0 | 49 | 145 | 0 | 145 | 149 | 0 | 149 |
| MOLDOVA | EMBASSY | 6 | 0 | 6 | 2 | 0 | 2 | 2 | 0 | 2 |
| NETHERLANDS | ODC | 33 | 295 | 328 | 40 | 358 | 398 | 41 | 371 | 412 |
| NORWAY | ODC | 15 | 277 | 292 | 16 | 306 | 322 | 16 | 313 | 329 |
| POLAND | DAO | 242 | 131 | 373 | 259 | 140 | 399 | 256 | 138 | 394 |
| PORTUGAL | ODC | 224 | 273 | 497 | 417 | 417 | 834 | 426 | 426 | 852 |
| ROMANIA | DAO | 60 | 11 | 71 | 164 | 29 | 193 | 174 | 31 | 205 |
| RUSSIA | DAO | 179 | 0 | 179 | 307 | 0 | 307 | 314 | 0 | 311 |
| SLOVAKIA | EMBASSY | 72 | 18 | 90 | 108 | 27 | 135 | 119 | 21 | 140 |
| SLOVENIA | DAO | 70 | 45 | 115 | 109 | 36 | 145 | 126 | 22 | 148 |
| SPAIN | ODC | 151 | 353 | 504 | 162 | 367 | 529 | 168 | 377 | 545 |
| SWITZERLAND | DAO | 1 | 1 | 2 | 1 | 1 | 2 | 1 | 1 | 2 |
| TURKEY | ODC | 1,833 | 1,505 | 3,338 | 2,265 | 1,777 | 4,040 | 2,502 | 1,613 | 4,115 |
| TURKMENISTAN | EMBASSY | 6 | 0 | 6 | 2 | 0 | 2 | 59 | 0 | 59 |
| UKRAINE | DAO | 187 | 21 | 208 | 208 | 0 | 208 | 203 | 0 | 203 |
| UNITED KINGDOM | ODC | 8 | 161 | 169 | 7 | 137 | 144 | 7 | 141 | 148 |
| UZBEKISTAN | EMBASSY | 7 | 0 | 7 | 60 | 0 | 60 | 61 | 0 | 61 |
| REGIONAL TOTAL | | 5,102 | 7,906 | 13,008 | 6,880 | 7,839 | 14,719 | 7,315 | 7,662 | 14,977 |
| NEAR EAST & SOUTH ASIA: | | | | | | | | | | |
| BAHRAIN | OMC | 92 | 356 | 448 | 155 | 466 | 621 | 164 | 492 | 656 |
| BANGLADESH | DAO | 38 | 0 | 38 | 54 | 0 | 54 | 57 | 0 | 57 |
| EGYPT | OMC | 423 | 2,390 | 2,813 | 661 | 2,767 | 3,428 | 776 | 2,844 | 3,620 |
| INDIA | DSA | 109 | 19 | 128 | 136 | 24 | 160 | 142 | 25 | 167 |
| ISRAEL | DAO | 43 | 0 | 43 | 72 | 0 | 72 | 74 | 0 | 74 |
| JORDAN | MAP | 166 | 500 | 666 | 430 | 430 | 860 | 488 | 483 | 971 |
| KUWAIT | OMC-K | 0 | 306 | 306 | 0 | 512 | 512 | 0 | 529 | 529 |
| LEBANON | DAO | 341 | 227 | 568 | 328 | 121 | 449 | 364 | 121 | 485 |
| MOROCCO | ODC | 471 | 83 | 554 | 785 | 138 | 923 | 788 | 139 | 927 |
| NEPAL | EMBASSY | 33 | 1 | 34 | 39 | 0 | 39 | 41 | 0 | 41 |
| OMAN | OMC | 225 | 208 | 433 | 580 | 253 | 633 | 361 | 241 | 602 |
| PAKISTAN | ODRP | 343 | 42 | 385 | 394 | 44 | 438 | 377 | 42 | 419 |
| QATAR | USLO | 81 | 122 | 203 | 216 | 93 | 309 | 217 | 93 | 310 |
| SAUDI ARABIA | USMTM | 0 | 1,494 | 1,494 | 0 | 1,260 | 1,260 | 0 | 1,351 | 1,351 |
| SRI LANKA | DAO | 47 | 16 | 63 | 35 | 12 | 47 | 40 | 13 | 53 |
| TUNISIA | ODC | 208 | 170 | 378 | 444 | 190 | 634 | 448 | 192 | 640 |
| UNITED ARAB EMIR. | USLO | 0 | 616 | 616 | 0 | 751 | 751 | 0 | 714 | 714 |
| REGIONAL TOTAL | | 2,620 | 6,550 | 9,170 | 4,129 | 7,061 | 11,190 | 4,337 | 7,279 | 11,616 |

Supporting Information

| Overseas Military Program Management - Costs (Dollars in Thousands) | | | | | | | | | | |
|--|------|----------------|-----------|--------|-------------------|-----------|--------|------------------|-----------|--------|
| | ORG. | ACTUAL FY 1997 | | | ESTIMATED FY 1998 | | | PROPOSED FY 1999 | | |
| | | FMF COSTS | FMS COSTS | TOTAL | FMF COSTS | FMS COSTS | TOTAL | FMF COSTS | FMS COSTS | TOTAL |
| WORLDWIDE | | 17,000 | 22,739 | 39,739 | 23,494 | 22,606 | 46,100 | 23,660 | 22,440 | 46,100 |
| TOTAL | | | | | | | | | | |

Supporting Information

| OVERSEAS MILITARY PROGRAM MANAGEMENT - PERSONNEL STRENGTHS | | | | | | | | | | | | | |
|--|-------------------|-----|-------|-----|-------------------|-----|-------|-----|------------------|-----|-------|-----|-----|
| ORG. | ACTUAL FY 1997 | | | | ESTIMATED FY 1998 | | | | PROPOSED FY 1999 | | | | |
| | MIL | CIV | LOCAL | TOT | MIL | CIV | LOCAL | TOT | MIL | CIV | LOCAL | TOT | |
| <u>AFRICA:</u> | | | | | | | | | | | | | |
| BOTSWANA | ODC | 2 | 0 | 1 | 3 | 3 | 0 | 1 | 4 | 3 | 0 | 1 | 4 |
| CHAD | DAO <i>a/</i> | 0 | 0 | 1 | 1 | 0 | 0 | 1 | 1 | 0 | 0 | 1 | 1 |
| DJIBOUTI | USLO | 1 | 0 | 1 | 2 | 1 | 0 | 1 | 2 | 1 | 0 | 1 | 2 |
| ERITREA | USLO | 1 | 0 | 0 | 1 | 1 | 0 | 0 | 1 | 1 | 0 | 0 | 1 |
| ETHIOPIA | USLO | 1 | 0 | 0 | 1 | 1 | 0 | 0 | 1 | 1 | 0 | 0 | 1 |
| GHANA | EMBASSY <i>b/</i> | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 |
| KENYA | KUSLO | 4 | 2 | 1 | 7 | 4 | 2 | 1 | 7 | 4 | 2 | 1 | 7 |
| NAMIBIA | EMBASSY <i>b/</i> | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 |
| NIGER | ODC | 0 | 0 | 1 | 1 | 0 | 0 | 1 | 1 | 0 | 0 | 1 | 1 |
| RWANDA | DAO <i>a/</i> | 0 | 0 | 1 | 1 | 0 | 0 | 1 | 1 | 0 | 0 | 1 | 1 |
| SENEGAL | DAO <i>a/</i> | 1 | 1 | 2 | 4 | 1 | 1 | 2 | 4 | 1 | 1 | 2 | 4 |
| SOUTH AFRICA | DAO <i>a/</i> | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 1 | 2 | 0 | 0 | 2 |
| REGIONAL TOTAL | | 10 | 5 | 8 | 23 | 12 | 5 | 8 | 25 | 13 | 5 | 8 | 26 |
| <u>AMERICAN REPUBLICS:</u> | | | | | | | | | | | | | |
| ARGENTINA | USMILGP | 3 | 1 | 2 | 6 | 3 | 1 | 2 | 6 | 3 | 0 | 2 | 5 |
| BARBADOS | USMLO <i>c/</i> | 4 | 0 | 0 | 4 | 4 | 0 | 0 | 4 | 4 | 0 | 0 | 4 |
| BELIZE | USMLO | 2 | 1 | 0 | 3 | 2 | 1 | 0 | 3 | 2 | 1 | 0 | 3 |
| BOLIVIA | USMILGP | 5 | 5 | 3 | 13 | 4 | 5 | 3 | 12 | 4 | 4 | 3 | 11 |
| BRAZIL | USMLO | 3 | 2 | 1 | 6 | 3 | 2 | 1 | 6 | 3 | 2 | 1 | 6 |
| CHILE | USMILGP | 2 | 0 | 2 | 4 | 2 | 0 | 2 | 4 | 2 | 0 | 2 | 4 |
| COLOMBIA | USMILGP | 9 | 3 | 10 | 22 | 9 | 3 | 10 | 22 | 8 | 3 | 10 | 21 |
| COSTA RICA | ODR | 1 | 0 | 2 | 3 | 1 | 0 | 2 | 3 | 1 | 0 | 2 | 3 |
| DOMINICAN REPUBLIC | USMAAG | 3 | 0 | 1 | 4 | 3 | 0 | 1 | 4 | 3 | 0 | 1 | 4 |
| ECUADOR | USMILGP | 5 | 1 | 5 | 11 | 5 | 1 | 5 | 11 | 5 | 1 | 5 | 11 |
| EL SALVADOR | USMILGP | 5 | 1 | 10 | 16 | 5 | 1 | 10 | 16 | 5 | 1 | 8 | 14 |
| GUATEMALA | USMILGP | 2 | 0 | 1 | 3 | 2 | 0 | 1 | 3 | 2 | 0 | 1 | 3 |
| HAITI | USMLO | 2 | 0 | 1 | 3 | 2 | 0 | 1 | 3 | 2 | 0 | 1 | 3 |
| HONDURAS | USMILGP | 5 | 2 | 7 | 14 | 5 | 2 | 7 | 14 | 5 | 2 | 7 | 14 |
| JAMAICA | USMLO | 3 | 1 | 0 | 4 | 3 | 1 | 0 | 4 | 3 | 1 | 0 | 4 |
| MEXICO | DAO <i>a/</i> | 3 | 0 | 3 | 6 | 3 | 0 | 3 | 6 | 3 | 0 | 3 | 6 |
| PANAMA | DAO <i>a/</i> | 1 | 0 | 1 | 2 | 1 | 0 | 1 | 2 | 1 | 0 | 1 | 2 |
| PARAGUAY | ODC | 1 | 0 | 3 | 4 | 1 | 0 | 3 | 4 | 1 | 0 | 3 | 4 |
| PERU | MAAG | 3 | 2 | 5 | 10 | 3 | 2 | 5 | 10 | 3 | 2 | 5 | 10 |
| URUGUAY | ODC | 1 | 0 | 4 | 5 | 1 | 0 | 4 | 5 | 1 | 0 | 4 | 5 |
| VENEZUELA | USMILOP | 5 | 4 | 5 | 14 | 5 | 4 | 4 | 13 | 5 | 4 | 4 | 13 |
| REGIONAL TOTAL | | 68 | 23 | 66 | 157 | 67 | 23 | 65 | 155 | 66 | 21 | 63 | 150 |
| <u>EAST ASIA & PACIFIC:</u> | | | | | | | | | | | | | |
| AUSTRALIA | DAO <i>a/</i> | 2 | 1 | 0 | 3 | 2 | 1 | 0 | 3 | 2 | 1 | 0 | 3 |
| CAMBODIA | DAO <i>a/</i> | 0 | 0 | 1 | 1 | 0 | 0 | 1 | 1 | 0 | 0 | 1 | 1 |
| INDONESIA | DAO <i>a/</i> | 7 | 0 | 9 | 16 | 7 | 0 | 8 | 15 | 5 | 0 | 7 | 12 |
| JAPAN | MDAO | 5 | 4 | 5 | 14 | 5 | 4 | 5 | 14 | 5 | 4 | 5 | 14 |
| MALAYSIA | DAO <i>a/</i> | 3 | 0 | 4 | 7 | 3 | 0 | 4 | 7 | 3 | 0 | 4 | 7 |
| MONGOLIA | EMBASSY <i>b/</i> | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 1 | 1 |
| PHILIPPINES | JUSMAG | 5 | 1 | 4 | 10 | 5 | 1 | 4 | 10 | 5 | 1 | 4 | 10 |
| SINGAPORE | SAO | 5 | 1 | 2 | 8 | 5 | 1 | 2 | 8 | 6 | 1 | 2 | 9 |
| SOUTH KOREA | JUSMAG-K | 28 | 5 | 15 | 48 | 25 | 4 | 13 | 42 | 24 | 1 | 10 | 35 |
| THAILAND | JUSMAG | 22 | 1 | 16 | 39 | 21 | 1 | 16 | 38 | 20 | 1 | 15 | 36 |
| REGIONAL TOTAL | | 77 | 13 | 56 | 146 | 73 | 12 | 54 | 139 | 70 | 9 | 49 | 128 |
| <u>EUROPE & CANADA:</u> | | | | | | | | | | | | | |
| ALBANIA | DAO <i>a/</i> | 2 | 0 | 0 | 2 | 2 | 0 | 0 | 2 | 2 | 0 | 0 | 2 |
| BELARUS | DAO <i>a/</i> | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 2 |
| AUSTRIA | DAO <i>a/</i> | 2 | 0 | 0 | 2 | 2 | 0 | 0 | 2 | 2 | 0 | 0 | 2 |

Supporting Information

| OVERSEAS MILITARY PROGRAM MANAGEMENT - PERSONNEL STRENGTHS | | | | | | | | | | | | | |
|--|------------|----------------|-----|-------|-----|-------------------|-----|-------|-----|------------------|-----|-------|-----|
| ORG. | | ACTUAL FY 1997 | | | | ESTIMATED FY 1998 | | | | PROPOSED FY 1999 | | | |
| | | MIL | CIV | LOCAL | TOT | MIL | CIV | LOCAL | TOT | MIL | CIV | LOCAL | TOT |
| BELGIUM | ODC | 1 | 1 | 2 | 4 | 1 | 1 | 2 | 4 | 1 | 1 | 2 | 4 |
| BOSNIA | DAO a/ | 1 | 0 | 1 | 2 | 1 | 0 | 1 | 2 | 1 | 0 | 1 | 2 |
| BULGARIA | DAO a/ | 2 | 0 | 0 | 2 | 2 | 0 | 0 | 2 | 2 | 0 | 0 | 2 |
| CANADA | DAO a/ | 1 | 0 | 1 | 2 | 1 | 0 | 1 | 2 | 1 | 0 | 1 | 2 |
| CROATIA | DAO a/ | 1 | 1 | 0 | 2 | 1 | 1 | 0 | 2 | 1 | 1 | 0 | 2 |
| CZECH REPUBLIC | ODC a/ | 2 | 0 | 2 | 4 | 2 | 0 | 2 | 4 | 2 | 0 | 2 | 4 |
| DENMARK | ODC | 1 | 1 | 2 | 4 | 1 | 1 | 2 | 4 | 1 | 1 | 2 | 4 |
| ESTONIA | DAO a/ | 1 | 0 | 0 | 1 | 1 | 0 | 0 | 1 | 1 | 0 | 0 | 1 |
| FRANCE | ODC | 1 | 1 | 3 | 5 | 1 | 1 | 3 | 5 | 1 | 1 | 3 | 5 |
| GEORGIA | DAO a/ | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 |
| GERMANY | ODC | 5 | 2 | 3 | 10 | 5 | 2 | 3 | 10 | 5 | 2 | 3 | 10 |
| GREECE | ODC | 9 | 3 | 10 | 22 | 9 | 3 | 8 | 20 | 9 | 3 | 8 | 20 |
| HUNGARY | DAO a/ | 2 | 0 | 1 | 3 | 2 | 0 | 1 | 3 | 2 | 0 | 1 | 3 |
| ITALY | ODC | 3 | 0 | 4 | 7 | 3 | 0 | 4 | 7 | 3 | 0 | 4 | 7 |
| KAZAKHSTAN | DAO a/ | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 |
| KYRGYZSTAN | DAO a/ | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 |
| LATVIA | DAO a/ | 1 | 0 | 1 | 2 | 1 | 0 | 1 | 2 | 1 | 0 | 1 | 2 |
| LITHUANIA | DAO a/ | 1 | 0 | 1 | 2 | 1 | 0 | 1 | 2 | 1 | 0 | 1 | 2 |
| MACEDONIA | DAO a/ | 1 | 0 | 1 | 2 | 1 | 0 | 1 | 2 | 1 | 0 | 1 | 2 |
| MOLDOVA | DAO a/ | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 1 | 1 |
| NETHERLANDS | ODC | 2 | 1 | 2 | 5 | 2 | 1 | 2 | 5 | 2 | 1 | 2 | 5 |
| NORWAY | ODC | 2 | 0 | 1 | 3 | 2 | 0 | 1 | 3 | 2 | 0 | 1 | 3 |
| POLAND | ODC | 3 | 0 | 3 | 6 | 3 | 0 | 3 | 6 | 3 | 0 | 3 | 6 |
| PORTUGAL | ODC | 7 | 1 | 4 | 12 | 6 | 1 | 5 | 12 | 6 | 1 | 4 | 11 |
| ROMANIA | ODC | 1 | 0 | 1 | 2 | 2 | 0 | 2 | 4 | 2 | 0 | 2 | 4 |
| RUSSIA | DAO a/ | 2 | 0 | 0 | 2 | 2 | 0 | 0 | 2 | 2 | 0 | 0 | 2 |
| SLOVAKIA | DAO a/ | 2 | 0 | 0 | 2 | 2 | 0 | 0 | 2 | 2 | 0 | 0 | 2 |
| SLOVENIA | DAO a/ | 1 | 0 | 1 | 2 | 1 | 0 | 1 | 2 | 1 | 0 | 1 | 2 |
| SPAIN | ODC | 4 | 2 | 1 | 7 | 4 | 2 | 1 | 7 | 4 | 2 | 1 | 7 |
| TURKEY | ODC | 23 | 4 | 9 | 36 | 24 | 4 | 7 | 35 | 22 | 4 | 9 | 35 |
| TURKMENISTAN | DAO a/ | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 |
| UKRAINE | DAO a/ | 1 | 1 | 0 | 2 | 3 | 0 | 1 | 4 | 3 | 0 | 1 | 4 |
| UNITED KINGDOM | ODC | 2 | 1 | 0 | 3 | 2 | 1 | 0 | 3 | 2 | 1 | 0 | 3 |
| UZBEKISTAN | DAO a/ | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 |
| REGIONAL TOTAL | | 87 | 19 | 54 | 160 | 90 | 23 | 54 | 167 | 89 | 23 | 56 | 168 |
| <u>NEAR EAST & SOUTH ASIA:</u> | | | | | | | | | | | | | |
| BAHRAIN | OMC | 6 | 1 | 0 | 7 | 6 | 1 | 0 | 7 | 6 | 1 | 0 | 7 |
| BANGLADESH | DAO a/ | 0 | 0 | 1 | 1 | 0 | 0 | 1 | 1 | 0 | 0 | 1 | 1 |
| EGYPT | OMC | 27 | 9 | 18 | 54 | 27 | 9 | 18 | 54 | 27 | 9 | 18 | 54 |
| INDIA | DAO a/ | 1 | 1 | 2 | 4 | 1 | 1 | 2 | 4 | 1 | 1 | 2 | 4 |
| ISRAEL | DAO a/ | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 |
| JORDAN | MAP | 8 | 2 | 4 | 14 | 8 | 2 | 4 | 14 | 8 | 2 | 4 | 14 |
| KUWAIT | OMC-K | 11 | 2 | 1 | 14 | 11 | 2 | 1 | 14 | 11 | 2 | 1 | 14 |
| LEBANON | DAO a/ | 1 | 0 | 3 | 4 | 1 | 0 | 3 | 4 | 1 | 0 | 3 | 4 |
| MOROCCO | ODC | 4 | 1 | 4 | 9 | 4 | 1 | 4 | 9 | 4 | 1 | 4 | 9 |
| NEPAL | EMBASSY b/ | 0 | 0 | 1 | 1 | 0 | 0 | 1 | 1 | 0 | 0 | 1 | 1 |
| OMAN | OMC | 5 | 1 | 1 | 7 | 5 | 1 | 1 | 7 | 5 | 1 | 1 | 7 |
| PAKISTAN | ODRP | 3 | 0 | 5 | 8 | 3 | 0 | 5 | 8 | 3 | 0 | 4 | 7 |
| QATAR | USLO | 2 | 1 | 0 | 3 | 2 | 1 | 0 | 3 | 2 | 1 | 0 | 3 |
| SAUDI ARABIA | USMTM | 66 | 3 | 9 | 78 | 66 | 3 | 9 | 78 | 65 | 3 | 9 | 77 |
| SRI LANKA | DAO a/ | 0 | 0 | 1 | 1 | 0 | 0 | 1 | 1 | 0 | 0 | 1 | 1 |
| TUNISIA | ODC | 6 | 1 | 1 | 8 | 6 | 1 | 1 | 8 | 6 | 1 | 1 | 8 |
| UNITED ARAB EMIRATES | USLO | 6 | 1 | 2 | 9 | 6 | 1 | 2 | 9 | 6 | 1 | 2 | 9 |
| REGIONAL TOTAL | | 146 | 24 | 53 | 223 | 146 | 24 | 53 | 223 | 145 | 24 | 52 | 221 |
| WORLDWIDE TOTAL | | 388 | 84 | 237 | 709 | 388 | 87 | 234 | 709 | 383 | 82 | 228 | 693 |

a/ Personnel authorized to assist the DAO with security assistance management functions.

b/ Personnel authorized to assist the Embassy with security assistance management functions.

c/ Manages programs for Eastern Caribbean countries.

Grant Excess Defense Articles

Grant excess defense articles (EDA) enable the United States to meet many of its foreign policy objectives while simultaneously supporting our friends and allies in improving their defense capabilities. Providing EDA on a grant basis, turns U.S. defense items which are in excess of our Approved Force Acquisition Objective and Approved Force Retention Stock, into instruments which meet many of our national security interests. Some of the objectives met by grant EDA are: strengthening coalitions; cementing bilateral foreign military relationships; enhancing interoperability; furthering legitimate modernization efforts of our allies; aiding in multilateral peacekeeping efforts; combating illegal narcotics production and narco-trafficking; and aiding in demining assistance programs. Furthermore, our Partnership for Peace (PfP) initiatives are greatly augmented by providing grant materiel which meets NATO standards; this equipment is readily and immediately accessible, and fulfills valid modernization and standardization needs of eligible PfP partners.

Grant EDA assists in preventing or containing armed conflict and in restoring peace and stability throughout the world; a prudent investment of no-longer needed Department of Defense items. EDA articles are transferred in an "as is, where is" condition to the recipient and are only offered in response to a demonstrated requirement. The grant EDA program operates at essentially no cost to the U.S. with the recipient responsible for any required refurbishment and repair of the items as well as any associated transportation costs. The vast majority of EDA items are of low to medium technologies which takes into account our proliferation concerns.

Each eligible country is accompanied by a justification statement providing the objective and proposed use of potential EDA. Appearance on the eligibility list simply permits a nation to be considered for grant EDA. Appearance on the list does not guarantee the transfer of any EDA nor does it circumvent or bypass in any way the comprehensive case-by-case review each potential EDA offer receives. Furthermore, all potential EDA transfers are subject to the same rigorous Conventional Arms Transfer Policy interagency review as any other government-to-government transfer.

Grant EDA has contributed to our foreign policy successes. This overage equipment has helped our Latin American and Caribbean friends combat the threat of illegal narco-trafficking, and has permitted many South American and African nations to participate in support of U.S. and U.N. peacekeeping operations. Grant EDA supports the militaries of the newly democratic nations of Central Europe, and contributes to regional stability by supporting the ongoing military reform efforts of the democratic Central Europe and Baltic governments. Grant EDA has been instrumental in aiding demining activities in Southeast Asia and northern Africa. Finally, grant EDA has a positive global impact -- furthering U.S. national security interests and supporting the growth and strengthening of democracies, promoting military reform, and fighting the spread of illicit narcotics.

Supporting Information

FY 1999 GRANT EDA ELIGIBILITY LIST

The following countries will be eligible to receive Excess Defense Articles (EDA) on a grant basis under section 516 of the Foreign Assistance Act of 1961, as amended, during fiscal year 1999. Specific justification for each country being eligible is included in the country programs section.

Africa:

| | | |
|---------------|---------------|--------------|
| Angola | Ethiopia | Rwanda |
| Benin | Ghana | Senegal |
| Botswana | Guinea-Bissau | Sierra Leone |
| Cape Verde | Kenya | South Africa |
| Congo | Malawi | Tanzania |
| Cote D'Ivoire | Mali | Uganda |
| Djibouti | Mozambique | Zambia |
| Eritrea | Namibia | Zimbabwe |

American Republics:

| | | |
|-----------------|----------------|-----------------------------|
| Antigua-Barbuda | Dominican Rep. | Panama |
| Argentina | Ecuador | Paraguay |
| Bahamas | El Salvador | Peru |
| Barbados | Grenada | St. Kitts & Nevis |
| Belize | Guatemala | St. Lucia |
| Bolivia | Guyana | St. Vincent & Grenadines |
| Brazil | Haiti | Suriname |
| Chile | Honduras | Trinidad & Tobago |
| Colombia | Jamaica | Uruguay |
| Costa Rica | Mexico | Venezuela |
| Dominica | Nicaragua | |

East Asia & Pacific:

| | | |
|-----------|------------------|----------|
| Cambodia | Mongolia | Thailand |
| Indonesia | Papua-New Guinea | Tonga |
| Laos | Philippines | Vanuatu |
| Malaysia | Solomon Islands | W. Samoa |

Near East & South Asia:

| | | |
|------------|---------|-----------|
| Bahrain | Israel | Nepal |
| Bangladesh | Jordan | Oman |
| Egypt | Lebanon | Sri Lanka |
| India | Morocco | Tunisia |

Supporting Information

Europe & Central Asia:

Albania

Bosnia & Herzegovina

Bulgaria

Czech Republic

Estonia

Former Yugoslav

Rep. Macedonia

Georgia

Greece

Hungary

Kazakhstan

Kyrgyzstan

Latvia

Lithuania

Moldova

Portugal

Romania

Russia

Slovakia

Slovenia

Turkey

Turkmenistan

Ukraine

Uzbekistan

Supporting Information

| SALES OF EXCESS DEFENSE ARTICLES UNDER FOREIGN MILITARY SALES PROVISIONS IN FY 1997 (Dollars in Thousands) | | | | |
|---|----------------|-----------------------------|---------------------------------------|------------------|
| | ACQ. VALUE | OFFERED CURRENT VALUE | DELIVERED IN FY 1997 ACQ. VALUE | CURRENT VALUE |
| AMERICAN REPUBLICS: | | | | |
| CHILE | 941 | 47 | 941 | 47 |
| REGIONAL TOTAL | 941 | 47 | 941 | 47 |
| EAST ASIA & PACIFIC: | | | | |
| AUSTRALIA | 483,472 | 56,330 | 74,038 | 15,477 |
| NEW ZEALAND | 247 | 34 | 15 | 7 |
| SINGAPORE | 330 | 67 | 330 | 67 |
| TAIWAN | 1,541 | 116 | 0 | 0 |
| REGIONAL TOTAL | 485,590 | 56,547 | 74,383 | 15,551 |
| EUROPE: | | | | |
| BELGIUM | 4,666 | 467 | 0 | 0 |
| DENMARK | 5,941 | 1,188 | 0 | 0 |
| GREECE | 971 | 485 | 334 | 167 |
| GERMANY | 15,197 | 6,826 | 12,620 | 6,294 |
| NETHERLANDS | 2,097 | 419 | 0 | 0 |
| SPAIN | 971 | 485 | 0 | 0 |
| TURKEY | 1,400 | 680 | 519 | 213 |
| UNITED KINGDOM | 935 | 392 | 0 | 0 |
| REGIONAL TOTAL | 32,178 | 10,942 | 13,473 | 6,674 |
| NEAR EAST & SOUTH ASIA: | | | | |
| SAUDI ARABIA | 4,851 | 970 | 0 | 0 |
| REGIONAL TOTAL | 4,851 | 970 | 0 | 0 |
| NON-REGIONAL: | | | | |
| NAMSA | 2,700 | 854 | 0 | 0 |
| NON-REGIONAL TOTAL | 2,700 | 854 | 0 | 0 |
| WORLDWIDE TOTAL | 526,260 | 69,360 | 88,797 | 22,272 |

Supporting Information

| GRANTS OF EXCESS DEFENSE ARTICLES UNDER THE PROVISIONS OF THE FOREIGN ASSISTANCE ACT IN FY 1997 (Dollars in Thousands) | | | | |
|---|---------------|------------------|----------------------|------------------|
| | OFFERED | | DELIVERED IN FY 1997 | |
| | ACQ. VALUE | CURRENT VALUE | ACQ. VALUE | CURRENT VALUE |
| AFRICA: | | | | |
| BOTSWANA | 755 | 377 | 0 | 0 |
| REGIONAL TOTAL | 755 | 377 | 0 | 0 |
| AMERICAN REPUBLICS: | | | | |
| ARGENTINA | 66,233 | 23,352 | 8,393 | 460 |
| BELIZE | 208 | 42 | 0 | 0 |
| DOMINICAN REPUBLIC | 1,874 | 232 | 1,874 | 232 |
| ECUADOR | 375 | 77 | 375 | 77 |
| MEXICO | 18,454 | 3,023 | 18,454 | 3,023 |
| REGIONAL TOTAL | 87,144 | 26,726 | 29,096 | 3,792 |
| EUROPE: | | | | |
| ALBANIA | 957 | 115 | 0 | 0 |
| BOSNIA HERZEGOVINA | 36,554 | 7,881 | 27,965 | 5,360 |
| BULGARIA | 59 | 6 | 59 | 6 |
| ESTONIA | 6,736 | 1,343 | 1,997 | 396 |
| GREECE | 100,613 | 25,937 | 0 | 0 |
| HUNGARY | 177 | 84 | 167 | 83 |
| LITHUANIA | 89 | 45 | 0 | 0 |
| PORTUGAL | 13,580 | 2,839 | 0 | 0 |
| TURKEY | 271,949 | 111,988 | 271,053 | 111,539 |
| REGIONAL TOTAL | 430,714 | 150,238 | 301,241 | 117,384 |
| NEAR EAST & SOUTH ASIA: | | | | |
| BAHRAIN | 35,320 | 14,568 | 25,227 | 12,178 |
| BANGLADESH | 17,967 | 1,797 | 0 | 0 |
| EGYPT | 22,015 | 7,569 | 104 | 21 |
| ISRAEL | 68,072 | 20,491 | 0 | 0 |
| JORDAN | 183,088 | 54,311 | 31,513 | 15,756 |
| LEBANON | 11,116 | 2,223 | 0 | 0 |
| MOROCCO | 90,886 | 26,427 | 43,207 | 4,856 |
| OMAN | 14,465 | 2,503 | 2,759 | 552 |
| TUNISIA | 12,452 | 2,446 | 0 | 0 |
| REGIONAL TOTAL | 455,381 | 132,335 | 102,810 | 33,363 |
| WORLDWIDE TOTAL | 973,994 | 309,676 | 433,147 | 154,539 |

Leased Defense Articles

The United States Government normally makes defense articles available to foreign governments through Foreign Military Sales (FMS) under the Arms Export Control Act (AECA). However, there may be exceptional instances in which a lease agreement would be the most appropriate method whereby U.S. defense articles can be made available to eligible foreign countries or international organizations. Such arrangements are authorized under the AECA, Chapter 6, when it is determined that there are compelling foreign policy and national security reasons for providing such articles on a lease rather than a sales basis and the articles are not needed for public use during the period of the lease.

Leases are concluded for a fixed duration of time not to exceed five years and provide that, at any time during the lease, the U.S. may terminate the lease and require the immediate return of the defense articles.

Lease terms require the lessee to pay the cost of restoration or replacement less any depreciation during the term of the lease if the articles are damaged, lost, or destroyed while leased. For articles lost or destroyed which the U.S. does not intend to replace, an amount not less than the actual value (less any depreciation) is assessed.

The lessee country or international organization must pay in U.S. dollars all costs incurred by the U.S. Government in leasing the articles, including a rental payment which is equal to the depreciation of the articles while leased.

Chapter 6, AECA, provides for the waiver of both replacement charges and rental payments for leases entered into for purposes of cooperative research or development, military exercises or communications or electronics interface projects. The President may also waive the rental payments for any defense article which has passed three quarters of its normal service life if the President determines that to do so is important to the national security interest of the United States. Such waivers are made before the implementation of the lease agreement.

Supporting Information

| LEASES UNDER THE ARMS EXPORT CONTROL ACT IMPLEMENTED FY 1997 (Dollars in Thousands) | | |
|---|----------------------|-----------------------|
| | REPLACEMENT VALUE | TOTAL RENTAL VALUE |
| AMERICAN REPUBLICS: | | |
| CHILE | 5,303 | 1,148 |
| VENEZUELA | 3,351 | 88 |
| REGIONAL TOTAL | 8,654 | 1,236 |
| EAST ASIA & PACIFIC: | | |
| AUSTRALIA | 16,427 | 100 |
| JAPAN | 120 | 0 |
| NEW ZEALAND | 18 | 0 |
| TAIWAN | 11,509 | 5,083 |
| REGIONAL TOTAL | 28,074 | 5,183 |
| EUROPE & CANADA: | | |
| CANADA | 175 | 2 |
| FRANCE | 3,900 | 33 |
| GREECE | 1,290 | 20 |
| NETHERLANDS | 100 | 5 |
| NORWAY | 6,313 | 737 |
| TURKEY | 54,884 | 19,977 |
| REGIONAL TOTAL | 66,662 | 20,774 |
| NEAR EAST & SOUTH ASIA: | | |
| OMAN | 20 | 10 |
| REGIONAL TOTAL | 20 | 10 |
| NON-REGIONAL: | | |
| NATO | 10 | 10 |
| NON-REGIONAL TOTAL | 10 | 10 |
| WORLDWIDE TOTAL | 103,420 | 27,213 |

Stockpiling Of Defense Articles For Foreign Countries

Section 514(b) of the Foreign Assistance Act of 1961 (FAA), as amended, establishes annual ceilings on the value of additions of defense articles located abroad that may be set aside, reserved, or otherwise earmarked from U.S. military inventories for use as War Reserves Stocks by Allies (WRSA) or other foreign countries (other than NATO). Most defense articles added to stockpiles under this ceiling will come from existing stocks.

The Foreign Operations, Export Financing and Related programs Appropriations Act for Fiscal Year 1998 (P. L. 105-118) authorized additions of \$40M for Korea, and an additional \$20M for Thailand in order to fulfill U.S. obligations under the Memorandum of Understanding establishing the Thai WRSA program.

In FY 1999 an additional \$320M is required for the Korean program. This authorization is required to transfer excess items (U.S.-titled material), to the WRSA program. After a recent review by U.S. Forces Korea of its munitions assets, updated weapons systems, and the fire support plan, it was determined that large amounts of excess and obsolete munitions exists in U.S. inventories. As a result, U.S. Forces Korea seeks a significant increase in authority to transfer \$320M in additions to the FY99 WRSA-K. The additions include primarily excess munitions, with the remainder being other supply-type items.

While alternative disposition of excess and obsolete munitions exists in the form of foreign military sales (FMS) and demilitarization, FMS to other countries is limited due to the extra cost incurred by the buyer to transport the munitions off the Korean peninsula, and demilitarization is a very slow and expensive process. Transfer of excess and obsolete munitions to the WRSA-K from the U.S. inventory will result in the avoidance of maintenance, storage, transportation, and demilitarization costs by the U.S., resulting in increased storage space for U.S. Forces Korea, and improvement in ROK readiness. [By agreement with the Government of Korea, the U.S. does not pay for the storage of assets designated as WRSA, although the assets remain under U.S. title.]

In FY99 an additional \$20M authorization is required for the Thailand program. This authorization is required to fulfill expected U.S. obligations under the Memorandum of Understanding establishing the Thai WRSA program. While the Government of Thailand originally requested only \$10M in additions for FY99, the recent economic crisis in Thailand resulted in the Chief, U.S. Joint Military Assistance Group being notified that the Government of Thailand would only be able to pay in-country port-to-storage transportation for \$10M of the FY98 authorization (FY98 authorization for additions to WRSAA-T was \$20M). As a result, the Government of Thailand has asked that an additional \$10M, the amount of unused authority from the FY98 authorization, be requested for the FY99 WRSA-T. The U.S. contribution will be matched dollar-for-dollar by the Government of Thailand. If approved, the goal of the

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program, which is to bring the total value of U.S. contributions since the establishment of the program in 1987 to \$100M, will be met.

As the term "war reserves" implies, these stocks are intended for use only in emergencies. In all cases, title to and control of the additions remain with the U.S. Government. Pursuant to Section 514(a) of the FAA, any transfer to an allied or friendly country must be in accordance with the provisions of the security assistance legislation prevailing at the time.

Some additions in FY 1999 may consist of overseas U.S. defense stocks currently identified as war reserves for U.S. armed forces. These reserves would be identified in FY 1999 as war reserves to be held for emergency use under the terms of Section 514 of the FAA. While some of these additions may not be wholly relocated within the territory of the intended recipient in FY 1999, their value will not be counted a second time, when eventually relocated.

Supporting Information

VALUE OF ANNUAL CEILINGS FOR STOCKPILING

(Dollars in thousands)

| FISCAL YEAR | AMOUNT STOCKPILED |
|--------------------|--------------------------|
| 1976 and 1977 | 96,750 |
| 1977 | 152,000 |
| 1978 | 270,000 |
| 1979 | 90,000 |
| 1980 | 95,000 |
| 1981 | 85,000 |
| 1982 | 130,000 |
| 1983 | 125,000 |
| 1984 | 125,000 |
| 1985 | 248,000 |
| 1986 | 360,000 |
| 1981 | 125,000 |
| 1988 | 116,000 |
| 1989 | 77,000 |
| 1990 | 165,000 |
| 1991 | 378,000 |
| 1992 | 300,000 |
| 1993 | 389,000 |
| 1994 | 292,000 |
| 1995 | 250,000 |
| 1996 | 50,000 |
| 1997 | 50,000 |
| 1998 | 60,000 |
| 1999 | 340,000 |

**COUNTRIES AND INTERNATIONAL ORGANIZATIONS
ELIGIBLE FOR PURCHASING
DEFENSE ARTICLES AND SERVICES
FROM THE UNITED STATES GOVERNMENT**

Pursuant to Section 25(a)(8) of the Arms Export Control Act (AECA), the following is a listing of the countries and international organizations that the President has determined to be eligible under Section 3(a)(1) of the AECA to purchase defense articles and services. That a determination of record under Section 3(a)(1) exists does not signify in itself that sales will be made.

| COUNTRY | DATE OF DETERMINATION |
|--------------------------|-------------------------------|
| Africa | |
| Angola | July 28, 1995 |
| Benin | January 2, 1973 |
| Botswana | February 6, 1979 |
| Burkina Faso | January 2, 1973 |
| Burundi | August 24, 1991 |
| Cameroon | January 2, 1973 |
| Cape Verde | June 10, 1985 |
| Central African Republic | February 2, 1987 |
| Chad | September 1, 1977 |
| Comoros | May 26, 1992 |
| Congo | August 24, 1991 |
| Djibouti | May 17, 1982 |
| Equatorial Guinea | November 28, 1983 |
| Eritrea | February 18, 1994 |
| Ethiopia | January 2, 1973 |
| Gabon | January 2, 1973 |
| Gambia | February 2, 1987 |
| Ghana | January 2, 1973 |
| Guinea | January 2, 1973 |
| Guinea-Bissau | June 10, 1985 |
| Ivory Coast | January 2, 1973 |
| Kenya | October 29, 1974/May 20, 1975 |
| Lesotho | October 25, 1990 |
| Liberia | January 2, 1973 |
| Madagascar | October 29, 1974 |
| Malawi | February 4, 1985 |
| Mali | January 2, 1973 |
| Mauritania | June 10, 1985 |
| Mauritius | October 29, 1974 |
| Mongolia | August 22, 1995 |

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**COUNTRIES AND INTERNATIONAL ORGANIZATIONS
ELIGIBLE FOR PURCHASING
DEFENSE ARTICLES AND SERVICES
FROM THE UNITED STATES GOVERNMENT
(continued)**

| COUNTRY | DATE OF DETERMINATION |
|---------------------|------------------------------------|
| Mozambique | April 10, 1985 |
| Namibia | October 25, 1990 |
| Niger | January 2, 1973 |
| Nigeria | January 2, 1973 |
| Rwanda | February 27, 1981 |
| South Africa | June 27, 1994 |
| Sao Tome & Principe | May 27, 1988 |
| Senegal | January 2, 1973 |
| Seychelles | July 20, 1989 |
| Sierra Leone | February 5, 1985 |
| Somalia | November 5, 1976 and March 3, 1980 |
| Sudan | November 5, 1976 |
| Tanzania | July 20, 1989 |
| Togo | February 11, 1985 |
| Uganda | July 20, 1989 |
| Zaire | January 2, 1973 |
| Zambia | August 11, 1992 |
| Zimbabwe | October 26, 1982 |

Latin America & the Caribbean

| | |
|--------------------|-------------------|
| Antigua & Barbuda | April 8, 1982 |
| Argentina | January 2, 1973 |
| Bahamas | December 13, 1973 |
| Barbados | June 21, 1979 |
| Belize | November 23, 1981 |
| Bolivia | January 2, 1973 |
| Brazil | January 2, 1973 |
| Chile | January 2, 1973 |
| Colombia | January 2, 1973 |
| Costa Rica | January 2, 1973 |
| Dominica | March 13, 1980 |
| Dominican Republic | January 2, 1973 |
| Ecuador | January 2, 1973 |
| El Salvador | January 2, 1973 |
| Grenada | April 3, 1984 |
| Guatemala | January 2, 1973 |

**COUNTRIES AND INTERNATIONAL ORGANIZATIONS
ELIGIBLE FOR PURCHASING
DEFENSE ARTICLES AND SERVICES
FROM THE UNITED STATES GOVERNMENT
(continued)**

| COUNTRY | DATE OF DETERMINATION |
|------------------------------------|------------------------------|
| Guyana | August 30, 1993 |
| Haiti | January 2, 1973 |
| Honduras | January 2, 1973 |
| Jamaica | January 2, 1973 |
| Mexico | January 2, 1973 |
| Nicaragua | January 2, 1973 |
| Panama | January 2, 1973 |
| Paraguay | January 2, 1973 |
| Peru | January 2, 1973 |
| St. Kitts-Nevis | April 9, 1984 |
| St. Lucia | March 13, 1980 |
| St. Vincent and the Grenadines | March 13, 1980 |
| Suriname | April 14, 1976 |
| Trinidad and Tobago | January 2, 1973 |
| Uruguay | January 2, 1973 |
| Venezuela | January 2, 1973 |
| East Asia & the Pacific | |
| Australia | January 2, 1973 |
| Brunei | January 2, 1973 |
| Burma | January 2, 1973 |
| Cambodia | January 2, 1973 |
| China | June 12, 1984 |
| Cook Islands | January 6, 1993 |
| Fiji | August 5, 1975 |
| Indonesia | January 2, 1973 |
| Japan | January 2, 1973 |
| Korea | January 2, 1973 |
| Laos | January 2, 1973 |
| Malaysia | January 2, 1973 |
| Marshall Islands | January 6, 1993 |
| Micronesia | January 6, 1993 |
| Mongolia | August 22, 1995 |
| New Zealand | January 2, 1973 |
| Papua New Guinea | December 4, 1980 |
| Philippines | January 2, 1973 |

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**COUNTRIES AND INTERNATIONAL ORGANIZATIONS
ELIGIBLE FOR PURCHASING
DEFENSE ARTICLES AND SERVICES
FROM THE UNITED STATES GOVERNMENT
(continued)**

| COUNTRY | DATE OF DETERMINATION |
|-----------------|------------------------------|
| Singapore | January 2, 1973 |
| Solomon Islands | January 6, 1993 |
| Taiwan | January 2, 1973; reaffirmed |
| 12/30/78 | |
| Thailand | January 2, 1973 |
| Tonga | November 5, 1987 |
| Vanuatu | January 6, 1993 |
| Vietnam | January 2, 1973 |
| Western Samoa | January 6, 1993 |

Europe and Canada

| | |
|---|-------------------|
| Albania | March 22, 1994 |
| Austria | January 2, 1973 |
| Belgium | January 2, 1973 |
| Bosnia-Herzegovina | February 23, 1996 |
| Bulgaria | March 22, 1994 |
| Canada | January 2, 1973 |
| Czech Republic | January 5, 1994 |
| Denmark | January 2, 1973 |
| Estonia | March 22, 1994 |
| Finland | January 2, 1973 |
| The Former Yugoslav Republic of Macedonia | March 8, 1996 |
| France | January 2, 1973 |
| Germany | January 2, 1973 |
| Greece | January 2, 1973 |
| Hungary | December 6, 1991 |
| Iceland | January 2, 1973 |
| Ireland | January 2, 1973 |
| Italy | January 2, 1973 |
| Latvia | March 22, 1994 |
| Luxembourg | January 2, 1973 |
| Lithuania | March 22, 1994 |
| Malta | January 2, 1973 |
| Netherlands | January 2, 1973 |
| Norway | January 2, 1973 |
| Poland | December 6, 1991 |

COUNTRIES AND INTERNATIONAL ORGANIZATIONS
ELIGIBLE FOR PURCHASING
DEFENSE ARTICLES AND SERVICES
FROM THE UNITED STATES GOVERNMENT
(continued)

| COUNTRY | DATE OF DETERMINATION |
|-------------------------------|------------------------------|
| Portugal | January 2, 1973 |
| Romania | March 22, 1994 |
| Slovakia | January 5, 1994 |
| Slovenia | March 8, 1996 |
| Spain | January 2, 1973 |
| Sweden | January 2, 1973 |
| Switzerland | January 2, 1973 |
| Turkey | January 2, 1973 |
| United Kingdom | January 2, 1973 |
| Yugoslavia | January 2, 1973 |
| Near East | |
| Algeria | April 8, 1983/April 10, 1985 |
| Bahrain | January 2, 1973 |
| Egypt | August 1, 1977 |
| Iran | January 2, 1973 |
| Israel | January 2, 1973 |
| Jordan | January 2, 1973 |
| Kuwait | January 2, 1973 |
| Lebanon | January 2, 1973 |
| Libya | January 2, 1973 |
| Morocco | January 2, 1973 |
| Oman | January 2, 1973 |
| Qatar | January 2, 1973 |
| Saudi Arabia | January 2, 1973 |
| Tunisia | January 2, 1973 |
| United Arab Emirates | January 2, 1973 |
| Yemen Arab Republic | January 2, 1973 /a |
| New Independent States | |
| Georgia | March 11, 1997 |
| Kazakstan | March 11, 1997 |
| Kyrgystan | March 11, 1997 |
| Moldova | March 11, 1997 |
| Russia | March 11, 1997 |

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**COUNTRIES AND INTERNATIONAL ORGANIZATIONS
ELIGIBLE FOR PURCHASING
DEFENSE ARTICLES AND SERVICES
FROM THE UNITED STATES GOVERNMENT
(continued)**

| COUNTRY | DATE OF DETERMINATION |
|-----------------------------------|------------------------------|
| Turkmenistan | March 11, 1997 |
| Ukraine | March 11, 1997 |
| Uzbekistan | March 11, 1997 |
| South Asia | |
| Afghanistan | January 2, 1973 |
| Bangladesh | December 31, 1980 |
| India | January 2, 1973 |
| Nepal | January 2, 1973 |
| Pakistan | January 2, 1973 |
| Sri Lanka | January 2, 1973 |
| International Organization | |
| NATO and its Agencies | January 2, 1973 |
| United Nations and its Agencies | January 2, 1973 |
| Organization of African Unity | August 25, 1992 |
| Organization of American States | January 2, 1973 |

a/ Determination effective only for FMS cases accepted prior to May 1, 1990.

Commercial Exports Licensed or Approved Under the Arms Export Control Act

The Office of Defense Trade Controls (DTC) in the Bureau of Political-Military Affairs at the Department of State, administers the United States Government's program to control commercial exports of defense articles, services and technical data. DTC implements the Arms Export Control Act (AECA) through the International Traffic in Arms Regulations (ITAR), which includes the United States Munitions List (USML). DTC reviews all requests for licenses and other approvals to export defense articles, services or technical data; establishes licensing policies and procedures; and enforces compliance with the ITAR.

The data in the following chart on commercial arms sales are compiled by DTC based on information as of September 1996. The chart is in two parts. The first column, entitled "Actual Deliveries (Preliminary)", shows the preliminary dollar value totals by destination of exports during fiscal year 1996. These export totals are compiled from expired or completed licenses returned to DTC by the U.S. Customs Service, unless a more comprehensive method is available. The totals are preliminary because DTC licenses are approved for four calendar years, thereby allowing shipments to span five fiscal years, and are not returned by the U.S. Customs Service until the license is completed or expired. In some instances, training and technical assistance are not included in these figures. For further information, see also the classified annex to this document.

The second and third columns in the chart show the estimated dollar value totals by destination of possible deliveries in fiscal years 1997 and 1998. These estimates are based primarily on the dollar value of licenses approved for each destination during the prior two fiscal years (the dollar values of the authorized licenses are not shown). Not all approved licenses result in signed contracts and actual exports. Factors which affect the final export value include the availability of the licensed item for shipping, and how quickly the license will be returned to DTC. (See also the classified annex.) Other factors which cannot be quantified are economic and security conditions at the destination, and changing U.S. foreign policy and national security considerations. Countries for whom there were no actual deliveries in fiscal year 1996 and which had no authorized licenses for fiscal years 1995 and 1996 do not appear in this report.

The procedures for estimating defense commercial sales for out years (fiscal years 1997 and 1998) were revised for the 1995 CPD. Previous procedures for such estimates called for extrapolating exports for the first out year at forty percent of the actual dollar value of licenses approved in the previous two fiscal years. The second out year's exports would have been estimated at sixty percent of that two year total.

An analysis of preliminary worldwide exports for fiscal years 1988-1992 showed, however, exports ranging from an average of 4.3 percent to 21.18 percent of the total dollar value of approvals for the previous two years. It further showed that actual

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shipments for some countries have ranged from zero to values in excess of previous years' approvals, owing to changing economic and security conditions or acquisition of major defense systems. Based on this historical data, DTC now estimates exports for the first out year (fiscal year 1997) to be 10 percent of the total dollar value of approved licenses for the previous two years (fiscal years 1995 and 1996). The exports for the second out year (fiscal year 1998) are estimated to be fifty percent of those for fiscal year 1996. This formula is applied for all countries except where the U.S. has a current policy not to approve exports of defense articles, services or technical data.

End Use Monitoring Programs

Commercial Programs (Blue Lantern)

The importance of the Blue Lantern program was recently reiterated in a State Department cable to all diplomatic and consular posts in October 1997. Posts are instructed to maintain formal action plans and keep current procedures to implement the Blue Lantern program. Changes in operations or personnel are reported regularly throughout the year.

Blue Lantern is integrated fully into the Office of Defense Trade Controls' operations within existing personnel ceilings. Teams of professionals with expertise in export compliance and licensing meet regularly to discuss potential cases and program information.

For FY 1997, 510 licenses were subject to Blue Lantern verification, an increase of 106 licenses from FY 1996, and the second highest total ever.

Responses were received for 379 of the 510 licenses subject to end-use checks initiated in FY 1997. While 261 of the 379 licenses received favorable responses, 56 licenses received unfavorable responses, translating to an almost 15 percent unfavorable rate.

Significant Blue Lantern activities from FY 1997 include:

1. **Military Vehicle Generators and Spare Parts to Austria and Yemen:** Through Blue Lantern channels it was developed that an German entity cited on export licenses was in fact a straw firm for German arms merchants to facilitate exports of U.S.-origin military vehicle parts to Iran via Slovenia (no government orders from Austria or Yemen had in fact been proffered). Several arrests were made by German authorities in breaking up this major international network of illegal diversions to Iran.
2. **Aircraft and Missile Spare Parts to Italy:** A Blue Lantern end-use check determined that an Italian entity identified on license transactions totaling multiple millions of dollars had no contracts or current affiliation with the Government of Italy, and that the Government of Italy considered the transactions highly suspect and illegal.
3. **Pilot Beacons and Lights to the United Kingdom:** It was learned through Blue Lantern that the commodities would be used by the U.K. firm listed as foreign end-user not in the United Kingdom as suggested but rather for mercenary operations in Papua New Guinea.
4. **Firearms to Paraguay:** Paraguay currently is subject to a ban on firearms exports for commercial purposes; transactions involving solely government entities are reviewed on a case-by-case basis. A Blue Lantern check on such a case determined that the Policia Nacional did not place an order for firearms, and that documents submitted with the license application purportedly from the Policia Nacional were fraudulent, including a misspelling of the Chief of Police's name and provision of an identification number which refers to a traffic accident. Further, no import authorization from the correct Government of Paraguay

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office was ever issued. Paraguayan authorities intended to launch an investigation into this matter.

Government-To-Government Programs

Section 40A of the AECA, as added by PL 104-164, requires that controls used for identifying high risk exports developed under Section 38 (g)(7) of the AECA and subsequently used in the Blue Lantern program also be applied for government-to-government sales and lease programs. Prior to submission of the first report under this section, the Department of Defense (DoD) reviewed its procedures for government-to-government shipments and determined that existing controls fully meet Blue Lantern program standards.

Specifically, before government-to-government shipments are made, DoD coordinates the transfer closely with the country team, appropriate regional commander-in-chief, other U.S. Government interagency offices, and with the acquiring country or international organization. Each defense item transfer must be preceded by formal agreement. Each agreement includes appropriate end-use and retransfer restrictions.

DoD applies tighter controls for more sensitive items. To help ensure proper controls are maintained, DoD manages transportation for more sensitive items to the point of physical turnover to appropriate country representatives. Physical security for transfers of arms, ammunition, and explosives are similar to those required for U.S. forces. The process for transfer of classified items include pre-release security surveys, special bilateral agreement prior to release, and follow-on surveys to verify that recipients retain appropriate item protection measures.

These controls are generally referred to as end-use monitoring (EUM). EUM is an integral, ongoing, and evolving feature of arms transfer, use, and ultimate disposal. It is therefore a factor in almost every significant government-to-government security assistance process change. The following are EUM enhancements since the previous report:

- **Guidance:** Guidance has been updated to highlight specific features within security assistance processes and actions within our security assistance operations that support EUM. Formal guidance was provided to the Unified Commanders in November 1996. Within the next few months, DoD anticipates publication of guidance in the manual used by the security assistance community. The guidance has already been incorporated as a formal block of classroom instruction, including textbook changes. It has also been published as a booklet, for distribution to civilian and other parties interested in controls which are integral to arms transfers.

- **Training:** More than 250 new country team members received the new block of EUM instruction in 1997. Additionally, more than 1,200 students received expanded EUM training. This included personnel assigned to DoD and other U.S. agencies, students assigned from security assistance customer countries, and U.S. contractor personnel involved in programs which transfer defense articles and services to foreign countries.

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-- **FMS Reserve:** From an EUM perspective, sales of defense articles to friendly governments are preferable to private sales since end-use and retransfer restrictions are more intensively applied. Consumption within the military establishments of foreign countries reduces opportunities for unauthorized use. In this regard, DoD has adjusted its policies to encourage retention, when foreign requirements exist, of secondary items that could otherwise be sold to the commercial sector. This has saved approximately \$100 million to date as DoD sold items at full price while reducing possibilities for misuse.

-- **Disposal Through Redistribution:** Excess secondary items are less visible than end items and therefore more subject to transfer without full attention to EUM requirements. There is continuing interest in ensuring that serviceable non-significant military equipment items, which are no longer needed by a country, may be disposed of without proper end-use controls. As one more step to prevent unauthorized retransfer of these items, a process referred to as World Wide Redistribution Services (WWRS) is being implemented. The process entails listing excess items centrally and streamlined procedures to supply the listed items, versus production of new items, when a U.S. or friendly country requirement develops.

DoD continues to monitor its transfer processes to detect and minimize any opportunities for unauthorized end-use of U.S.-origin defense articles. To date, the provisions of Section 40A of the AECA have been implemented within existing personnel and resources ceilings. EUM continues as an inherent part of the duties of personnel associated with security assistance programs.

Supporting Information

| COMMERCIAL EXPORTS LICENSED OR APPROVED UNDER THE AECA (DOLLARS IN THOUSANDS) | | | |
|--|---------------------------------------|----------------------|---------|
| | ACTUAL DELIVERIES (PRELIMINARY) | ESTIMATED DELIVERIES | |
| | FY 1997 | FY 1998 | FY 1999 |
| AFRICA: | | | |
| ANGOLA | ** | 13 | 45 |
| BOTSWANA | 176 | 962 | 1,506 |
| BURKINA FASO | 2 | ** | 1 |
| BURUNDI | 0 | 0 | 0 |
| CAMEROON | 0 | 5 | 24 |
| CHAD | 0 | 5 | 24 |
| COMOROS | 0 | 1 | 0 |
| CONGO | 0 | 0 | 0 |
| COTE D'IVOIRE | 13 | 8 | 9 |
| ERITREA | 7 | 90 | 450 |
| ETHIOPIA | 14 | 1 | 5 |
| GABON | 9 | 44 | 60 |
| GHANA | 1 | 371 | 214 |
| GUINEA | 0 | 0 | 0 |
| KENYA | 43 | 2,197 | 308 |
| MADAGASCAR | 0 | 0 | 0 |
| MALI | 0 | 0 | ** |
| MAURITANIA | 46 | 13 | 65 |
| MAURITIUS | 0 | 9 | 15 |
| NAMIBIA | ** | 43 | 282 |
| NIGER | 0 | 5 | 22 |
| NIGERIA | ** | 0 | 0 |
| REUNION | 0 | 2 | 0 |
| SENEGAL | 14 | 0 | 0 |
| SOMALIA | 0 | 0 | 0 |
| SOUTH AFRICA | 857 | 3,561 | 14,941 |
| TANZANIA | 19 | 66 | 30 |
| TOGO | 0 | 13 | 64 |
| UGANDA | 0 | 222 | 1,101 |
| ZAMBIA | 3 | 241 | 799 |
| ZIMBABWE | 2 | 39 | 132 |
| REGIONAL TOTAL | 1,206 | 7,911 | 20,097 |
| AMERICAN REPUBLICS: | | | |
| ANTIGUA-BARBUDA* | 0 | 1 | 1 |
| ARGENTINA | 3,283 | 25,626 | 99,423 |
| ARUBA | 5 | 25 | 31 |
| BAHAMAS, THE | 6 | 7 | 5 |
| BARBADOS* | 8 | 14 | 47 |
| BELIZE | 6 | 152 | 706 |
| BERMUDA | 6 | 114 | 536 |
| BOLIVIA | 94 | 384 | 1,087 |
| BRAZIL | 4,029 | 22,584 | 91,261 |
| BRITISH VIRGIN ISLANDS | 4 | ** | ** |
| CAYMAN ISLANDS | 0 | 4 | 14 |
| CHILE | 1,028 | 5,737 | 12,271 |

Supporting Information

| | | | |
|--|---------|---------|-----------|
| COLOMBIA | 6,223 | 5,217 | 19,617 |
| COSTA RICA | 215 | 327 | 810 |
| DOMINICA* | 0 | 1 | 3 |
| DOMINICAN REPUBLIC | 254 | 1,003 | 1,358 |
| ECUADOR | 2,720 | 2,040 | 6,302 |
| EL SALVADOR | 52 | 1,631 | 4,032 |
| FRENCH GUIANA | 4,710 | 13,098 | 62,720 |
| GRENADA* | 10 | 7 | 0 |
| GUADELOUPE | 0 | 0 | 0 |
| GUATEMALA | 303 | 512 | 1,517 |
| GUYANA | 22 | 29 | 93 |
| HAITI | 0 | 22 | 79 |
| HONDURAS | 70 | 878 | 2,545 |
| JAMAICA | 97 | 77 | 215 |
| MARTINIQUE | 0 | 6 | 0 |
| MEXICO | 12,642 | 11,665 | 47,225 |
| NETHERLANDS ANTILLES | 32 | 28 | 72 |
| NICARAGUA | 77 | 10 | 11 |
| PANAMA | 219 | 2,110 | 4,574 |
| PARAGUAY | 0 | 14 | 51 |
| PERU | 95 | 2,170 | 8,146 |
| ST. KITTS AND NEVIS* | 2 | 1 | 3 |
| ST. LUCIA* | 8 | 7 | 13 |
| ST. VINCENT & GRENADINES* | 1 | 1 | 3 |
| SURINAME | 5 | 27 | 68 |
| TRINIDAD & TOBAGO | 55 | 97 | 166 |
| TURKS & CAICOS ISLAND | 0 | 0 | 0 |
| URUGUAY | 111 | 1,995 | 2,615 |
| VENEZUELA | 2,101 | 71,945 | 188,237 |
| REGIONAL TOTAL | 38,493 | 169,566 | 555,857 |
| <u>EAST ASIA & PACIFIC:</u> | | | |
| AUSTRALIA | 16,772 | 153,887 | 208,232 |
| BRUNEI | 341 | 10,633 | 10,538 |
| BURMA | 0 | 0 | 0 |
| CAMBODIA | 0 | 1 | 2 |
| CHINA | 8 | 5,840 | 1,273 |
| FIJI | 11 | 29 | 146 |
| FRENCH POLYNESIA | 1 | 1 | 2 |
| HONG KONG | 595 | 2,618 | 1,083 |
| INDONESIA | 5,103 | 27,728 | 106,052 |
| JAPAN | 323,701 | 473,744 | 1,265,907 |
| LAOS | 0 | 65 | 0 |
| MACAU | 5 | 13 | 25 |
| MALAYSIA | 19,069 | 52,709 | 218,086 |
| NAURU | 0 | 2 | 0 |
| NEW CALEDONIA | 2 | 32 | 42 |
| NEW ZEALAND | 2,579 | 22,265 | 57,482 |
| PAPUA NEW GUINEA | ** | 97 | 275 |
| PHILIPPINES | 779 | 20,530 | 70,475 |
| SINGAPORE | 24,533 | 68,822 | 262,042 |
| SOLOMON ISLANDS | 0 | 76 | 0 |
| SOUTH KOREA | 51,741 | 134,323 | 211,886 |

Supporting Information

| | | | |
|-----------------------------|---------|-----------|-----------|
| TAIWAN | 261,136 | 270,000 | 200,000 |
| THAILAND | 14,719 | 46,603 | 171,396 |
| VIETNAM | 0 | 104 | 3 |
| REGIONAL TOTAL | 721,095 | 1,290,122 | 2,784,947 |
| EUROPE & CANADA: | | | |
| ALBANIA | 1 | 0 | 0 |
| ANDORRA | 5 | 24 | 20 |
| AUSTRIA | 1,508 | 4,543 | 18,344 |
| AZERBAIJAN | 0 | 55 | 3 |
| BELARUS | 0 | 7 | 6 |
| BELGIUM | 8,557 | 42,278 | 145,825 |
| BOSNIA-HERZEGOVINA | 0 | 9 | 40 |
| BULGARIA | 5 | 118 | 229 |
| CANADA | 100 | 5,802 | 4,375 |
| CROATIA | 137 | ** | 419 |
| CYPRUS | 0 | 18 | 88 |
| CZECH REPUBLIC | 133 | 1,880 | 6,295 |
| DENMARK | 713 | 32,108 | 118,525 |
| ESTONIA | 0 | 57 | 8 |
| FAROE ISLANDS | 0 | 0 | 0 |
| FINLAND | 64,830 | 14,010 | 53,196 |
| FRANCE | 6,110 | 37,895 | 98,786 |
| GEORGIA | 66 | 72 | 358 |
| GERMANY | 46,689 | 139,015 | 428,872 |
| GIBRALTAR | 0 | 2 | 0 |
| GREECE | 17,124 | 28,021 | 121,967 |
| GREENLAND | 14 | 156 | 769 |
| HUNGARY | ** | 2,424 | 11,886 |
| ICELAND | 14 | 802 | 1,616 |
| IRELAND | 4 | 1,345 | 2,136 |
| ITALY | 15,937 | 53,885 | 183,242 |
| KAZAKHSTAN | 45 | 1,220 | 4,458 |
| LATVIA | 2 | 84 | 416 |
| LIECHTENSTEIN | 0 | ** | 0 |
| LITHUANIA | 0 | 51 | 54 |
| LUXEMBOURG | 267 | 3,517 | 14,988 |
| MACEDONIA (FYROM) | 0 | 33 | 34 |
| MALTA | 0 | ** | 0 |
| MOLDOVA | 0 | 4 | 21 |
| MONACO | 14 | 2 | 1 |
| NETHERLANDS | 46,011 | 82,571 | 235,749 |
| NORWAY | 25,025 | 24,989 | 53,630 |
| POLAND | 259 | 776 | 2,784 |
| PORTUGAL | 1,473 | 9,630 | 24,351 |
| ROMANIA | 18,656 | 4,800 | 2,531 |
| RUSSIA | 2,085 | 10,152 | 38,855 |
| SLOVAKIA | 232 | 396 | 904 |
| SLOVENIA | 0 | 298 | 190 |
| SPAIN | 10,238 | 33,912 | 68,327 |
| SWEDEN | 6,165 | 532,213 | 86,299 |
| SWITZERLAND | 3,947 | 43,395 | 174,387 |
| TURKEY | 103,866 | 76,626 | 181,324 |

Supporting Information

| | | | |
|---|-----------|-----------|-----------|
| TURKMENISTAN | ** | 2 | 10 |
| UKRAINE | 0 | 96 | 443 |
| UNITED KINGDOM | 57,568 | 380,187 | 1,304,233 |
| UZBEKISTAN | 0 | 2 | 5 |
| YUGOSLAVIA | 0 | 0 | 0 |
| REGIONAL TOTAL | 437,800 | 1,569,482 | 3,390,999 |
| <u>NEAR EAST & SOUTH ASIA:</u> | | | |
| AFGHANISTAN | 0 | 0 | 0 |
| ALGERIA | 47 | 6,360 | 29,003 |
| BAHRAIN | 204 | 1,817 | 4,458 |
| BANGLADESH | 79 | 400 | 1,294 |
| BHUTAN | 0 | 10 | 0 |
| EGYPT | 3,269 | 23,282 | 41,241 |
| INDIA | 9,078 | 6,852 | 14,953 |
| ISRAEL | 32,261 | 138,157 | 348,566 |
| JORDAN | 3,334 | 2,168 | 33,588 |
| KUWAIT | 1,972 | 5,250 | 7,490 |
| LEBANON | 101 | 290 | 1,038 |
| MALDIVES, REPUBLIC OF | 0 | ** | ** |
| MOROCCO | 259 | 3,728 | 10,736 |
| NEPAL | 442 | 418 | 19 |
| OMAN | 330 | 664 | 2,057 |
| PAKISTAN | 4,322 | 12,795 | 37,440 |
| QATAR | 245 | 1,161 | 4,264 |
| SAUDI ARABIA | 14,984 | 51,239 | 197,503 |
| SRI LANKA | 214 | 1,791 | 8,552 |
| TUNISIA | 554 | 699 | 2,475 |
| UNITED ARAB EMIRATES | 13,054 | 4,345 | 12,158 |
| YEMEN | 693 | 661 | 2,579 |
| REGIONAL TOTAL | 85,442 | 262,087 | 759,414 |
| <u>NON-REGIONAL:</u> | | | |
| CLASSIFIED TOTALS (a) | 635,013 | 1,000,000 | 1,000,000 |
| INTERNATIONAL ORG. | 2,219 | 28,836 | 108,367 |
| NON-REGIONAL TOTAL | 637,232 | 1,028,836 | 1,108,367 |
| WORLDWIDE TOTAL | 1,921,268 | 4,328,004 | 8,619,681 |

NOTE: Totals may not add due to rounding.

* These countries comprise the Eastern Caribbean. See Eastern Caribbean narrative for a discussion of specific country programs.

** Less than \$500.

(a) For further information, please see the Classified Annex to this document.

Supporting Information

| FUNDING (Dollars in Millions) | | | |
|--|---------------------------------|------------------------------------|-----------------------------------|
| FOREIGN MILITARY FINANCING GRANTS (11-1082) | | | |
| | Actual FY 1997 | Estimated FY 1998 | Proposed FY 1999 |
| Grant for Israel | 1,800.000 | 1,800.000 | 1,800.000 |
| Grant for Egypt | 1,300.000 | 1,300.000 | 1,300.000 |
| Grant - All Others | 100.791 | 173.300 | 146.000 |
| Administrative Costs | 23.183 | 23.250 | 29.910 |
| Unobligated Expenses - Admin | 0.026 | 0.000 | 0.000 |
| Total Appropriation | 3,224.000 | 3,296.550 | 3,275.910 |
| Reimbursements - Other Grants | 0.129 | 0.000 | 0.000 |
| Transfer From Other Accounts - Other Grants | 65.183 | 40.000 | 0.000 |
| Transfers From Other Accounts - Admin | 13.710 | 6.494 | 0.000 |
| Total Budget Authority | 3,289.312 | 3,343.044 | 3,275.910 |
| Unobligated Balance Expiring - Admin | -0.026 | 0.000 | 0.000 |
| Total Obligations | 3,289.286 | 3,343.044 | 3,275.910 |
| Net Outlays | 2,960.185 | 3,213.356 | 3,177.584 |

Supporting Information

| FUNDING (Continued) (Dollars in Millions) | | | |
|--|-------------------|----------------------|---------------------|
| FOREIGN MILITARY FINANCING PROGRAM ACCOUNT (11-1085) | | | |
| | Actual FY 1997 | Estimated FY 1998 | Proposed FY 1999 |
| Direct Loan Subsidy Appropriation | 60.000 | 60.000 | 20.000 |
| Transfers to Other Accounts | -1.783 | -40.000 | 0.000 |
| Subsidy Re-estimates | 24.348 | 18.171 | 0.000 |
| Budget Authority | 82.565 | 38.171 | 20.000 |
| Total Obligations | 82.565 | 38.171 | 20.000 |
| Net Outlays | 64.010 | 46.262 | 38.531 |

| FOREIGN MILITARY LOAN LIQUIDATING ACCOUNT (11-4121) | | | |
|---|-------------------|----------------------|---------------------|
| | Actual FY 1997 | Estimated FY 1998 | Proposed FY 1999 |
| Obligations: | | | |
| Guarantee Claims | 48.234 | 48.616 | 45.975 |
| Total Obligations | 48.234 | 48.616 | 45.975 |
| Financing: | | | |
| Collections of Guarantee Claims | 37.066 | 21.547 | 14.591 |
| Collections for Debt Reduction | 3.837 | 18.004 | 4.187 |
| Offsetting Collections From: | | | |
| Repayment of Guarantee Claims | 37.066 | 21.547 | 14.591 |
| Repayment of Direct Loans | 198.902 | 219.257 | 218.101 |
| Repayment of Debt Reduction Loans | 3.837 | 18.004 | 4.187 |
| Total Offsetting Collections | -239.805 | -258.808 | -236.879 |
| Net Outlays | -191.571 | -210.184 | -190.904 |

| FUNDING (Continued) (Dollars in Millions) | | | |
|--|---------------------------------|------------------------------------|-----------------------------------|
| INTERNATIONAL MILITARY EDUCATION & TRAINING PROGRAM | | | |
| | Actual FY 1997 | Estimated FY 1998 | Proposed FY 1999 |
| IMET Program | 43.475 | 50.000 | 50.000 |
| Unobligated Programs | -0.003 | 0.000 | 0.000 |
| Total Obligations | 43.472 | 50.000 | 50.000 |
| Unobligated Balance Lapsing | -3.370 | 0.000 | 0.000 |
| Budget Authority: | | | |
| Appropriation | 43.475 | 50.000 | 50.000 |
| Net Outlays | 33.815 | 46.000 | 49.000 |

Supporting Information

| FUNDING (Continued) (Dollars in Millions) | | | |
|--|-------------------|----------------------|---------------------|
| SPECIAL DEFENSE ACQUISITION FUND | | | |
| | Actual FY 1997 | Estimated FY 1998 | Proposed FY 1999 |
| Purchases of Equipment (Obligations) (a) | 0.640 | 3.000 | 6.000 |
| Gross Budget Authority (b) | 0.640 | 3.000 | 6.000 |
| Offsetting Collections | -89.132 | -80.000 | -56.000 |
| Net Budget Authority | -88.492 | -77.000 | -50.000 |
| Financing Disbursements | 13.844 | 26.000 | 20.000 |
| Offsetting Collections | -89.132 | -80.000 | -56.000 |
| Net Outlays | -75.288 | -54.000 | -36.000 |
| Return of Unobligated Balances to the Treasury due to Program Cancellation (c)(d) (Capital Return) to Treasury account 2814, "Other Repayments of Investments and Recoveries" | 166.000 | 34.000 | 0.000 |
| Return of Unobligated Balances to the Treasury due to Program Cancellation (Excess Unobligated Balance) to Treasury account 1614, "Other Earnings from Business Operations Revolving Funds" | 0.000 | 46.000 | 30.000 |

(a) FY 1995 obligations are the final year of SDAF program authority to purchase articles and services for resale. FY 1996 - FY 2000 actual and estimated obligations are for the close-out and termination expenses of SDAF.

(b) Gross budget authority is zero, despite incurring additional obligations, because these obligations are being financed by on-hand cash balances. As noted below, annual SDAF receipts are being returned to the Treasury.

(c) This represents the planned transfer of all collections "in excess of obligation authority provided in prior appropriations Acts" pursuant to P.L. 103-87, September 30, 1993, which means that all FY 1994 and later collections are first deposited into the SDAF appropriation, and later transferred to the Treasury Account, "Other Repayments of Investments and Recoveries," 2814. The return of capitalization does not affect the calculation of the net outlay. The scheduled return to Treasury account 1614 in FY 1998 depends on the collection of receipts in excess of \$34.0 million.

(d) Capital return summary (\$ in millions):

Actual: FY 1994, \$266.0; FY 1995, \$282.0; FY 1996, \$322.0; FY 1997, \$166.0. Total Actual = \$1,036.0.

Estimated: FY 1998, \$34.0. Grand total of capitalization to be returned = \$1,070.0.

LEGISLATIVE HISTORY OF AUTHORIZATIONS & APPROPRIATIONS
(Dollars in Millions)

FOREIGN MILITARY FINANCING PROGRAM

| Fiscal Year | Executive Branch Request | | Authorized | | Appropriated | |
|-------------|--------------------------|-----------|------------------|---------------|------------------|---------------|
| | Budget Authority | Program | Budget Authority | Program | Budget Authority | Program |
| 1970 | 275.000 | 350.000 | 250.000 | 340.000 | 70.000 | 0.000 |
| 1971 | 772.500 | 885.000 | 750.000 (a) | 840.000 (a) | 700.000 (a) | 0.000 |
| 1972 | 510.000 | 582.000 | 400.000 | 550.000 | 400.000 | 0.000 |
| 1973 | 527.000 | 629.000 | 400.000 (b) | 550.000 | 400.000 (b) | 0.000 |
| 1974 | 2,725.000 | 2,960.000 | 2,525.000 (c) | 2,930.000 (c) | 2,525.000 (c) | 0.000 |
| 1975 | 555.000 | 872.000 | 405.000 | 872.500 | 300.000 | 0.000 |
| 1976 (d) | 2,430.200 | 2,430.200 | 1,298.750 | 2,968.375 | 1,205.000 | 0.000 |
| 1977 | 2,179.600 | 2,179.600 | 740.000 | 2,022.100 | 740.000 | 0.000 |
| 1978 | 707.750 | 2,217.500 | 682.000 | 2,152.350 | 675.850 | 0.000 |
| 1979 (e) | 1,042.500 | 5,767.500 | 1,044.300 | 6,155.500 | 1,024.500 | 0.000 |
| 1980 | 658.880 (f) | 2,188.000 | 673.500 | 2,235.000 | 645.000 (b) | 0.000 |
| 1981 | 734.000 | 2,840.000 | 500.000 | 3,116.000 | 500.000 (b) | 3,046.187 (b) |
| 1982 | 1,481.800 | 4,054.400 | 800.000 | 4,069.525 | 800.000 | 3,883.500 |
| 1983 | 950.000 (h) | 5,273.300 | 800.000 | 4,169.525 | 1,175.000 (b) | 5,106.500 (b) |
| 1984 | 1,000.000 | 5,656.000 | 1,315.000 | 5,761.500 | 1,315.000 (b) | 5,716.250 (b) |
| 1985 | 5,100.000 | 5,100.000 | (i) | (i) | 4,939.500 (b) | 4,939.500 (b) |
| 1986 | 5,655.000 | 5,655.000 | 5,371.000 | 5,371.000 | 5,190.000 | 5,190.000 (j) |
| 1987 | 5,861.000 (k) | 5,661.000 | (i) | (i) | 4,053.441 (l) | 4,053.441 (l) |
| 1988 | 4,421.150 | 4,421.150 | (m) | (m) | 4,017.000 (n) | 4,049.000 |
| 1989 | 4,460.000 | 4,460.000 | (o) | (o) | 4,272.750 | 4,272.750 |
| 1990 | 5,027.000 | 5,027.000 | (p) | (p) | 4,827.642 | 4,827.642 (q) |
| 1991 | 5,016.900 | 5,016.900 | (r) | (r) | 4,663.421 (s) | 4,663.421 (s) |
| 1992 | 4,610.000 | 4,610.000 | (t) | (t) | 3,928.548 (u) | 3,928.548 (u) |
| 1993 | 4,099.225 | 4,099.225 | (v) | (v) | 3,245.414 (w) | 3,245.414 (w) |
| 1994 | 3,231.657 | 3,232.157 | (x) | (x) | 3,052.397 (x) | 3,052.397 (x) |
| 1995 | 3,130.858 | 3,130.858 | (y) | (y) | 3,151.279 (y) | 3,151.279 (y) |
| 1996 | 3,262.020 | 3,262.020 | (z) | (z) | 3,208.390 (z) | 3,208.390 (z) |
| 1996 Sup | 70.000 (A) | 70.000 | (A) | (A) | 70.000 (A) | 70.000 (A) |
| 1997 | 3,228.250 | 3,228.250 | (B) | (B) | 3,224.000 (B) | 3,224.000 (B) |
| 1998 | 3,274.250 | 3,274.250 | (C) | (C) | 3,296.550 (C) | 3,296.550 (C) |
| 1999 | 3,275.910 | 3,275.910 | | | | |

NOTE: Military Assistance Program included Foreign Military Sales Financing program prior to FY 1969.

(a) Includes \$500.000 for Israel authorized by P.L. 91-441 and appropriated by P.L. 91-665.

(b) CRA limitation.

(c) Includes \$2,200.000 for Emergency Security Assistance requested, authorized and appropriated for Israel.

(d) Includes transitional quarter (FY 1977).

(e) Includes \$2,200.000 supplemental program for Israel and a \$1,500.000 supplemental program for Egypt.

(f) Includes a \$10.000 amendment for Sudan and \$15.000 for Oman.

(g) Includes \$200.000 proposed budget amendment for Egypt.

(h) Reflects the amended budget request but not the supplemental budget request for program increase of \$525.000 for guarantee loans.

LEGISLATIVE HISTORY OF AUTHORIZATIONS & APPROPRIATIONS (Continued)
(Dollars in Millions)

FOREIGN MILITARY FINANCING PROGRAM (Continued)

- (i) Authorization waived in Continuing Resolution Authority (P.L. 98-473 for FY 1985, and P.L. 99-500 for FY 1987).
- (j) Reflects amounts appropriated under P.L. 99-190 (final CRA). Pursuant to P.L. 99-177 (Gramm-Rudman-Hollings), \$223.170 not available for obligation.
- (k) Includes a supplemental request of \$200.000.
- (l) Includes \$4,040.441 authorized by P.L. 99-500 CRA limitation and \$13.000 authorized by P.L. 100-71.
- (m) Authorization waived in Continuing Resolution (P.L. 100-202).
- (n) P.L. 100-202 appropriated \$4,049.000 for FY 1988. Also included in the law was a \$32.000 rescission applicable to the FY 1985 and FY 1986 appropriation resulting in an adjusted appropriation of \$4,017.000, as shown in the FY 1989 President's Budget.
- (o) Authorization waived in P.L. 100-461.
- (p) Authorization waived in P.L. 101-167.
- (q) Congress appropriated \$4,828.403 which was reduced by .43% for use in the control of illicit drugs. In addition, \$20.000 was transferred into the FMF account from the DOD budget (P.L. 101-165) resulting in \$4,827.641 available to the FMF program.
- (r) Authorization waived in P.L. 101-513.
- (s) P.L. 101-513 appropriated \$5,066.921 for FY 1991. Section 401(a) of P.L. 102-27 subsequently reduced that amount to \$4,663.421.
- (t) Authorization waived in P.L. 102-109, P.L. 102-145, and P.L. 102-266.
- (u) P.L. 102-266 appropriated \$4,100.000 for FY 1992, reduced the amount appropriated by \$60.602 and provided for the transfer of \$63.750 of funds appropriated to the Demobilization and Transition Fund. P.L. 102-298 rescinded an additional \$47.100 of the FY 1992 appropriation for a net appropriation of \$3,928.548.
- (v) Authorization waived in P.L. 102-391.
- (w) P.L. 102-391 appropriated \$3,300.000 for FY 1993, rescinded \$25.586 of prior year balance, and provided for the transfer of \$29.000 to the Demobilization and Transition Fund for a net budget authority of \$3,245.414.
- (x) P.L. 103-87 appropriated \$3,149.279, including deobligation/reobligation authority. The Authorization was waived. During FY 1994, an Emergency Supplemental Appropriations Act was passed (P.L. 103-211) and it rescinded \$91.282 of FY 1993 and prior year balances. Subsequently, an additional \$5.600 was transferred to the IMET and Economic Support Fund accounts leaving a net appropriation of \$3,052.397.
- (y) P.L. 103-306 appropriated \$3,151.279 for FY 1995. The Authorization was waived.
- (z) P.L. 104-107 appropriated \$3,208.390 for FY 1996. The Authorization was waived.
- (A) Pending FY 1996 FMF supplemental request of \$140.000 supports Jordan F-16 program; P.L. 104-134 appropriated \$70.000 for FY 1996. The Authorization was waived.
- (A) P.L. 104-208 appropriated \$3,224.000 for FY 1997. The Authorization was waived.
- (B) P.L. 105-118 appropriated \$3,296.550 for FY 1998. The Authorization was waived.

Supporting Information

LEGISLATIVE HISTORY OF AUTHORIZATIONS & APPROPRIATIONS
(Continued)
(Dollars in Millions)

FOREIGN MILITARY FINANCING
DIRECT LOAN FINANCING ACCOUNT
TOTAL PROGRAM

| Fiscal Year | Executive Branch Request | Financing Authority |
|-------------|-----------------------------|------------------------|
| 1992 | 313.961 | 345.000 (a) |
| 1993 | 360.000 | 855.000 (b) |
| 1994 | 855.000 | 769.500 (c) |
| 1995 | 770.000 | 619.650 (d) |
| 1996 | 765.000 | 544.000 (e) |
| 1997 | 370.028 | 540.000 (f) |
| 1998 | 699.500 | 200.000 (g) |
| 1999 | 167.024 | |

- (a) Continuing Resolution Authority (P.L. 102-109 and P.L. 102-145).
- (b) P.L. 102-391 provides financing authority for direct loans of \$855.000 for FY 1993.
- (c) P.L. 103-87 provides financing authority for direct loans of \$769.500 for FY 1994.
- (d) P.L. 103-306 provides financing authority for direct loans of \$619.650 for FY 1995.
- (e) P.L. 104-107 provides financing authority for direct loans of \$544.000 for FY 1996.
- (f) P.L. 104-208 provides financing authority for direct loans of \$540.000 for FY 1997.
- (g) P.L. 105-118 provides financing authority for direct loans of \$200.000 for FY 1998.

LEGISLATIVE HISTORY OF AUTHORIZATIONS & APPROPRIATIONS (Continued)
(Dollars in Millions)

FOREIGN MILITARY FINANCING
DIRECT LOAN SUBSIDY ELEMENT

| Fiscal Year | Executive Branch Request | Appropriated |
|-------------|--------------------------|---------------|
| 1992 | 57.490 | 50.148 (a)(b) |
| 1993 | 63.332 | 149.200 (c) |
| 1994 | 120.457 | 46.530 (d) |
| 1995 | 59.598 | 47.917 (e) |
| 1996 | 89.888 | 64.400 (f) |
| 1997 | 40.000 | 60.000 (g) |
| 1998 | 66.000 | 60.000 (h) |
| 1999 | 20.000 | |

(a) Authorization waived under P.L. 102-109 and P.L. 102-145.

(b) P.L. 102-266 appropriated \$50.900 for FY 1992 and reduced the appropriation by \$.752 for a net availability of \$50.148.

(c) P.L. 102-391 appropriated \$149.200 for FY 1993. The Authorization was waived.

(d) P.L. 103-87 appropriated \$46.530 for FY 1994. The Authorization was waived.

(e) P.L. 103-306 appropriated \$47.917 for FY 1995. The Authorization was waived.

(f) P.L. 104-107 appropriated \$64.400 for FY 1996. The Authorization was waived.

(g) P.L. 104-208 appropriated \$60.000 for FY 1997. The Authorization was waived.

(h) P.L. 105-118 appropriated \$60.000 for FY 1998. \$40.000 will be transferred to the FMF Grant Account. The Authorization was waived.

Supporting Information

LEGISLATIVE HISTORY OF AUTHORIZATIONS & APPROPRIATIONS (Continued)
(Dollars in Millions)

ECONOMIC SUPPORT FUND

| Fiscal Year | Executive Branch Request | Authorized | Appropriated |
|-------------|--------------------------|---------------|------------------|
| 1964 | 435.000 | 380.000 | 330.000 |
| 1965 | 405.000 | 405.000 | 401.000 |
| 1966 | 764.000 | 684.000 | 684.000 |
| 1967 | 750.000 | 715.000 | 690.000 |
| 1968 | 720.000 | 660.000 | 600.000 |
| 1969 | 595.000 | 410.000 | 365.000 |
| 1970 | 515.000 | 414.600 | 395.000 |
| 1971 | 600.000 | 414.600 | 414.600 |
| 1972 | 800.000 | 618.000 | 550.000 |
| 1973 | 848.800 | (a) | 600.000 (a) |
| 1974 | 732.000 | 629.000 | 611.500 |
| 1975 | 1,425.300 | 1,377.000 | 1,200.000 |
| 1976 | 1,923.300 | 1,856.200 | 1,739.900 |
| 1977 | 50.200 | 464.100 (b) | 279.700 (b) |
| 1977 | 1,893.500 | 1,895.000 | 1,757.700 |
| 1978 | 2,232.200 | 2,235.000 (c) | 2,219.300 (c) |
| 1979 | 2,204.400 (d)(e) | 2,202.000 | 2,282.000 |
| 1980 | 2,115.100 (e)(f) | 1,935.000 | 1,946.000 (g) |
| 1981 | 2,030.500 | 2,065.300 | 2,104.500 (g) |
| 1982 | 2,931.500 | 2,973.500 | 2,926.000 |
| 1983 | 2,886.000 (h) | 2,873.500 | 2,962.250 (g) |
| 1984 | 2,949.000 (i) | 3,074.000 | 3,254.250 (g)(j) |
| 1985 | 3,438.100 | (k) | 6,084.000 (l) |
| 1986 | 4,024.000 | 3,800.000 | 3,800.000 (m)(n) |
| 1987 | 4,390.800 (o) | (p) | 3,600.000 (q) |
| 1988 | 3,600.000 (r) | 3,200.820 (r) | 3,200.820 (r) |
| 1989 | 3,281.000 (r) | 3,258.500 | 3,258.500 |
| 1990 | 3,849.100 (s) | 3,916.510 (t) | 3,916.510 (t) |
| 1991 | 3,358.000 (u) | 3,175.000 (v) | 3,175.000 (v) |
| 1992 | 3,240.000 (w) | 3,216.624 (g) | 3,216.624 (g) |
| 1993 | 3,123.000 (x) | 2,670.000 | 2,670.000 |
| 1994 | 2,582.000 | 2,364.562 | 2,364.562 |
| 1995 | 82.300 (y) | 2,368.600 | 2,368.600 |
| 1996 | 2,494.300 | 2,359.600 | 2,359.600 |
| 1997 | 2,408.000 | 2,362.600 | 2,362.600 |
| 1998 | 2,497.600 | 2,419.600 | 2,419.600 |
| 1999 | 2,513.600 | | |

LEGISLATIVE HISTORY OF AUTHORIZATIONS & APPROPRIATIONS (Continued)
(Dollars in Millions)

ECONOMIC SUPPORT FUND (Continued)

- (a) CRA level - \$618,000. There was no authorization level in FY 1973.
- (b) Section 506 of the International Security Assistance and Arms Control Act of 1976, P.L. 94-329, quarter not to exceed one-fourth of the total amount authorized in that Act for FY 1976.
- (c) Includes \$300,000 for Portugal; also \$20,000 for Lebanon, authorized as Disaster Assistance, but appropriated in the Security Support Assistance (SSA) account.
- (d) Includes a \$300,000 supplemental for Egypt and \$100,000 for Turkey.
- (e) Executive Branch request included ESF and PKO in one account--Security Supporting Assistance (SSA).
- (f) Includes an \$80,000 supplemental for Central America.
CRA limitation.
- (g) Reflects initial budget request. Does not include the \$294,500 supplemental budget request.
- (h) Reflects initial budget request. Does not include the \$340,500 supplemental appropriation for Central America or the \$10,000 for Poland.
- (i) Includes supplemental appropriation (P.L. 98-332).
- (j) Authorization waived in Continuing Resolution Authority (P.L. 98-473 for FY 1985, and P.L. 99-500 for FY 1987).
- (k) Includes FY 1985 Supplemental of \$2,258,000.
- (l) Reflects amounts appropriated under P.L. 99-190 (final CRA). Pursuant to P.L. 99-177 (Gramm-Rudman-Hollings), \$159,358 not available for obligation.
- (m) Includes \$100,000 supplemental for the Republic of the Philippines.
- (n) Includes a supplemental request of \$297,000.
- (o) The International Development and Security Act of 1985 (P.L. 99-83) authorized \$3,800,000 for both FY 1986 and FY 1987.
- (p) Includes \$50,000 deobligation/reobligation reappropriation.
- (q) Includes \$12,500 deobligation reobligation reappropriation estimate.
- (r) Includes \$18,000 deobligation/reobligation reappropriation estimate and a \$500,000 supplemental for Panama.
- (s) Includes \$20,000 for Ireland (less \$.145 sequestration pursuant to P.L. 99-177), minus \$50,000 pursuant to P.L. 101-167 and \$755,000 supplemental (P.L. 101-302) for Panama, Nicaragua, Namibia, and South Africa.
- (t) Includes \$14,000 reappropriation estimate.
- (u) Includes \$14,000 reappropriation estimate and \$30,200 transferred to other accounts. Includes \$20,000 for Ireland.
- (v) Includes \$12,000 reappropriation estimate.
- (w) Includes \$11,000 reappropriation estimate.
- (x) Executive Branch did not request Economic Support Funds in the President's Budget for FY 1995.
- (y) The FY 1996 President's Budget includes a supplemental FY 1995 request of \$82,300.

Supporting Information

LEGISLATIVE HISTORY OF AUTHORIZATIONS & APPROPRIATIONS (Continued)
(Dollars in Millions)

MILITARY ASSISTANCE PROGRAM

| Fiscal | Executive Branch Request | Authorized | Appropriated |
|-------------|--------------------------|---------------|----------------|
| 1950 | 1,400.000 | 1,314.000 | 1,314.000 |
| 1951 | 5,222.500 | 5,222.500 | 5,222.500 |
| 1952 | 6,303.000 | 5,997.600 | 5,744.000 |
| 1953 | 5,425.000 | 4,598.400 | 4,219.800 |
| 1954 | 4,274.500 | 3,681.500 | 3,230.000 |
| 1955 | 1,778.300 | 1,591.000 | 1,192.700 |
| 1956 | 1,959.200 | 1,450.200 | 1,022.200 |
| 1957 | 2,925.000 | 2,225.000 | 2,017.500 |
| 1958 | 1,900.000 | 1,600.000 | 1,340.000 |
| 1959 | 1,800.000 | 1,605.000 | 1,515.000 |
| 1960 | 1,600.000 | 1,400.000 | 1,300.000 |
| 1961 | 2,000.000 | (a) 1,800.000 | 1,800.000 |
| 1962 | 1,885.000 | 1,700.000 | 1,600.000 |
| 1963 | (b) 1,700.000 | 1,700.000 | 1,325.000 |
| 1964 | 1,405.000 | 1,000.000 | 1,000.000 |
| 1965 (c) | 1,055.000 | 1,055.000 | 1,055.000 |
| 1966 (c) | 1,170.000 | 1,170.000 | 1,170.000 |
| 1967 | 917.000 | 875.000 | 792.000 |
| 1968 | 620.100 | 510.000 | 500.000 |
| 1969 | 420.000 | 375.000 | 375.000 |
| 1970 | 425.000 | 350.000 | 350.000 |
| 1971 | 690.000 | 690.000 | 690.000 |
| 1972 | 705.000 | 500.000 | 500.000 |
| 1973 | 780.000 | 553.100 (d) | 553.100 (d) |
| 1974 (e) | 685.000 | 512.500 | 450.000 (f) |
| 1975 (g) | 985.000 | 600.000 | 475.000 |
| 1976 (b)(i) | 790.000 | 245.875 | 252.200 |
| 1977 | 279.000 | 235.800 | 264.550 |
| 1978 | 230.000 | 228.900 | 220.000 (j) |
| 1979 | 133.500 | 133.500 | 83.375 |
| 1980 (c) | 160.200 (k) | 111.900 (l) | 110.000 (d) |
| 1981 (c) | 104.400 | 106.100 | 110.200 (d) |
| 1982 (c)(m) | 131.400 | 231.400 | 171.412 |
| 1983 (c) | 557.000 (n) | 238.500 (o) | 383.325 (d) |
| 1984 | 747.000 (p) | 639.700 | 711.750 (d)(q) |
| 1985 | 924.500 | (r) 805.100 | 805.100 (d) |
| 1986 (c) | 949.350 | 805.100 | 798.374 (s)(t) |
| 1987 (c) | 1,257.450 (u) | 805.100 | 950.000 |
| 1988 | 1,329.800 | (v) | 700.750 |
| 1989 | 467.000 | (w) | 467.000 (x) |
| 1990 | 40.432 | (y) | (z) |
| 1991 | 0.000 | 0.000 | 0.000 |
| 1992 | 0.000 | 0.000 | -6.750 (D) |
| 1993 | 0.000 | 0.000 | -20.164 (E) |
| 1994 | -0.439 (F) | 0.000 | -0.439 (F) |
| 1995 | (L) | | (L) |

LEGISLATIVE HISTORY OF AUTHORIZATIONS & APPROPRIATIONS (Continued)
(Dollars in Millions)

MILITARY ASSISTANCE PROGRAM

| Fiscal | Executive Branch Request | Authorized | Appropriated |
|-------------|-----------------------------|-------------|----------------|
| 1950 | 1,400.000 | 1,314.000 | 1,314.000 |
| 1951 | 5,222.500 | 5,222.500 | 5,222.500 |
| 1952 | 6,303.000 | 5,997.600 | 5,744.000 |
| 1953 | 5,425.000 | 4,598.400 | 4,219.800 |
| 1954 | 4,274.500 | 3,681.500 | 3,230.000 |
| 1955 | 1,778.300 | 1,591.000 | 1,192.700 |
| 1956 | 1,959.200 | 1,450.200 | 1,022.200 |
| 1957 | 2,925.000 | 2,225.000 | 2,017.500 |
| 1958 | 1,900.000 | 1,600.000 | 1,340.000 |
| 1959 | 1,800.000 | 1,605.000 | 1,515.000 |
| 1960 | 1,600.000 | 1,400.000 | 1,300.000 |
| 1961 | 2,000.000 | (a) | 1,800.000 |
| 1962 | 1,885.000 | 1,700.000 | 1,600.000 |
| 1963 | (b) | 1,700.000 | 1,325.000 |
| 1964 | 1,405.000 | 1,000.000 | 1,000.000 |
| 1965 (c) | 1,055.000 | 1,055.000 | 1,055.000 |
| 1966 (c) | 1,170.000 | 1,170.000 | 1,170.000 |
| 1967 | 917.000 | 875.000 | 792.000 |
| 1968 | 620.100 | 510.000 | 500.000 |
| 1969 | 420.000 | 375.000 | 375.000 |
| 1970 | 425.000 | 350.000 | 350.000 |
| 1971 | 690.000 | 690.000 | 690.000 |
| 1972 | 705.000 | 500.000 | 500.000 |
| 1973 | 780.000 | 553.100 (d) | 553.100 (d) |
| 1974 (e) | 685.000 | 512.500 | 450.000 (f) |
| 1975 (g) | 985.000 | 600.000 | 475.000 |
| 1976 (h)(i) | 790.000 | 245.875 | 252.200 |
| 1977 | 279.000 | 235.800 | 264.550 |
| 1978 | 230.000 | 228.900 | 220.000 (j) |
| 1979 | 133.500 | 133.500 | 83.375 |
| 1980 (c) | 160.200 (k) | 111.900 (l) | 110.000 (d) |
| 1981 (c) | 104.400 | 106.100 | 110.200 (d) |
| 1982 (c)(m) | 131.400 | 231.400 | 171.412 |
| 1983 (c) | 557.000 (n) | 238.500 (o) | 383.325 (d) |
| 1984 | 747.000 (p) | 639.700 | 711.750 (d)(q) |
| 1985 | 924.500 | (r) | 805.100 (d) |
| 1986 (c) | 949.350 | 805.100 | 798.374 (s)(t) |
| 1987 (c) | 1,257.450 (u) | 805.100 | 950.000 |
| 1988 | 1,329.800 | (v) | 700.750 |
| 1989 | 467.000 | (w) | 467.000 (x) |
| 1990 | 40.432 | (y) | (z) |
| 1991 | 0.000 | 0.000 | 0.000 |
| 1992 | 0.000 | 0.000 | -6.750 (D) |
| 1993 | 0.000 | 0.000 | -20.164 (E) |
| 1994 | -0.439 (F) | 0.000 | -0.439 (F) |
| 1995 | (L) | | (L) |

Supporting Information

LEGISLATIVE HISTORY OF AUTHORIZATIONS & APPROPRIATIONS (Continued)
(Dollars in Millions)

INTERNATIONAL MILITARY EDUCATION & TRAINING PROGRAM

| Fiscal | Executive Branch Request | Authorized | Appropriated |
|----------|--------------------------|------------|--------------|
| 1976 (a) | 37.000 | 33.750 | 28.750 |
| 1977 | 32.200 | 30.200 | 25.000 |
| 1978 | 35.000 | 31.000 | 30.000 |
| 1979 | 32.100 | 31.800 | 27.900 |
| 1980 | 32.900 | 31.800 | 25.000 (d) |
| 1981 | 32.500 | 34.000 | 28.400 (d) |
| 1982 | 42.000 | 42.000 | 42.000 |
| 1983 | 53.700 (o) | 43.000 | 46.000 |
| 1984 | 56.532 | 56.452 | 51.532 (d) |
| 1985 | 60.910 | (r) | 56.221 (d) |
| 1986 | 65.650 | 56.221 | 54.490 (s) |
| 1987 | 68.830 | 56.000 | 56.000 |
| 1988 | 56.000 | (v) | 47.400 |
| 1989 | 52.500 | (w) | 47.400 |
| 1990 | 54.500 | (y) | 47.196 (A) |
| 1991 | 50.500 | (B) | 47.196 |
| 1992 | 52.500 | (C) | 47.196 (G) |
| 1993 | 47.500 | (H) | 42.500 (I) |
| 1994 | 42.500 | (J) | 22.250 (J) |
| 1995 | 25.500 | (K) | 25.500 (K) |
| 1996 | 39.781 | 39.000 (M) | 39.000 (M) |
| 1997 | 45.000 | 43.475 (N) | 43.475 (N) |
| 1998 | 50.000 | 50.000 | 50.000 |
| 1999 | 50.000 | | |

NOTE: (1) The Military Assistance Program included International Military Education and Training Program prior to FY1976.

(2) The Administration has not proposed Military Assistance Programs subsequent to FY 1990.

(a) The Mutual Security Act of 1959, P.L. 86-108, approved July 24, 1959, states "There is hereby authorized to be appropriated to the President for the fiscal year 1961 and 1962 such sums as may be necessary from time to time to carry out the purpose of this chapter, which sums shall remain available until expended."

(b) Foreign Assistance Act of 1961 authorized \$1,700,000; no executive branch request for authorization was required.

(c) Does not include MAP drawdowns of \$75,000 in FY 1965 and \$300,000 in FY 1966, or Section 506(a) drawdowns of \$1,000 in FY 1980; \$26,000 in FY 1981; \$55,000 in FY 1982; \$25,000 in FY 1983; \$40,000 in FY 1986; and \$25,000 in FY 1987.

(d) CRA limitation.

(e) Includes funds requested separately for proposed International Military Education and Training Program finally authorized and appropriated as part of the Military Assistance Program. Does not include \$2,500,000 for Section 506 drawdown authority.

LEGISLATIVE HISTORY OF AUTHORIZATIONS & APPROPRIATIONS (Continued)
(Dollars in Millions)

MILITARY ASSISTANCE PROGRAM AND INTERNATIONAL MILITARY
EDUCATION & TRAINING PROGRAM (Continued)

- (f) Includes \$5.000 transferred to AID.
- (g) Does not include \$75.000 for Section 506 drawdown authority.
- (h) Includes transitional quarter (FY 197T).
- (i) Does not include \$275.000 for Section 506 drawdown authority.
- (j) Includes \$40.200 subsequently rescinded.
- (k) Includes a \$50.000 supplemental for Turkey.
- (l) Includes a \$1.700 Senate supplemental for Sudan.
- (m) Does not include \$7.100 reimbursement for Section 506 drawdown authority.
- (n) Reflects the amended budget request but not the \$187.000 supplemental budget request.
- (o) Reflects initial budget request; excludes \$1.000 supplemental request.
- (p) Reflects initial budget request; excludes \$259.050 supplemental request for Central America.
- (q) Includes supplemental appropriation of \$201.750 for Central America.
- (r) Authorization waived in Continuing Resolution (P.L. 98-473).
- (s) Reflects amounts appropriated under P.L. 99-190 (final CRA). Pursuant to P.L. 99-177 (Gramm-Rudman-Hollings) \$33.626 of MAP and \$2.343 of IMET are not available for obligation.
- (t) Includes supplemental appropriation of \$50.000 for the Republic of the Philippines.
- (u) Includes a supplemental request of \$261.000.
- (v) Authorization waived in Continuing Resolution (P.L. 100-202).
- (w) Authorization waived in P.L. 100-461.
- (x) P.L. 101-45 transferred \$2.000 to contributions for international peacekeeping activities (Budget Account 19-9-1124).
- (y) Authorization waived in P.L. 101-167.
- (z) Administrative costs formerly designated as MAP General Costs (1080 account) are included in the Foreign Military Financing Appropriation (1082 account) effective 1 October 1989.
- (A) Congress appropriated \$47.400 which was reduced by .43% for use in the control of illicit drugs, resulting in \$47.196 available to the IMET program.
- (B) Authorization waived in P.L. 101-513.
- (C) Authorization waived in P.L. 102-109 and P.L. 102-145.
- (D) P.L. 102-298 rescinded \$6.750 of prior year balances and \$5.760 of previously disbursed amounts.
- (E) P.L. 102-298 rescinded \$20.164 of prior year balances.
- (F) During FY 1994, P.L. 103-211, the FY 1994 Emergency Supplemental Appropriations Act, rescinded \$.439 of prior year appropriations.
- (G) P.L. 102-266 appropriated \$47.196 for FY 1992. P.L. 102-298 rescinded \$1.925 and P.L. 102-381 reduced it an additional \$.698 for a net availability of \$44.573.
- (H) Authorization waived in P.L. 102-391.
- (I) P.L. 102-391 appropriated \$42.500 for FY 1993.
- (J) P.L. 103-87 appropriated \$21.250 for FY 1994. The Authorization was waived. During FY 1994, an additional \$1.000 was transferred into IMET from FMF making a total of \$22.250 of appropriated funds available.
- (K) P.L. 103-306 appropriated \$25.500 for FY 1995. The Authorization was waived. Subsequent to the release of the President's FY 1996 Budget, \$.850 was transferred out of the PKO account and into the IMET account (\$.350 for Botswana and \$.500 for Senegal) to enhance PKO training.
- (L) MAP funds were cancelled in FY 1995 due to "M" year legislation. No new authorizations will be enacted for this account.
- (M) P.L. 104-107 appropriated \$39.000 for FY 1996. The Authorization was waived.
- (N) P.L. 104-208 appropriated \$43.475 for FY 1997. The Authorization was waived.

LEGISLATIVE HISTORY OF AUTHORIZATIONS & APPROPRIATIONS
(Dollars in Millions)

PEACEKEEPING OPERATIONS

| Fiscal Year | Executive Request | Authorized | Appropriated |
|-------------|-------------------|------------|--------------|
| 1979 | (a) | 30.900 | 27.400 |
| 1980 | (a) | 21.100 | 22.000 (b) |
| 1981 | 25.000 | 25.000 | 25.000 (c) |
| 1982 | 19.000 | 19.000 | 14.000 (d) |
| 1983 | 43.474 | 19.000 | 31.100 (c) |
| 1984 | 46.200 | 46.200 | 46.200 (c) |
| 1985 | 49.000 | (e) | 44.000 (c) |
| 1986 | 37.000 | 37.000 | 34.000 (f) |
| 1987 | 39.000 | 37.000 | 31.689 |
| 1988 | 46.311 | 31.689 | 31.689 |
| 1989 | 41.689 (g) | 41.689 | 41.689 |
| 1990 | 33.377 | 32.773 | 32.773 |
| 1991 | 32.800 | 32.800 | 32.800 |
| 1992 | 378.000 (h) | 28.000 | 28.000 (c) |
| 1993 | 27.166 | 27.166 | 27.166 |
| 1994 | 77.166 | 82.435 (i) | 82.435 (i) |
| 1995 | 75.000 | 75.000 | 75.000 (j) |
| 1996 | 100.000 | 70.000 | 70.000 |
| 1997 | 70.000 | 65.000 | 65.000 |
| 1998 | 90.000 | 77.500 | 77.500 |
| 1999 | 83.000 | | |

LEGISLATIVE HISTORY OF AUTHORIZATIONS & APPROPRIATIONS (Continued)
(Dollars in Millions)
PEACEKEEPING OPERATIONS AND FOREIGN MILITARY LOAN
LIQUIDATING ACCOUNT (Continued)

- (a) Executive Branch request included ESF and PKO in one account--Security Supporting Assistance (SSA).
- (b) CRA limitation (P.L. 96-123).
- (c) CRA limitation.
- (d) In addition, \$125.000 appropriated under CRA (P.L. 97-51) and authorized by P.L. 97-132 for the Multinational Force and Observers.
- (e) Authorization waived in Continuing Resolution (P.L. 98-473).
- (f) Reflects amount appropriated under P.L. 99-190 (final CRA). Pursuant to P.L. 99-177 (Gramm-Rudman-Hollings), \$1.462 of this amount is not available for obligation.
- (g) Includes \$10.000 transfer from DOD allocated to Department of State pursuant to P.L. 101-45 used for UN mineclearing operations in Afghanistan.
- (h) Reflects an amendment to the FY 1992 budget to provide the United States' share to initiate UN Peacekeeping activities in Cambodia and El Salvador, and for other peacekeeping requirements.
- (i) Includes appropriation of \$75.623 plus \$6.812 transferred from other accounts.
- (j) The President's FY 1996 Budget shows PKO Budget Authority of \$75.000 in FY 1995. Subsequent to the release of the President's Budget, \$.850 was transferred out of the PKO account and into the IMET account (\$.350 for Botswana and \$.500 for Senegal) to enhance PKO training.
- (k) Use of borrowing from U.S. Treasury under authority of P.L. 100-202 in FY 1989, P.L. 101-167 in FY 1990, and P.L. 101-513 in FY 1991. Use of permanent indefinite appropriation authority in FY 1993 through FY 1999.

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY97 Actual

(BA \$ thousands)

| | DA | ESF | FMF | IMET | FSA/SEED | INL | MRA | PL-480 | Peace Corps | PKO | TOTAL |
|---|--------|-------|-----|------|----------|-----|-----|--------|-------------|-----|--------|
| AF | | | | | | | | | | | |
| Angola | 12,500 | 5,500 | .. | 174 | .. | .. | .. | 33,004 | .. | .. | 51,178 |
| Benin | 13,800 | .. | .. | 350 | .. | .. | .. | 2,096 | 1,719 | .. | 17,965 |
| Botswana | .. | .. | .. | 391 | .. | .. | .. | .. | 965 | .. | 1,356 |
| Burkina Faso | .. | .. | .. | .. | .. | .. | .. | 11,560 | 1,495 | .. | 13,055 |
| Cameroon | .. | .. | .. | 104 | .. | .. | .. | .. | 3,102 | .. | 3,206 |
| Cape Verde | .. | .. | .. | 208 | .. | .. | .. | 3,381 | 967 | .. | 4,556 |
| Central African Republic | .. | .. | .. | 158 | .. | .. | .. | .. | .. | .. | 158 |
| Chad | .. | .. | .. | 27 | .. | .. | .. | 4,977 | 1,114 | .. | 6,118 |
| Comoros | .. | .. | .. | 76 | .. | .. | .. | .. | .. | .. | 76 |
| Congo | .. | .. | .. | 147 | .. | .. | .. | .. | 559 | .. | 706 |
| Cote d'Ivoire | .. | .. | .. | 170 | .. | .. | .. | 2,293 | 1,892 | .. | 4,355 |
| Democratic Republic of the Congo (DROC) | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Djibouti | .. | .. | .. | 94 | .. | .. | .. | .. | .. | .. | 94 |
| Eritrea | 9,500 | .. | .. | 413 | .. | .. | .. | 735 | 1,187 | .. | 11,835 |
| Ethiopia | 37,290 | .. | .. | 313 | .. | .. | .. | 37,397 | 1,246 | .. | 76,246 |
| Gabon | .. | .. | .. | .. | .. | .. | .. | .. | 2,548 | .. | 2,548 |
| Gambia | .. | .. | .. | .. | .. | .. | .. | 1,864 | 1,322 | .. | 3,186 |
| Ghana | 36,000 | .. | .. | 243 | .. | .. | .. | 13,843 | 2,408 | .. | 52,494 |
| Guinea | 12,500 | .. | .. | 55 | .. | .. | .. | 1,155 | 2,438 | .. | 16,148 |
| Guinea-Bissau | 4,100 | .. | .. | 119 | .. | .. | .. | 1,906 | 1,055 | .. | 7,180 |
| Kenya | 19,678 | .. | .. | 304 | .. | .. | .. | 11,469 | 3,017 | .. | 34,468 |
| Lesotho | .. | .. | .. | 76 | .. | .. | .. | 1,611 | 2,000 | .. | 3,687 |
| Liberia | 7,500 | .. | .. | .. | .. | .. | .. | 23,143 | .. | .. | 30,643 |
| Madagascar | 16,250 | .. | .. | 113 | .. | .. | .. | 3,700 | 1,035 | .. | 21,098 |
| Malawi | 34,312 | .. | .. | 228 | .. | .. | .. | .. | 2,051 | .. | 36,591 |
| Mali | 31,150 | .. | .. | 152 | .. | .. | .. | 3,890 | 2,930 | .. | 38,122 |
| Mauritania | .. | .. | .. | .. | .. | .. | .. | 4,026 | 1,302 | .. | 5,328 |
| Mozambique | 31,933 | .. | .. | 204 | .. | .. | .. | 21,180 | .. | .. | 53,317 |
| Namibia | 8,500 | .. | .. | 188 | .. | .. | .. | .. | 2,133 | .. | 10,821 |
| Niger | 1,503 | .. | .. | .. | .. | .. | .. | 2,032 | 2,585 | .. | 6,120 |
| Nigeria | 4,100 | .. | .. | .. | .. | .. | .. | .. | .. | .. | 4,100 |
| Rwanda | 4,500 | .. | .. | 359 | .. | .. | .. | 70,900 | .. | .. | 75,759 |
| Sao Tome & Principe | .. | .. | .. | 72 | .. | .. | .. | .. | .. | .. | 72 |
| Senegal | 21,200 | .. | .. | 697 | .. | .. | .. | 74 | 2,426 | .. | 24,397 |
| Seychelles | .. | .. | .. | 50 | .. | .. | .. | .. | .. | .. | 50 |
| Sierra Leone | .. | .. | .. | 3 | .. | .. | .. | 16,447 | .. | .. | 16,450 |
| Somalia | 3,693 | .. | .. | .. | .. | .. | .. | 2,248 | .. | .. | 5,941 |

Supporting Information

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY97 Actual

| (BA \$ thousands) | DA | ESF | FMF | IMET | FSA/SEED | INL | MRA | PL-480 | Peace Corps | PKO | TOTAL |
|---|---------|--------|-------|-------|----------|-----|---------|---------|-------------|--------|-----------|
| AF | | | | | | | | | | | |
| South Africa | 65,609 | .. | .. | 656 | .. | .. | .. | .. | 1,528 | .. | 67,793 |
| Sudan | .. | .. | .. | .. | .. | .. | .. | 27,234 | .. | .. | 27,234 |
| Swaziland | .. | .. | .. | 85 | .. | .. | .. | .. | 117 | .. | 202 |
| Tanzania | 17,800 | .. | .. | 5 | .. | .. | .. | .. | 1,853 | .. | 19,658 |
| Togo | .. | .. | .. | 25 | .. | .. | .. | .. | 1,974 | .. | 1,999 |
| Uganda | 42,518 | .. | .. | 342 | .. | .. | .. | 25,072 | 1,453 | .. | 69,385 |
| Zambia | 17,600 | .. | .. | 172 | .. | .. | .. | 163 | 2,042 | .. | 19,977 |
| Zimbabwe | 16,900 | .. | .. | 298 | .. | .. | .. | .. | 1,389 | .. | 18,587 |
| Africa Regional | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Africa Regional Democracy Fund | .. | 4,500 | .. | .. | .. | .. | .. | .. | .. | .. | 4,500 |
| Africa Regional Peacekeeping | .. | .. | .. | .. | .. | .. | .. | .. | .. | 2,000 | 2,000 |
| African Crisis Response Force | .. | .. | 4,500 | .. | .. | .. | .. | .. | .. | 10,500 | 15,000 |
| Democracy & Human Rights Fund (DHRF) | 3,500 | .. | .. | .. | .. | .. | .. | .. | .. | .. | 3,500 |
| East Africa Regional | .. | .. | 4,750 | .. | .. | .. | .. | .. | .. | .. | 4,750 |
| Education for Development & Democracy | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Great Lakes Initiative | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Greater Horn of Africa Initiative | 8,369 | .. | .. | .. | .. | .. | .. | .. | .. | .. | 8,369 |
| Initiative for Southern Africa | 48,000 | .. | .. | .. | .. | .. | .. | .. | .. | .. | 48,000 |
| Mauritius | .. | .. | .. | 22 | .. | .. | .. | .. | .. | .. | 22 |
| OAU | .. | .. | .. | .. | .. | .. | .. | .. | .. | 3,000 | 3,000 |
| Partnership for Economic Growth & Opportunity | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Refugee Assistance - Africa | .. | .. | .. | .. | .. | .. | 129,309 | .. | .. | .. | 129,309 |
| Regional Development Fund for Africa | 130,514 | .. | .. | .. | .. | .. | .. | .. | .. | .. | 130,514 |
| Total, AF | 660,819 | 10,000 | 9,260 | 7,093 | .. | .. | 129,309 | 327,400 | 53,862 | 15,500 | 1,213,223 |

Supporting Information

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SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY97 Actual

| (BA \$ thousands) | DA | ESF | FMF | IMET | FSA/SEED | INL | MRA | PL-480 | Peace Corps | PKO | TOTAL |
|---|--------|--------|-------|-------|----------|--------|-----|--------|-------------|--------|---------|
| ARA | | | | | | | | | | | |
| Argentina | .. | .. | .. | 603 | .. | .. | .. | .. | .. | .. | 603 |
| Bahamas | .. | .. | .. | 107 | .. | 800 | .. | .. | .. | .. | 907 |
| Belize | .. | .. | .. | 208 | .. | .. | .. | .. | 976 | .. | 1,184 |
| Bolivia | 28,106 | .. | .. | 509 | .. | 45,500 | .. | 20,528 | 2,408 | .. | 97,051 |
| Brazil | 12,610 | .. | .. | 222 | .. | 700 | .. | .. | .. | .. | 13,532 |
| Chile | .. | .. | .. | 395 | .. | .. | .. | .. | 1,131 | .. | 1,526 |
| Colombia | 50 | .. | .. | .. | .. | 33,450 | .. | .. | .. | .. | 33,500 |
| Costa Rica | .. | .. | .. | 200 | .. | .. | .. | .. | 1,083 | .. | 1,283 |
| Cuba | .. | 1,500 | .. | .. | .. | .. | .. | .. | .. | .. | 1,500 |
| Dominican Republic | 11,028 | .. | .. | 622 | .. | .. | .. | 392 | 2,694 | .. | 14,736 |
| Ecuador | 11,882 | 300 | .. | 425 | .. | 600 | .. | .. | 2,511 | .. | 15,818 |
| El Salvador | 25,913 | 5,000 | .. | 455 | .. | .. | .. | .. | 1,131 | .. | 32,499 |
| Guatemala | 18,589 | 20,000 | .. | 205 | .. | 2,000 | .. | 11,827 | 3,077 | .. | 55,698 |
| Guyana | 2,786 | .. | .. | 178 | .. | .. | .. | .. | 678 | .. | 3,642 |
| Haiti | 15,612 | 56,888 | .. | 275 | .. | .. | .. | 22,535 | 914 | 15,728 | 111,952 |
| Honduras | 21,651 | .. | .. | 425 | .. | .. | .. | 3,722 | 2,765 | .. | 28,563 |
| Jamaica | 11,248 | .. | .. | 487 | .. | 650 | .. | .. | 1,935 | .. | 14,320 |
| Mexico | 15,218 | 700 | .. | 1,008 | .. | 5,000 | .. | .. | .. | .. | 21,926 |
| Nicaragua | 15,648 | 7,112 | .. | 57 | .. | .. | .. | 2,875 | 1,669 | .. | 27,361 |
| PACAMS | .. | .. | .. | 520 | .. | .. | .. | .. | .. | .. | 520 |
| Panama | 2,741 | .. | .. | .. | .. | .. | .. | .. | 1,345 | .. | 4,086 |
| Paraguay | 4,785 | 200 | .. | 284 | .. | .. | .. | .. | 3,126 | .. | 8,395 |
| Peru | 24,526 | .. | .. | 483 | .. | 25,750 | .. | 53,865 | .. | .. | 104,624 |
| Suriname | .. | .. | .. | 149 | .. | .. | .. | .. | 804 | .. | 953 |
| Trinidad & Tobago | .. | .. | .. | 95 | .. | .. | .. | .. | .. | .. | 95 |
| Uruguay | .. | .. | .. | 332 | .. | .. | .. | .. | 679 | .. | 1,011 |
| Venezuela | .. | .. | .. | 388 | .. | 600 | .. | .. | .. | .. | 988 |
| Administration of Justice/ICITAP | .. | 7,500 | .. | .. | .. | .. | .. | .. | .. | .. | 7,500 |
| Caribbean Regional | .. | .. | 2,000 | .. | .. | .. | .. | .. | .. | .. | 2,000 |
| Central America Regional Development Assistance | 10,744 | .. | .. | .. | .. | .. | .. | .. | .. | .. | 10,744 |
| Eastern Caribbean | .. | .. | .. | 420 | .. | .. | .. | .. | 2,236 | .. | 2,656 |
| Inter-American Regional Democracy Fund | .. | 3,000 | .. | .. | .. | .. | .. | .. | .. | .. | 3,000 |
| LAC Regional | .. | .. | .. | .. | .. | 5,100 | .. | .. | .. | .. | 5,100 |
| Latin American & Caribbean Regional DA | 40,753 | .. | .. | .. | .. | .. | .. | .. | .. | .. | 40,753 |

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SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY97 Actual

| (BA \$ thousands) | DA | ESF | FMF | IMET | FSA/SEED | INL | MRA | PL-480 | Peace Corps | PKO | TOTAL |
|------------------------------------|---------|---------|-------|-------|----------|---------|--------|---------|-------------|--------|---------|
| ARA | | | | | | | | | | | |
| Refugee Assistance - W. Hemisphere | .. | .. | .. | .. | .. | .. | 11,400 | .. | .. | .. | 11,400 |
| Summit of the Americas | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Total, ARA | 273,890 | 102,200 | 2,000 | 9,052 | .. | 120,150 | 11,400 | 115,744 | 31,262 | 15,728 | 681,426 |

Supporting Information



SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY97 Actual

| (BA \$ thousands) | DA | ESF | FMF | IMET | FSA/SEED | INL | MRA | PL-480 | Peace Corps | PKO | TOTAL |
|--|----------------|---------------|--------------|--------------|--------------|--------------|---------------|-----------|---------------|-----------|----------------|
| EAP | | | | | | | | | | | |
| Cambodia | .. | 35,000 | 1,000 | 463 | .. | 325 | .. | .. | .. | .. | 36,788 |
| Indonesia | 43,500 | .. | .. | 105 | .. | .. | .. | .. | .. | .. | 43,605 |
| Laos | .. | .. | .. | .. | .. | 2,500 | .. | .. | .. | .. | 2,500 |
| Malaysia | .. | .. | .. | 631 | .. | .. | .. | .. | .. | .. | 631 |
| Mongolia | .. | 7,000 | .. | 365 | 3,000 | .. | .. | .. | 966 | .. | 11,331 |
| Papua New Guinea | .. | .. | .. | 111 | .. | .. | .. | .. | 1,541 | .. | 1,652 |
| Philippines | 47,950 | .. | .. | 1,295 | .. | .. | .. | .. | 1,957 | .. | 51,202 |
| Samoa | .. | .. | .. | 95 | .. | .. | .. | .. | 1,023 | .. | 1,118 |
| Solomon Islands | .. | .. | .. | 146 | .. | .. | .. | .. | 1,153 | .. | 1,299 |
| South Pacific Fisheries Treaty | .. | 14,000 | .. | .. | .. | .. | .. | .. | .. | .. | 14,000 |
| Thailand | .. | .. | .. | 1,600 | .. | 3,000 | .. | .. | 1,449 | .. | 6,049 |
| Tonga | .. | .. | .. | 105 | .. | .. | .. | .. | 823 | .. | 928 |
| Vanuatu | .. | .. | .. | 99 | .. | .. | .. | .. | 815 | .. | 914 |
| ASEAN Environmental Initiative | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Asia Regional | 14,052 | .. | .. | .. | .. | 1,175 | .. | .. | 3,727 | .. | 18,954 |
| East Asia Pacific Regional Security Fund | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| East Asia Regional Democracy Fund | .. | 4,800 | .. | .. | .. | .. | .. | .. | .. | .. | 4,800 |
| Refugee Assistance - East Asia | .. | .. | .. | .. | .. | .. | 20,165 | .. | .. | .. | 20,165 |
| Total, EAP | 105,502 | 60,800 | 1,000 | 5,015 | 3,000 | 7,000 | 20,165 | .. | 13,454 | .. | 215,936 |

Supporting Information

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY97 Actual

| <i>(BA \$ thousands)</i> | DA | ESF | FMF | IMET | FSA/SEED | INL | MRA | PL-480 | Peace Corps | PKO | TOTAL |
|---|--------------|---------------|----------------|---------------|----------------|--------------|---------------|---------------|---------------|---------------|----------------|
| EUR | | | | | | | | | | | |
| Albania | .. | .. | 100 | 666 | 27,100 | .. | 1,000 | 2,114 | 548 | .. | 31,528 |
| Baltics | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Bosnia & Herzegovina | .. | .. | .. | 500 | 217,000 | .. | .. | 44,074 | .. | .. | 261,574 |
| Bulgaria | .. | .. | 3,000 | 903 | 34,000 | .. | .. | 4,693 | 1,355 | .. | 43,951 |
| Croatia | .. | .. | .. | 427 | 12,200 | .. | .. | .. | .. | .. | 12,627 |
| Cyprus | .. | 15,000 | .. | .. | .. | .. | .. | .. | .. | .. | 15,000 |
| Czech Republic | .. | .. | 9,087 | 737 | .. | .. | .. | .. | 429 | .. | 10,253 |
| Estonia | .. | .. | 1,500 | 572 | .. | .. | .. | .. | 738 | .. | 2,810 |
| F.Y.R.O. Macedonia | .. | .. | 1,648 | 319 | 16,100 | .. | .. | .. | 313 | .. | 18,380 |
| Greece | .. | .. | 14,847 | 28 | .. | .. | .. | .. | .. | .. | 14,875 |
| Hungary | .. | .. | 10,087 | 1,014 | 15,000 | 268 | .. | .. | 393 | .. | 26,762 |
| Ireland Fund | .. | 19,600 | .. | .. | .. | .. | .. | .. | .. | .. | 19,600 |
| Latvia | .. | .. | 1,500 | 535 | 3,300 | .. | .. | .. | 739 | .. | 6,074 |
| Lithuania | .. | .. | 1,500 | 523 | 7,200 | .. | .. | .. | 739 | .. | 9,962 |
| Malta | .. | .. | .. | 104 | .. | .. | .. | .. | .. | .. | 104 |
| Poland | .. | .. | 12,587 | 1,000 | 40,100 | 59 | .. | .. | 2,603 | .. | 56,349 |
| Portugal | .. | .. | .. | 551 | .. | .. | .. | .. | .. | .. | 551 |
| Romania | .. | .. | 6,500 | 922 | 32,900 | 658 | .. | .. | 1,306 | .. | 42,286 |
| Serbia-Montenegro | .. | .. | .. | .. | 3,200 | .. | .. | .. | .. | .. | 3,200 |
| Slovakia | .. | .. | 6,000 | 621 | 15,000 | .. | .. | .. | 1,395 | .. | 23,016 |
| Slovenia | .. | .. | 1,000 | 400 | .. | .. | .. | .. | .. | .. | 1,400 |
| Turkey | 4,000 | 22,000 | 25,130 | 1,454 | .. | 500 | .. | .. | .. | .. | 53,084 |
| CE Defense loans | .. | .. | 18,240 | .. | .. | .. | .. | .. | .. | .. | 18,240 |
| EUR-Peacekeeping | .. | .. | .. | .. | .. | .. | .. | .. | .. | 20,100 | 20,100 |
| Holocaust Assessts and Restitution Fund | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Refugee Assistance - Europe | .. | .. | .. | .. | .. | .. | 10,250 | .. | .. | .. | 10,250 |
| Refugees in Former Yugoslavia | .. | .. | .. | .. | .. | .. | 77,235 | .. | .. | .. | 77,235 |
| SEED Regional | .. | .. | .. | .. | 48,450 | .. | .. | .. | .. | .. | 48,450 |
| UNTAES Clvpol | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Total, EUR | 4,000 | 56,600 | 112,726 | 11,276 | 471,650 | 1,485 | 88,485 | 50,881 | 10,558 | 20,100 | 827,661 |

Supporting Information

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY97 Actual

| (BA \$ thousands) | DA | ESF | FMF | IMET | FSA/SEED | INL | MRA | PL-480 | Peace Corps | PKO | TOTAL |
|--|---------------|------------------|------------------|--------------|-----------|------------|----------------|---------------|--------------|---------------|------------------|
| NEA | | | | | | | | | | | |
| Algeria | .. | .. | .. | 61 | .. | .. | .. | .. | .. | .. | 61 |
| Bahrain | .. | .. | .. | 149 | .. | .. | .. | .. | .. | .. | 149 |
| Egypt | .. | .. | 1,300,000 | 1,000 | .. | .. | .. | 2,650 | .. | .. | 1,303,650 |
| Israel | .. | .. | 1,800,000 | .. | .. | .. | .. | .. | .. | .. | 1,800,000 |
| Israel-Lebanon Monitoring Group | .. | .. | .. | .. | .. | .. | .. | .. | .. | 738 | 738 |
| Jordan | 4,500 | .. | 30,045 | 1,655 | .. | .. | .. | 2,628 | 1,062 | .. | 39,888 |
| Lebanon | .. | .. | .. | 547 | .. | .. | .. | .. | .. | .. | 547 |
| MFO - Sinai | .. | .. | .. | .. | .. | .. | .. | .. | .. | 15,434 | 15,434 |
| Morocco | 15,200 | .. | .. | 812 | .. | .. | .. | 4,047 | 2,219 | .. | 22,278 |
| Northern Iraq | .. | .. | .. | .. | .. | .. | .. | 7,403 | .. | .. | 7,403 |
| Oman | .. | .. | .. | 117 | .. | .. | .. | .. | .. | .. | 117 |
| Tunisia | .. | .. | .. | 837 | .. | .. | .. | 2,798 | .. | .. | 3,635 |
| Yemen | .. | .. | .. | 52 | .. | .. | .. | 3,731 | .. | .. | 3,783 |
| ME Regional | 359 | .. | .. | .. | .. | 100 | .. | .. | .. | .. | 459 |
| Middle East Peace Process | .. | 2,127,700 | .. | .. | .. | .. | .. | .. | .. | .. | 2,127,700 |
| Northern Iraq Peace Monitoring Force (PMF) | .. | .. | .. | .. | .. | .. | .. | .. | .. | 1,500 | 1,500 |
| Refugee Assistance - Near East | .. | .. | .. | .. | .. | .. | 95,236 | .. | .. | .. | 95,236 |
| Refugees to Israel | .. | .. | .. | .. | .. | .. | 80,000 | .. | .. | .. | 80,000 |
| Total, NEA | 20,059 | 2,127,700 | 3,130,045 | 6,230 | .. | 100 | 175,236 | 23,255 | 3,281 | 17,672 | 6,602,678 |

Supporting Information

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY97 Actual

| (BA \$ thousands) | DA | ESF | FMF | IMET | FSA/SEED | INL | MRA | PL-480 | Peace Corps | PKO | TOTAL |
|--------------------|----|-----|---------------|--------------|----------------|-----|---------------|--------------|---------------|-----|----------------|
| NIS | | | | | | | | | | | |
| Armenia | .. | .. | .. | .. | 95,010 | .. | .. | .. | 1,103 | .. | 96,113 |
| Azerbaijan | .. | .. | .. | .. | 16,420 | .. | .. | .. | .. | .. | 16,420 |
| Belarus | .. | .. | .. | 273 | 6,710 | .. | .. | .. | .. | .. | 6,983 |
| Georgia | .. | .. | 700 | 312 | 26,760 | .. | .. | .. | .. | .. | 27,772 |
| Kazakistan | .. | .. | 1,500 | 389 | 35,390 | .. | .. | .. | 1,694 | .. | 38,973 |
| Kyrgystan | .. | .. | 800 | 257 | 20,780 | .. | .. | .. | 1,183 | .. | 23,020 |
| Moldova | .. | .. | 800 | 268 | 27,590 | .. | .. | .. | 1,154 | .. | 29,812 |
| Russia | .. | .. | 2,250 | 842 | 94,790 | .. | .. | .. | 4,217 | .. | 102,099 |
| Tajikistan | .. | .. | .. | .. | 4,960 | .. | .. | 9,477 | .. | .. | 14,437 |
| Turkmenistan | .. | .. | 500 | 262 | 4,960 | .. | .. | .. | 1,006 | .. | 6,728 |
| Ukraine | .. | .. | 5,250 | 1,015 | 225,050 | .. | .. | .. | 2,685 | .. | 234,000 |
| Uzbekistan | .. | .. | 1,000 | 286 | 21,550 | .. | .. | .. | 1,335 | .. | 24,171 |
| N.I.S. Regional | .. | .. | .. | .. | 37,550 | .. | 35,797 | .. | .. | .. | 73,347 |
| NIS - Parking Fees | .. | .. | .. | .. | 1,030 | .. | .. | .. | .. | .. | 1,030 |
| Total, NIS | .. | .. | 12,800 | 3,904 | 618,560 | .. | 35,797 | 9,477 | 14,377 | .. | 694,905 |

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY97 Actual

| (BA \$ thousands) | DA | ESF | FMF | IMET | FSA/SEED | INL | MRA | PL-480 | Peace Corps | PKO | TOTAL |
|--------------------------|------------------|------------------|------------------|---------------|------------------|----------------|----------------|----------------|----------------|---------------|------------------|
| SA | | | | | | | | | | | |
| Afghanistan | .. | .. | .. | .. | .. | 275 | .. | 28,260 | .. | .. | 28,535 |
| Bangladesh | 46,913 | .. | .. | 342 | .. | .. | .. | 35,624 | .. | .. | 82,879 |
| India | 49,350 | .. | .. | 404 | .. | 12 | .. | 93,712 | .. | .. | 143,478 |
| Maldives | .. | .. | .. | 85 | .. | .. | .. | .. | .. | .. | 85 |
| Nepal | 18,600 | .. | .. | 196 | .. | 30 | .. | 273 | 2,331 | .. | 21,430 |
| Pakistan | .. | .. | .. | .. | .. | 2,500 | .. | 4,817 | .. | .. | 7,317 |
| Sri Lanka | 3,500 | .. | .. | 200 | .. | .. | .. | .. | 595 | .. | 4,295 |
| South Asia Democracy | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| South Asia Regional | 10,515 | .. | .. | .. | .. | .. | 27,387 | .. | .. | .. | 37,902 |
| Total, SA | 128,878 | .. | .. | 1,227 | .. | 2,817 | 27,387 | 162,686 | 2,926 | .. | 325,921 |
| FY97 Actual Total | 1,193,148 | 2,357,300 | 3,267,821 | 42,797 | 1,093,100 | 131,552 | 487,779 | 689,443 | 129,710 | 69,000 | 9,461,650 |

SELEC D U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY 97 ACTUAL

(BA \$ thousands)

| | DA | ESF | FSA/ SEED | IMET | INL | MRA | PL-480 | Peace Corps | FMF | PKO | Other | Total |
|---|-----------|-----------|--------------|--------|---------|---------|---------|----------------|-----------|--------|-----------|-----------|
| TOTAL REGIONAL ALLOCATIONS | 1,193,148 | 2,357,300 | 1,093,100 | 42,797 | 131,652 | 487,779 | 689,443 | 129,710 | 3,267,821 | 69,000 | - | 9,461,650 |
| CENTRAL PROGRAMS | | | | | | | | | | | | |
| DA & Child Survival | 436,814 | - | - | - | - | - | - | - | - | - | - | 436,814 |
| ESF | - | - | - | - | - | - | - | - | - | - | - | - |
| Human Rights & Democracy | - | 1,300 | - | - | - | - | - | - | - | - | - | 1,300 |
| FMF-Admin Costs | - | - | - | - | - | - | - | - | 23,209 | - | - | 23,209 |
| IMET - General Costs | - | - | - | 678 | - | - | - | - | - | - | - | 678 |
| International Narcotics & Law Enforcement | - | - | - | - | 81,448 | - | - | - | - | - | - | 81,448 |
| Migration & Refugee Affairs/ERMA | - | - | - | - | - | 212,221 | - | - | - | - | - | 212,221 |
| PL-480 (Titles II & III) | - | - | - | - | - | - | - | - | - | - | - | - |
| North Korea - Emergency | - | - | - | - | - | - | 50,155 | - | - | - | - | 50,155 |
| Other Title III | - | - | - | - | - | - | 18,115 | - | - | - | - | 18,115 |
| Central P.L. 480 | - | - | - | - | - | - | 108,787 | - | - | - | - | 108,787 |
| Peace Corps | - | - | - | - | - | - | - | 78,290 | - | - | - | 78,290 |
| TOTAL, CENTRAL PROGRAMS | 436,814 | 1,300 | - | 678 | 81,448 | 212,221 | 177,057 | 78,290 | 23,209 | - | - | 1,011,017 |
| OTHER FOREIGN OPERATION ACCOUNTS | | | | | | | | | | | | |
| Multilateral Development Banks | - | - | - | - | - | - | - | - | - | - | 985,905 | 985,905 |
| Debt Reduction Programs | - | - | - | - | - | - | - | - | - | - | 27,000 | 27,000 |
| Treasury Technical Assistance | - | - | - | - | - | - | - | - | - | - | - | - |
| Enhanced Structural Adjustment Facility | - | - | - | - | - | - | - | - | - | - | - | - |
| International Organizations & Programs | - | - | - | - | - | - | - | - | - | - | 272,450 | 272,450 |
| USAID Credit Programs | - | - | - | - | - | - | - | - | - | - | 11,500 | 11,500 |
| USAID Operating Expenses | - | - | - | - | - | - | - | - | - | - | 488,288 | 488,288 |
| USAID Inspector General | - | - | - | - | - | - | - | - | - | - | 30,000 | 30,000 |
| Disaster Assistance | - | - | - | - | - | - | - | - | - | - | 190,000 | 190,000 |
| Nonproliferation, Antiterrorism, Demining | - | - | - | - | - | - | - | - | - | - | 151,000 | 151,000 |
| Trade & Development Agency | - | - | - | - | - | - | - | - | - | - | 40,000 | 40,000 |
| Export-Import Bank-Net | - | - | - | - | - | - | - | - | - | - | 758,004 | 758,004 |
| Overseas Private Investment Corp. - Net | - | - | - | - | - | - | - | - | - | - | (112,000) | (112,000) |
| Inter-American Foundation | - | - | - | - | - | - | - | - | - | - | 20,000 | 20,000 |
| African Development Foundation | - | - | - | - | - | - | - | - | - | - | 11,500 | 11,500 |
| Special Defense Acquisition Fund | - | - | - | - | - | - | - | - | - | - | (88,000) | (88,000) |
| TOTAL, OTHER FOREIGN OPS ACCOUNTS | - | - | - | - | - | - | - | - | - | - | 2,785,647 | 2,785,647 |

Supporting Information

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY 97 ACTUAL

(BA \$ thousands)

| | DA | ESF | FSA/ SEED | IMET | INL | MRA | PL-480 | Peace Corps | FMF | PKO | Other | Total |
|--|-----------|-----------|--------------|--------|---------|---------|---------|----------------|-----------|--------|-----------|------------|
| OTHER FUNCTION 150 ACCOUNTS | | | | | | | | | | | | |
| State Operations (D&CP, S&E, CIF) | - | - | - | - | - | - | - | - | - | - | 2,102,200 | 2,102,200 |
| Security & Maintenance of U.S. Missions | - | - | - | - | - | - | - | - | - | - | 389,320 | 389,320 |
| Other State Department | - | - | - | - | - | - | - | - | - | - | 69,381 | 69,381 |
| Arms Control & Disarmament Agency | - | - | - | - | - | - | - | - | - | - | 41,500 | 41,500 |
| Contributions to International Organizations | - | - | - | - | - | - | - | - | - | - | 902,102 | 902,102 |
| Contributions to International Peacekeeping | - | - | - | - | - | - | - | - | - | - | 334,780 | 334,780 |
| Asia Foundation | - | - | - | - | - | - | - | - | - | - | 8,000 | 8,000 |
| U.S. Information Agency | - | - | - | - | - | - | - | - | - | - | 1,065,772 | 1,065,772 |
| Intl. Trade Commission & Other | - | - | - | - | - | - | - | - | - | - | 42,009 | 42,009 |
| U.S. Institute of Peace | - | - | - | - | - | - | - | - | - | - | 11,160 | 11,160 |
| TOTAL OTHER FUNCTION 150 ACCOUNTS | - | - | - | - | - | - | - | - | - | - | 4,966,224 | 4,966,224 |
| TOTAL FUNCTION 150 | 1,629,962 | 2,358,600 | 1,093,100 | 43,476 | 213,000 | 700,000 | 866,600 | 208,000 | 3,291,030 | 69,000 | 7,761,871 | 18,224,538 |

Supporting Information

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY98 Estimate

| (BA \$ thousands) | DA | ESF | FMF | IMET | FSA/SEED | INL | MRA | PL-480 | Peace Corps | PKO | TOTAL |
|---|--------|--------|-----|------|----------|-----|-----|--------|-------------|-----|---------|
| AF | | | | | | | | | | | |
| Angola | 13,000 | 10,000 | .. | 200 | .. | .. | .. | 31,208 | .. | .. | 54,408 |
| Benin | 17,150 | .. | .. | 350 | .. | .. | .. | 1,924 | 1,712 | .. | 21,136 |
| Botswana | .. | .. | .. | 500 | .. | .. | .. | .. | 87 | .. | 587 |
| Burkina Faso | .. | .. | .. | .. | .. | .. | .. | 10,026 | 1,716 | .. | 11,742 |
| Cameroon | .. | .. | .. | 125 | .. | .. | .. | .. | 2,744 | .. | 2,869 |
| Cape Verde | .. | .. | .. | 100 | .. | .. | .. | 3,934 | 1,076 | .. | 5,110 |
| Central African Republic | .. | .. | .. | 150 | .. | .. | .. | .. | .. | .. | 150 |
| Chad | .. | .. | .. | 100 | .. | .. | .. | .. | 1,170 | .. | 1,270 |
| Comoros | .. | .. | .. | 75 | .. | .. | .. | .. | .. | .. | 75 |
| Congo | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Cote d'Ivoire | .. | .. | .. | 150 | .. | .. | .. | .. | 2,111 | .. | 2,261 |
| Democratic Republic of the Congo (DROC) | 20,000 | .. | .. | .. | .. | .. | .. | .. | .. | .. | 20,000 |
| Djibouti | .. | .. | .. | 100 | .. | .. | .. | 482 | .. | .. | 582 |
| Eritrea | 10,650 | .. | .. | 425 | .. | .. | .. | 423 | 1,285 | .. | 12,783 |
| Ethiopia | 45,585 | .. | .. | 475 | .. | .. | .. | 56,812 | 1,460 | .. | 104,332 |
| Gabon | .. | .. | .. | .. | .. | .. | .. | .. | 2,122 | .. | 2,122 |
| Gambia | .. | .. | .. | .. | .. | .. | .. | 1,593 | 1,264 | .. | 2,857 |
| Ghana | 38,231 | .. | .. | 340 | .. | .. | .. | 13,478 | 2,441 | .. | 54,490 |
| Guinea | 16,900 | .. | .. | 150 | .. | .. | .. | 823 | 2,695 | .. | 20,568 |
| Guinea-Bissau | .. | .. | .. | 125 | .. | .. | .. | .. | 1,063 | .. | 1,188 |
| Kenya | 19,500 | .. | .. | 400 | .. | .. | .. | 14,519 | 2,813 | .. | 37,232 |
| Lesotho | .. | .. | .. | 75 | .. | .. | .. | .. | 1,930 | .. | 2,005 |
| Liberia | 7,500 | .. | .. | .. | .. | .. | .. | 28,623 | .. | .. | 36,123 |
| Madagascar | 17,000 | .. | .. | 100 | .. | .. | .. | 4,970 | 1,048 | .. | 23,118 |
| Malawi | 36,100 | .. | .. | 275 | .. | .. | .. | .. | 1,859 | .. | 38,234 |
| Mali | 35,900 | .. | .. | 275 | .. | .. | .. | 1,062 | 2,885 | .. | 40,122 |
| Mauritania | .. | .. | .. | .. | .. | .. | .. | 881 | 1,372 | .. | 2,253 |
| Mozambique | 38,396 | .. | .. | 175 | .. | .. | .. | 23,855 | 726 | .. | 63,152 |
| Namibia | 8,000 | .. | .. | 200 | .. | .. | .. | .. | 2,449 | .. | 10,649 |
| Niger | 2,500 | .. | .. | .. | .. | .. | .. | .. | 2,154 | .. | 4,654 |
| Nigeria | 7,000 | .. | .. | .. | .. | .. | .. | .. | .. | .. | 7,000 |
| Rwanda | 7,500 | .. | .. | 300 | .. | .. | .. | 10,681 | .. | .. | 18,481 |
| Sao Tome & Principe | .. | .. | .. | 75 | .. | .. | .. | .. | .. | .. | 75 |
| Senegal | 17,300 | .. | .. | 735 | .. | .. | .. | .. | 2,387 | .. | 20,422 |
| Seychelles | .. | .. | .. | 75 | .. | .. | .. | .. | .. | .. | 75 |
| Sierra Leone | .. | .. | .. | .. | .. | .. | .. | 17,208 | .. | .. | 17,208 |
| Somalia | 4,000 | .. | .. | .. | .. | .. | .. | .. | .. | .. | 4,000 |

Supporting Information

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY98 Estimate

| <i>(BA \$ thousands)</i> | DA | ESF | FMF | IMET | FSA/SEED | INL | MRA | PL-480 | Peace Corps | PKO | TOTAL |
|---|----------------|---------------|---------------|--------------|-----------|-----------|----------------|----------------|---------------|---------------|------------------|
| AF | | | | | | | | | | | |
| South Africa | 70,600 | .. | .. | 800 | .. | .. | .. | .. | 1,958 | .. | 73,358 |
| Sudan | .. | .. | .. | .. | .. | .. | .. | 1,121 | .. | .. | 1,121 |
| Swaziland | .. | .. | .. | 75 | .. | .. | .. | .. | .. | .. | 75 |
| Tanzania | 19,700 | .. | .. | 225 | .. | .. | .. | 8,746 | 1,991 | .. | 30,662 |
| Togo | .. | .. | .. | 40 | .. | .. | .. | 907 | 1,682 | .. | 2,629 |
| Uganda | 44,714 | .. | .. | 400 | .. | .. | .. | 29,012 | 1,764 | .. | 75,890 |
| Zambia | 18,311 | .. | .. | 150 | .. | .. | .. | .. | 2,127 | .. | 20,588 |
| Zimbabwe | 11,850 | .. | .. | 350 | .. | .. | .. | .. | 1,415 | .. | 13,615 |
| Africa Regional | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Africa Regional Democracy Fund | .. | 15,000 | .. | .. | .. | .. | .. | .. | .. | .. | 15,000 |
| Africa Regional Peacekeeping | .. | .. | .. | .. | .. | .. | .. | .. | .. | 7,130 | 7,130 |
| African Crisis Response Force | .. | .. | 10,000 | .. | .. | .. | .. | .. | .. | 10,000 | 20,000 |
| Democracy & Human Rights Fund (DHRF) | 3,483 | .. | .. | .. | .. | .. | .. | .. | .. | .. | 3,483 |
| East Africa Regional | .. | .. | 5,000 | .. | .. | .. | .. | .. | .. | .. | 5,000 |
| Education for Development & Democracy | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Great Lakes Initiative | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Greater Horn of Africa Initiative | 15,000 | .. | .. | .. | .. | .. | .. | .. | .. | .. | 15,000 |
| Initiative for Southern Africa | 30,000 | .. | .. | .. | .. | .. | .. | .. | .. | .. | 30,000 |
| Mauritius | .. | .. | .. | 50 | .. | .. | .. | .. | .. | .. | 50 |
| OAU | .. | .. | .. | .. | .. | .. | .. | .. | .. | 2,000 | 2,000 |
| Partnership for Economic Growth & Opportunity | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Refugee Assistance - Africa | .. | .. | .. | .. | .. | .. | 143,440 | .. | .. | .. | 143,440 |
| Regional Development Fund for Africa | 124,130 | .. | .. | .. | .. | .. | .. | .. | .. | .. | 124,130 |
| Total, AF | 700,000 | 25,000 | 15,000 | 8,140 | .. | .. | 143,440 | 262,288 | 63,606 | 19,130 | 1,226,604 |

Supporting Information

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY98 Estimate

(BA \$ thousands)

| | DA | ESF | FMF | IMET | FSA/SEED | INL | MRA | PL-480 | Peace Corps | PKO | TOTAL |
|---|--------|--------|-------|-------|----------|--------|-----|--------|-------------|--------|---------|
| ARA | | | | | | | | | | | |
| Argentina | .. | .. | .. | 600 | .. | .. | .. | .. | .. | .. | 600 |
| Bahamas | .. | .. | .. | 100 | .. | 500 | .. | .. | .. | .. | 600 |
| Belize | .. | .. | .. | 250 | .. | .. | .. | .. | 989 | .. | 1,239 |
| Bolivia | 35,625 | .. | .. | 550 | .. | 12,000 | .. | 24,070 | 2,414 | .. | 74,659 |
| Brazil | 10,878 | .. | .. | 225 | .. | 500 | .. | .. | .. | .. | 11,603 |
| Chile | .. | .. | .. | 450 | .. | .. | .. | .. | 696 | .. | 1,146 |
| Colombia | 20 | .. | .. | 900 | .. | 66,000 | .. | .. | .. | .. | 66,920 |
| Costa Rica | .. | .. | .. | 200 | .. | .. | .. | .. | 663 | .. | 863 |
| Cuba | .. | 2,000 | .. | .. | .. | .. | .. | .. | .. | .. | 2,000 |
| Dominican Republic | 10,762 | 2,500 | .. | 500 | .. | .. | .. | .. | 2,648 | .. | 16,410 |
| Ecuador | 8,800 | 1,000 | .. | 500 | .. | 500 | .. | .. | 2,621 | .. | 13,421 |
| El Salvador | 34,116 | 1,000 | .. | 500 | .. | .. | .. | .. | 1,186 | .. | 36,802 |
| Guatemala | 23,338 | 25,000 | .. | 225 | .. | 3,000 | .. | 11,789 | 3,587 | .. | 66,939 |
| Guyana | 2,800 | .. | .. | 175 | .. | .. | .. | .. | 784 | .. | 3,759 |
| Haiti | .. | 70,000 | .. | 300 | .. | .. | .. | 30,214 | 1,104 | 15,500 | 117,118 |
| Honduras | 17,685 | .. | .. | 500 | .. | .. | .. | 5,097 | 2,771 | .. | 26,053 |
| Jamaica | 11,040 | .. | .. | 500 | .. | 600 | .. | .. | 1,960 | .. | 14,120 |
| Mexico | 9,377 | 1,000 | .. | 1,000 | .. | 5,000 | .. | .. | .. | .. | 16,377 |
| Nicaragua | 23,595 | 1,000 | .. | 200 | .. | .. | .. | 1,103 | 1,779 | .. | 27,677 |
| PACAMS | .. | .. | .. | 550 | .. | .. | .. | .. | .. | .. | 550 |
| Panama | 2,932 | .. | .. | .. | .. | .. | .. | .. | 1,494 | .. | 4,426 |
| Paraguay | 5,625 | 500 | .. | 200 | .. | .. | .. | .. | 3,159 | .. | 9,484 |
| Peru | 30,760 | .. | .. | 450 | .. | 31,000 | .. | 53,981 | .. | .. | 116,191 |
| Suriname | .. | .. | .. | 100 | .. | .. | .. | .. | 890 | .. | 990 |
| Trinidad & Tobago | .. | .. | .. | 125 | .. | .. | .. | .. | .. | .. | 125 |
| Uruguay | .. | .. | .. | 300 | .. | .. | .. | .. | .. | .. | 300 |
| Venezuela | .. | .. | .. | 400 | .. | 600 | .. | .. | .. | .. | 1,000 |
| Administration of Justice/ICITAP | .. | 10,000 | .. | .. | .. | .. | .. | .. | .. | .. | 10,000 |
| Caribbean Regional | .. | .. | 3,000 | .. | .. | .. | .. | .. | .. | .. | 3,000 |
| Central America Regional Development Assistance | 13,525 | .. | .. | .. | .. | .. | .. | .. | .. | .. | 13,525 |
| Eastern Caribbean | .. | .. | .. | 450 | .. | .. | .. | .. | 2,206 | .. | 2,656 |
| Inter-American Regional Democracy Fund | .. | 2,000 | .. | .. | .. | .. | .. | .. | .. | .. | 2,000 |
| LAC Regional | .. | .. | .. | .. | .. | 4,000 | .. | .. | .. | .. | 4,000 |
| Latin American & Caribbean Regional DA | 52,622 | .. | .. | .. | .. | .. | .. | .. | .. | .. | 52,622 |

Supporting Information

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY98 Estimate

| (BA \$ thousands) | DA | ESF | FMF | IMET | FSA/SEED | INL | MRA | PL-480 | Peace Corps | PKO | TOTAL |
|------------------------------------|----------------|----------------|--------------|---------------|-----------|----------------|---------------|----------------|---------------|---------------|----------------|
| ARA | | | | | | | | | | | |
| Refugee Assistance - W. Hemisphere | .. | .. | .. | .. | .. | .. | 11,300 | .. | .. | .. | 11,300 |
| Summit of the Americas | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Total, ARA | 293,500 | 116,000 | 3,000 | 10,250 | .. | 123,700 | 11,300 | 126,254 | 30,971 | 16,500 | 730,476 |

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY98 Estimate

| (BA \$ thousands) | DA | ESF | FMF | IMET | FSA/SEED | INL | MRA | PL-480 | Peace Corps | PKO | TOTAL |
|--|----------------|---------------|-----------|--------------|-----------|--------------|---------------|-----------|---------------|-----------|----------------|
| EAP | | | | | | | | | | | |
| Cambodia | .. | 20,000 | .. | .. | .. | .. | .. | .. | .. | .. | 20,000 |
| Indonesia | 43,800 | .. | .. | 400 | .. | .. | .. | .. | .. | .. | 44,200 |
| Laos | .. | .. | .. | .. | .. | 2,500 | .. | .. | .. | .. | 2,500 |
| Malaysia | .. | .. | .. | 700 | .. | .. | .. | .. | .. | .. | 700 |
| Mongolia | .. | 12,000 | .. | 425 | .. | .. | .. | .. | 1,253 | .. | 13,678 |
| Papua New Guinea | .. | .. | .. | 200 | .. | .. | .. | .. | 1,566 | .. | 1,766 |
| Philippines | 43,600 | .. | .. | 1,350 | .. | .. | .. | .. | 2,028 | .. | 46,978 |
| Samoa | .. | .. | .. | 100 | .. | .. | .. | .. | 1,033 | .. | 1,133 |
| Solomon Islands | .. | .. | .. | 150 | .. | .. | .. | .. | 1,186 | .. | 1,336 |
| South Pacific Fisheries Treaty | .. | 14,000 | .. | .. | .. | .. | .. | .. | .. | .. | 14,000 |
| Thailand | .. | .. | .. | 1,900 | .. | 3,000 | .. | .. | 644 | .. | 5,544 |
| Tonga | .. | .. | .. | 100 | .. | .. | .. | .. | 857 | .. | 957 |
| Vanuatu | .. | .. | .. | 100 | .. | .. | .. | .. | 900 | .. | 1,000 |
| ASEAN Environmental Initiative | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Asia Regional | 22,018 | .. | .. | .. | .. | 300 | .. | .. | 3,575 | .. | 25,893 |
| East Asia Pacific Regional Security Fund | .. | 250 | .. | .. | .. | .. | .. | .. | .. | .. | 250 |
| East Asia Regional Democracy Fund | .. | 8,750 | .. | .. | .. | .. | .. | .. | .. | .. | 8,750 |
| Refugee Assistance - East Asia | .. | .. | .. | .. | .. | .. | 11,300 | .. | .. | .. | 11,300 |
| Total, EAP | 109,418 | 55,000 | .. | 5,425 | .. | 6,800 | 11,300 | .. | 13,042 | .. | 199,986 |

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SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY98 Estimate

| <i>(BA \$ thousands)</i> | DA | ESF | FMF | IMET | FSA/SEED | INL | MRA | PL-480 | Peace Corps | PKO | TOTAL |
|---|--------------|---------------|----------------|---------------|----------------|------------|---------------|-----------|--------------|---------------|----------------|
| EUR | | | | | | | | | | | |
| Albania | .. | .. | 1,700 | 600 | 30,000 | .. | .. | .. | .. | .. | 32,300 |
| Ballics | .. | .. | 2,100 | .. | .. | .. | .. | .. | .. | .. | 2,100 |
| Bosnia & Herzegovina | .. | .. | .. | 600 | 215,000 | .. | .. | .. | .. | .. | 215,600 |
| Bulgaria | .. | .. | 4,200 | 950 | 31,000 | .. | .. | .. | 1,515 | .. | 37,665 |
| Croatia | .. | .. | .. | 425 | 19,000 | .. | .. | .. | .. | .. | 19,425 |
| Cyprus | .. | 15,000 | .. | .. | .. | .. | .. | .. | .. | .. | 15,000 |
| Czech Republic | .. | .. | 10,800 | 1,350 | .. | .. | .. | .. | .. | .. | 12,150 |
| Estonia | .. | .. | 5,700 | 650 | .. | .. | .. | .. | 772 | .. | 7,122 |
| F.Y.R.O. Macedonia | .. | .. | 7,900 | 450 | 16,000 | .. | .. | .. | 404 | .. | 24,754 |
| Greece | .. | .. | 14,420 | 25 | .. | .. | .. | .. | .. | .. | 14,445 |
| Hungary | .. | .. | 10,800 | 1,500 | 7,000 | .. | .. | .. | .. | .. | 19,300 |
| Ireland Fund | .. | 19,600 | .. | .. | .. | .. | .. | .. | .. | .. | 19,600 |
| Latvia | .. | .. | 5,700 | 650 | 2,400 | .. | .. | .. | 773 | .. | 9,523 |
| Lithuania | .. | .. | 5,700 | 650 | 4,600 | .. | .. | .. | 772 | .. | 11,722 |
| Malta | .. | .. | .. | 100 | .. | .. | .. | .. | .. | .. | 100 |
| Poland | .. | .. | 15,700 | 1,600 | 35,000 | .. | .. | .. | 2,591 | .. | 54,891 |
| Portugal | .. | .. | .. | 800 | .. | .. | .. | .. | .. | .. | 800 |
| Romania | .. | .. | 8,900 | 1,025 | 35,000 | .. | .. | .. | 1,375 | .. | 46,300 |
| Serbia-Montenegro | .. | .. | .. | .. | 12,000 | .. | .. | .. | .. | .. | 12,000 |
| Slovakia | .. | .. | 3,200 | 600 | 8,000 | .. | .. | .. | 1,409 | .. | 13,209 |
| Slovenia | .. | .. | 2,500 | 650 | .. | .. | .. | .. | .. | .. | 3,150 |
| Turkey | 4,000 | .. | 20,580 | 1,500 | .. | 500 | .. | .. | .. | .. | 26,580 |
| CE Defense loans | .. | .. | 20,000 | .. | .. | .. | .. | .. | .. | .. | 20,000 |
| EUR-Peacekeeping | .. | .. | .. | .. | .. | .. | .. | .. | .. | 25,000 | 25,000 |
| Holocaust Assessts and Restitution Fund | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Refugee Assistance - Europe | .. | .. | .. | .. | .. | .. | 14,000 | .. | .. | .. | 14,000 |
| Refugees in Former Yugoslavia | .. | .. | .. | .. | .. | .. | 64,000 | .. | .. | .. | 64,000 |
| SEED Regional | .. | .. | .. | .. | 70,276 | .. | .. | .. | .. | .. | 70,276 |
| UNTAES Civpol | .. | .. | .. | .. | .. | .. | .. | .. | .. | 1,500 | 1,500 |
| Total, EUR | 4,000 | 34,600 | 139,900 | 14,125 | 485,276 | 600 | 78,000 | .. | 9,611 | 26,500 | 792,612 |

Supporting Information

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY98 Estimate

| (BA \$ (thousands)) | DA | ESF | FMF | IMET | FSA/SEED | INL | MRA | PL-480 | Peace Corps | PKO | TOTAL |
|--|---------------|------------------|------------------|--------------|-----------|-----------|----------------|-----------|--------------|---------------|------------------|
| NEA | | | | | | | | | | | |
| Algeria | .. | .. | .. | 125 | .. | .. | .. | .. | .. | .. | 125 |
| Bahrain | .. | .. | .. | 250 | .. | .. | .. | .. | .. | .. | 250 |
| Egypt | .. | .. | 1,300,000 | 1,000 | .. | .. | .. | .. | .. | .. | 1,301,000 |
| Israel | .. | .. | 1,800,000 | .. | .. | .. | .. | .. | .. | .. | 1,800,000 |
| Israel-Lebanon Monitoring Group | .. | .. | .. | .. | .. | .. | .. | .. | .. | 870 | 870 |
| Jordan | .. | .. | 50,000 | 1,600 | .. | .. | .. | .. | 1,214 | .. | 52,814 |
| Lebanon | .. | .. | .. | 550 | .. | .. | .. | .. | .. | .. | 550 |
| MFO - Sinai | .. | .. | .. | .. | .. | .. | .. | .. | .. | 15,500 | 15,500 |
| Morocco | 10,300 | .. | .. | 900 | .. | .. | .. | .. | 2,234 | .. | 13,434 |
| Northern Iraq | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Oman | .. | .. | .. | 225 | .. | .. | .. | .. | .. | .. | 225 |
| Tunisia | .. | .. | .. | 900 | .. | .. | .. | .. | .. | .. | 900 |
| Yemen | .. | .. | .. | 125 | .. | .. | .. | .. | .. | .. | 125 |
| ME Regional | 4,800 | .. | .. | .. | .. | .. | .. | .. | .. | .. | 4,800 |
| Middle East Peace Process | .. | 2,153,330 | .. | .. | .. | .. | .. | .. | .. | .. | 2,153,330 |
| Northern Iraq Peace Monitoring Force (PMF) | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Refugee Assistance - Near East | .. | .. | .. | .. | .. | .. | 94,400 | .. | .. | .. | 94,400 |
| Refugees to Israel | .. | .. | .. | .. | .. | .. | 80,000 | .. | .. | .. | 80,000 |
| Total, NEA | 16,100 | 2,153,330 | 3,150,000 | 6,675 | .. | .. | 174,400 | .. | 3,448 | 16,370 | 5,518,323 |

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Supporting Information

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY98 Estimate

| (BA \$ thousands) | DA | ESF | FMF | IMET | FSA/SEED | INL | MRA | PL-480 | Peace Corps | PKO | TOTAL |
|--------------------|----|-----|---------------|--------------|----------------|-----|---------------|--------|---------------|-----|----------------|
| NIS | | | | | | | | | | | |
| Armenia | .. | .. | .. | .. | 87,588 | .. | .. | .. | 1,125 | .. | 88,713 |
| Azerbaijan | .. | .. | .. | .. | 21,430 | .. | .. | .. | .. | .. | 21,430 |
| Belarus | .. | .. | .. | 100 | 6,710 | .. | .. | .. | .. | .. | 6,810 |
| Georgia | .. | .. | 1,350 | 375 | 92,500 | .. | .. | .. | 71 | .. | 94,296 |
| Kazakhstan | .. | .. | 2,250 | 550 | 34,950 | .. | .. | .. | 1,681 | .. | 39,431 |
| Kyrgyzstan | .. | .. | 1,350 | 325 | 21,960 | .. | .. | .. | 1,269 | .. | 24,904 |
| Moldova | .. | .. | 1,450 | 450 | 25,000 | .. | .. | .. | 1,553 | .. | 28,453 |
| Russia | .. | .. | 2,250 | 900 | 129,094 | .. | .. | .. | 3,955 | .. | 136,199 |
| Tajikistan | .. | .. | .. | .. | 10,246 | .. | .. | .. | .. | .. | 10,246 |
| Turkmenistan | .. | .. | 450 | 300 | 4,500 | .. | .. | .. | 1,029 | .. | 6,279 |
| Ukraine | .. | .. | 3,800 | 1,250 | 225,400 | .. | .. | .. | 2,897 | .. | 233,347 |
| Uzbekistan | .. | .. | 1,550 | 400 | 19,140 | .. | .. | .. | 1,385 | .. | 22,475 |
| N.I.S. Regional | .. | .. | .. | .. | 92,280 | .. | 26,400 | .. | .. | .. | 118,680 |
| NIS - Parking Fees | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Total, NIS | .. | .. | 14,450 | 4,650 | 770,798 | .. | 26,400 | .. | 14,965 | .. | 831,263 |

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY98 Estimate

| (BA \$ thousands) | DA | ESF | FMF | IMET | FSA/SEED | INL | MRA | PL-480 | Peace Corps | PKO | TOTAL |
|----------------------|-----------|-----------|-----------|--------|-----------|---------|---------|---------|-------------|--------|-----------|
| SA | | | | | | | | | | | |
| Afghanistan | .. | .. | .. | .. | .. | 500 | .. | 8,297 | .. | .. | 8,797 |
| Bangladesh | 54,850 | .. | .. | 375 | .. | .. | .. | 20,720 | 750 | .. | 76,695 |
| India | 51,350 | .. | .. | 475 | .. | 13 | .. | 91,874 | .. | .. | 143,712 |
| Maldives | .. | .. | .. | 100 | .. | .. | .. | .. | .. | .. | 100 |
| Nepal | 25,700 | .. | .. | 225 | .. | 5 | .. | 683 | 2,384 | .. | 28,997 |
| Pakistan | .. | .. | .. | .. | .. | 1,500 | .. | 5,221 | .. | .. | 6,721 |
| Sri Lanka | 3,000 | .. | .. | 225 | .. | .. | .. | .. | 718 | .. | 3,943 |
| South Asia Democracy | .. | 3,000 | .. | .. | .. | .. | .. | .. | .. | .. | 3,000 |
| South Asia Regional | 13,554 | .. | .. | .. | .. | .. | 28,000 | .. | .. | .. | 41,554 |
| Total, SA | 148,454 | 3,000 | .. | 1,400 | .. | 2,018 | 28,000 | 126,795 | 3,852 | .. | 313,519 |
| | | | | | | | | | | | |
| FY98 Estimate Total | 1,270,472 | 2,386,930 | 3,322,350 | 49,665 | 1,256,074 | 132,018 | 472,840 | 515,337 | 129,395 | 77,500 | 9,612,581 |

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY 98 ESTIMATE

(BA \$ thousands)

| | DA | ESF | FSA/ SEED | IMET | INL | MRA | PL-480 | Peace Corps | FMF | PKO | Other | Total |
|--|-----------|-----------|--------------|--------|---------|---------|---------|----------------|-----------|--------|-----------|-----------|
| TOTAL REGIONAL ALLOCATIONS | 1,270,472 | 2,386,930 | 1,256,074 | 49,665 | 132,018 | 472,840 | 516,337 | 129,395 | 3,322,350 | 77,600 | - | 9,612,581 |
| CENTRAL PROGRAMS | | | | | | | | | | | | |
| DA & Child Survival | | | | | | | | | | | | |
| Global Programs & Field Support | 353,245 | - | - | - | - | - | - | - | - | - | - | 353,245 |
| Humanitarian Response | 68,708 | - | - | - | - | - | - | - | - | - | - | 68,708 |
| Program & Policy Coordination | 6,500 | - | - | - | - | - | - | - | - | - | - | 6,500 |
| Other DA | 23,209 | - | - | - | - | - | - | - | - | - | - | 23,209 |
| ESF | | | | | | | | | | | | |
| Human Rights & Democracy | - | 10,000 | - | - | - | - | - | - | - | - | - | 10,000 |
| Reserve | - | 22,998 | - | - | - | - | - | - | - | - | - | 22,998 |
| FMF | | | | | | | | | | | | |
| Admin Costs | - | - | - | - | - | - | - | - | 29,744 | - | - | 29,744 |
| Enhanced International Peacekeeping Initiative | - | - | - | - | - | - | - | - | 7,000 | - | - | 7,000 |
| Reserve | - | - | - | - | - | - | - | - | 3,950 | - | - | 3,950 |
| IMET - General Costs | - | - | - | 335 | - | - | - | - | - | - | - | 335 |
| International Narcotics & Law Enforcement | - | - | - | - | 98,982 | - | - | - | - | - | - | 98,982 |
| Migration & Refugee Affairs/ERMA | - | - | - | - | - | 227,544 | - | - | - | - | - | 227,544 |
| PL-480 (Titles II & III) | | | | | | | | | | | | |
| Other Title III | - | - | - | - | - | - | 20,000 | - | - | - | - | 20,000 |
| Central P.L. 480 | - | - | - | - | - | - | 331,663 | - | - | - | - | 331,663 |
| Peace Corps | - | - | - | - | - | - | - | 96,186 | - | - | - | 96,186 |
| TOTAL, CENTRAL PROGRAMS | 451,662 | 32,998 | - | 335 | 98,982 | 227,544 | 351,663 | 96,186 | 40,694 | - | - | 1,300,064 |
| OTHER FOREIGN OPERATION ACCOUNTS | | | | | | | | | | | | |
| Multilateral Development Banks | - | - | - | - | - | - | - | - | - | - | 1,458,950 | 1,458,950 |
| Debt Reduction Programs | - | - | - | - | - | - | - | - | - | - | 27,000 | 27,000 |
| Treasury Technical Assistance | - | - | - | - | - | - | - | - | - | - | - | - |
| Enhanced Structural Adjustment Facility | - | - | - | - | - | - | - | - | - | - | - | - |
| International Organizations & Programs | - | - | - | - | - | - | - | - | - | - | 294,500 | 294,500 |
| USAID Credit Programs | - | - | - | - | - | - | - | - | - | - | 11,053 | 11,053 |
| USAID Operating Expenses | - | - | - | - | - | - | - | - | - | - | 478,858 | 478,858 |
| USAID Inspector General | - | - | - | - | - | - | - | - | - | - | 29,047 | 29,047 |
| Disaster Assistance | - | - | - | - | - | - | - | - | - | - | 190,298 | 190,298 |
| Nonproliferation, Antiterrorism, Demining | - | - | - | - | - | - | - | - | - | - | 133,000 | 133,000 |
| Trade & Development Agency | - | - | - | - | - | - | - | - | - | - | 41,500 | 41,500 |
| Export-Import Bank-Net | - | - | - | - | - | - | - | - | - | - | 695,614 | 695,614 |
| Overseas Private Investment Corp. - Net | - | - | - | - | - | - | - | - | - | - | (175,000) | (175,000) |

Supporting Information

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY 98 ESTIMATE

(BA \$ thousands)

| | DA | ESF | FSA/ SEED | IMET | INL | MRA | PL-480 | Peace Corps | FMF | PKO | Other | Total |
|--|------------------|------------------|------------------|---------------|----------------|----------------|----------------|----------------|------------------|---------------|------------------|-------------------|
| Inter-American Foundation | - | - | - | - | - | - | - | - | - | - | 22,000 | 22,000 |
| African Development Foundation | - | - | - | - | - | - | - | - | - | - | 14,000 | 14,000 |
| Special Defense Acquisition Fund | - | - | - | - | - | - | - | - | - | - | (77,000) | (77,000) |
| TOTAL, OTHER FOREIGN OPS ACCOUNTS | - | - | - | - | - | - | - | - | - | - | 3,143,820 | 3,143,820 |
| OTHER FUNCTION 150 ACCOUNTS | | | | | | | | | | | | |
| State Operations (D&CP, S&E, CIF) | - | - | - | - | - | - | - | - | - | - | 2,076,398 | 2,076,398 |
| Security & Maintenance of U.S. Missions | - | - | - | - | - | - | - | - | - | - | 397,943 | 397,943 |
| Other State Department | - | - | - | - | - | - | - | - | - | - | 66,832 | 66,832 |
| Arms Control & Disarmament Agency | - | - | - | - | - | - | - | - | - | - | 42,716 | 42,716 |
| Contributions to International Organizations | - | - | - | - | - | - | - | - | - | - | 948,978 | 948,978 |
| Contributions to International Peacekeeping | - | - | - | - | - | - | - | - | - | - | 256,000 | 256,000 |
| Asia Foundation | - | - | - | - | - | - | - | - | - | - | 8,000 | 8,000 |
| U.S. Information Agency | - | - | - | - | - | - | - | - | - | - | 1,125,281 | 1,125,281 |
| Intl. Trade Commission & Other | - | - | - | - | - | - | - | - | - | - | 42,676 | 42,676 |
| U.S. Institute of Peace | - | - | - | - | - | - | - | - | - | - | 11,160 | 11,160 |
| TOTAL OTHER FUNCTION 150 ACCOUNTS | - | - | - | - | - | - | - | - | - | - | 4,976,984 | 4,976,984 |
| TOTAL FUNCTION 150 | 1,722,134 | 2,419,928 | 1,256,074 | 60,000 | 231,000 | 700,384 | 867,000 | 225,581 | 3,363,044 | 77,500 | 8,119,804 | 19,032,449 |

Supporting Information

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY99 Request

| (BA \$ (thousands)) | DA | ESF | FMF | IMET | FSA/SEED | INL | MRA | PL-480 | Peace Corps | PKO | TOTAL |
|---|--------|-------|-----|------|----------|-----|-----|--------|-------------|-----|--------|
| AF | | | | | | | | | | | |
| Angola | 13,000 | 2,000 | .. | 175 | .. | .. | .. | .. | .. | .. | 15,175 |
| Benin | 15,600 | .. | .. | 350 | .. | .. | .. | 1,902 | 1,719 | .. | 19,571 |
| Botswana | .. | .. | .. | 450 | .. | .. | .. | .. | .. | .. | 450 |
| Burkina Faso | .. | .. | .. | .. | .. | .. | .. | 10,521 | 1,750 | .. | 12,271 |
| Cameroon | .. | .. | .. | .. | .. | .. | .. | .. | 2,684 | .. | 2,684 |
| Cape Verde | .. | .. | .. | 100 | .. | .. | .. | 2,805 | 1,153 | .. | 4,058 |
| Central African Republic | .. | .. | .. | 90 | .. | .. | .. | .. | .. | .. | 90 |
| Chad | .. | .. | .. | 50 | .. | .. | .. | 538 | 1,207 | .. | 1,795 |
| Comoros | .. | .. | .. | 75 | .. | .. | .. | .. | .. | .. | 75 |
| Congo | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Cote d'Ivoire | .. | .. | .. | 150 | .. | .. | .. | 963 | 2,025 | .. | 3,138 |
| Democratic Republic of the Congo (DROC) | 20,000 | 8,000 | .. | 70 | .. | .. | .. | .. | .. | .. | 28,070 |
| Djibouti | .. | .. | .. | 100 | .. | .. | .. | .. | .. | .. | 100 |
| Eritrea | 10,000 | .. | .. | 425 | .. | .. | .. | 1,956 | 1,512 | .. | 13,893 |
| Ethiopia | 37,585 | .. | .. | 575 | .. | .. | .. | 32,044 | 1,695 | .. | 71,899 |
| Gabon | .. | .. | .. | 50 | .. | .. | .. | .. | 2,161 | .. | 2,211 |
| Gambia | .. | .. | .. | .. | .. | .. | .. | 1,978 | 1,231 | .. | 3,209 |
| Ghana | 35,543 | .. | .. | 400 | .. | .. | .. | 15,066 | 2,466 | .. | 54,475 |
| Guinea | 16,800 | .. | .. | 150 | .. | .. | .. | 814 | 3,184 | .. | 20,948 |
| Guinea-Bissau | .. | .. | .. | 125 | .. | .. | .. | .. | 986 | .. | 1,111 |
| Kenya | 19,300 | .. | .. | 400 | .. | .. | .. | 8,228 | 2,867 | .. | 30,795 |
| Lesotho | .. | .. | .. | 75 | .. | .. | .. | .. | 1,918 | .. | 1,993 |
| Liberia | 7,500 | 5,000 | .. | 100 | .. | .. | .. | .. | .. | .. | 12,600 |
| Madagascar | 16,500 | .. | .. | 100 | .. | .. | .. | 5,941 | 1,158 | .. | 23,699 |
| Malawi | 32,461 | .. | .. | 335 | .. | .. | .. | .. | 1,726 | .. | 34,522 |
| Mali | 30,600 | .. | .. | 280 | .. | .. | .. | 409 | 2,871 | .. | 34,160 |
| Mauritania | .. | .. | .. | .. | .. | .. | .. | 713 | 1,357 | .. | 2,070 |
| Mozambique | 41,220 | .. | .. | 180 | .. | .. | .. | 18,780 | 1,210 | .. | 61,390 |
| Namibia | 8,650 | .. | .. | 175 | .. | .. | .. | .. | 2,544 | .. | 11,369 |
| Niger | .. | .. | .. | .. | .. | .. | .. | .. | 2,052 | .. | 2,052 |
| Nigeria | 7,000 | .. | .. | .. | .. | .. | .. | .. | .. | .. | 7,000 |
| Rwanda | 9,500 | .. | .. | 300 | .. | .. | .. | .. | .. | .. | 9,800 |
| Sao Tome & Principe | .. | .. | .. | 75 | .. | .. | .. | .. | .. | .. | 75 |
| Senegal | 24,526 | .. | .. | 735 | .. | .. | .. | .. | 2,135 | .. | 27,396 |
| Seychelles | .. | .. | .. | 75 | .. | .. | .. | .. | .. | .. | 75 |
| Sierra Leone | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Somalia | 2,700 | .. | .. | .. | .. | .. | .. | .. | .. | .. | 2,700 |

Supporting Information

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY99 Request

| (BA \$ thousands) | DA | ESF | FMF | IMET | FSA/SEED | INL | MRA | PL-480 | Peace Corps | PKO | TOTAL |
|---|---------|--------|--------|-------|----------|-------|---------|---------|-------------|--------|-----------|
| AF | | | | | | | | | | | |
| South Africa | 50,531 | .. | .. | 800 | .. | .. | .. | .. | 2,199 | .. | 53,530 |
| Sudan | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Swaziland | .. | .. | .. | 75 | .. | .. | .. | .. | .. | .. | 75 |
| Tanzania | 21,650 | .. | .. | 150 | .. | .. | .. | .. | 1,999 | .. | 23,799 |
| Togo | .. | .. | .. | 50 | .. | .. | .. | .. | 1,598 | .. | 1,648 |
| Uganda | 48,300 | .. | .. | 400 | .. | .. | .. | 5,284 | 1,821 | .. | 55,805 |
| Zambia | 19,250 | .. | .. | 150 | .. | .. | .. | .. | 2,224 | .. | 21,624 |
| Zimbabwe | 2,050 | .. | .. | 300 | .. | .. | .. | .. | 1,503 | .. | 3,853 |
| Africa Regional | .. | .. | .. | .. | .. | 2,800 | .. | .. | .. | .. | 2,800 |
| Africa Regional Democracy Fund | .. | 15,000 | .. | .. | .. | .. | .. | .. | .. | .. | 15,000 |
| Africa Regional Peacekeeping | .. | .. | .. | .. | .. | .. | .. | .. | .. | 8,000 | 8,000 |
| African Crisis Response Force | .. | .. | 5,000 | .. | .. | .. | .. | .. | .. | 15,000 | 20,000 |
| Democracy & Human Rights Fund (DHRF) | 3,100 | .. | .. | .. | .. | .. | .. | .. | .. | .. | 3,100 |
| East Africa Regional | .. | .. | 5,000 | .. | .. | .. | .. | .. | .. | .. | 5,000 |
| Education for Development & Democracy | 26,000 | 10,000 | .. | .. | .. | .. | .. | 25,000 | 5,000 | .. | 66,000 |
| Great Lakes Initiative | .. | 25,000 | .. | .. | .. | .. | .. | .. | .. | .. | 25,000 |
| Greater Horn of Africa Initiative | 15,000 | .. | .. | .. | .. | .. | .. | .. | .. | .. | 15,000 |
| Initiative for Southern Africa | 30,000 | 2,000 | .. | .. | .. | .. | .. | .. | .. | .. | 32,000 |
| Mauritius | .. | .. | .. | 50 | .. | .. | .. | .. | .. | .. | 50 |
| OAU | .. | .. | .. | .. | .. | .. | .. | .. | .. | 2,000 | 2,000 |
| Partnership for Economic Growth & Opportunity | 30,000 | .. | .. | .. | .. | .. | .. | .. | .. | .. | 30,000 |
| Refugee Assistance - Africa | .. | .. | .. | .. | .. | .. | 148,100 | .. | .. | .. | 148,100 |
| Regional Development Fund for Africa | 134,634 | .. | .. | .. | .. | .. | .. | .. | .. | .. | 134,634 |
| Total, AF | 730,000 | 67,000 | 10,000 | 8,140 | .. | 2,800 | 148,100 | 132,942 | 69,955 | 25,000 | 1,183,937 |

Supporting Information

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SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY99 Request

| (BA \$ thousands) | DA | ESF | FMF | IMET | FSA/SEED | INL | MRA | PL-480 | Peace Corps | PKO | TOTAL |
|---|--------|---------|-------|-------|----------|--------|-----|--------|-------------|--------|---------|
| ARA | | | | | | | | | | | |
| Argentina | .. | .. | .. | 600 | .. | .. | .. | .. | .. | .. | 600 |
| Bahamas | .. | .. | .. | 100 | .. | 1,000 | .. | .. | .. | .. | 1,100 |
| Belize | .. | .. | .. | 250 | .. | .. | .. | .. | 979 | .. | 1,229 |
| Bolivia | 33,880 | .. | .. | 550 | .. | 45,000 | .. | 23,910 | 2,156 | .. | 105,496 |
| Brazil | 10,617 | .. | .. | 225 | .. | 1,200 | .. | .. | .. | .. | 12,042 |
| Chile | .. | .. | .. | 450 | .. | .. | .. | .. | .. | .. | 450 |
| Colombia | .. | .. | .. | 800 | .. | 45,000 | .. | .. | .. | .. | 45,800 |
| Costa Rica | .. | .. | .. | 200 | .. | .. | .. | .. | 293 | .. | 493 |
| Cuba | .. | 3,000 | .. | .. | .. | .. | .. | .. | .. | .. | 3,000 |
| Dominican Republic | 8,824 | 2,300 | .. | 500 | .. | .. | .. | .. | 2,751 | .. | 14,375 |
| Ecuador | 12,305 | 1,200 | .. | 500 | .. | 1,500 | .. | .. | 2,574 | .. | 18,079 |
| El Salvador | 31,328 | 2,000 | .. | 500 | .. | .. | .. | .. | 1,237 | .. | 35,065 |
| Guatemala | 23,885 | 25,000 | .. | 225 | .. | 4,000 | .. | 10,505 | 3,794 | .. | 67,409 |
| Guyana | 2,300 | .. | .. | 175 | .. | .. | .. | .. | 795 | .. | 3,270 |
| Haiti | .. | 140,000 | .. | 300 | .. | .. | .. | 30,000 | 1,234 | 11,000 | 182,534 |
| Honduras | 21,585 | .. | .. | 500 | .. | .. | .. | 4,403 | 2,825 | .. | 29,313 |
| Jamaica | 10,096 | .. | .. | 500 | .. | 800 | .. | .. | 2,015 | .. | 13,411 |
| Mexico | 7,332 | 1,500 | .. | 1,000 | .. | 8,000 | .. | .. | .. | .. | 17,832 |
| Nicaragua | 22,540 | 1,500 | .. | 200 | .. | .. | .. | 2,362 | 1,992 | .. | 28,594 |
| PACAMS | .. | .. | .. | 550 | .. | .. | .. | .. | .. | .. | 550 |
| Panama | 4,850 | .. | .. | 100 | .. | .. | .. | .. | 1,549 | .. | 6,499 |
| Paraguay | 4,525 | 800 | .. | 200 | .. | .. | .. | .. | 3,271 | .. | 8,796 |
| Peru | 33,959 | .. | .. | 450 | .. | 50,000 | .. | 49,745 | .. | .. | 134,154 |
| Suriname | .. | .. | .. | 100 | .. | .. | .. | .. | 1,025 | .. | 1,125 |
| Trinidad & Tobago | .. | .. | .. | 125 | .. | .. | .. | .. | .. | .. | 125 |
| Uruguay | .. | .. | .. | 300 | .. | .. | .. | .. | .. | .. | 300 |
| Venezuela | .. | .. | .. | 400 | .. | 700 | .. | .. | .. | .. | 1,100 |
| Administration of Justice/CITAP | .. | 10,000 | .. | .. | .. | .. | .. | .. | .. | .. | 10,000 |
| Caribbean Regional | .. | .. | 3,000 | .. | .. | .. | .. | .. | .. | .. | 3,000 |
| Central America Regional Development Assistance | 11,400 | .. | .. | .. | .. | .. | .. | .. | .. | .. | 11,400 |
| Eastern Caribbean | .. | .. | .. | 450 | .. | .. | .. | .. | 2,227 | .. | 2,677 |
| Inter-American Regional Democracy Fund | .. | 700 | .. | .. | .. | .. | .. | .. | .. | .. | 700 |
| LAC Regional | .. | .. | .. | .. | .. | 9,000 | .. | .. | .. | .. | 9,000 |
| Latin American & Caribbean Regional DA | 38,052 | .. | .. | .. | .. | .. | .. | .. | .. | .. | 38,052 |

Supporting Information

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY99 Request

| (BA \$ thousands) | DA | ESF | FMF | IMET | FSA/SEED | INL | MRA | PL-480 | Peace Corps | PKO | TOTAL |
|------------------------------------|---------|---------|-------|--------|----------|---------|--------|---------|-------------|--------|---------|
| ARA | | | | | | | | | | | |
| Refugee Assistance - W. Hemisphere | .. | .. | .. | .. | .. | .. | 12,300 | .. | .. | .. | 12,300 |
| Summit of the Americas | 20,000 | .. | .. | .. | .. | .. | .. | .. | .. | .. | 20,000 |
| Total, ARA | 297,478 | 188,000 | 3,000 | 10,250 | .. | 166,200 | 12,300 | 120,925 | 30,717 | 11,000 | 839,870 |

Supporting Information

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY99 Request

| (BA \$ thousands) | DA | ESF | FMF | IMET | FSA/SEED | INL | MRA | PL-480 | Peace Corps | PKO | TOTAL |
|--|----------------|---------------|-----------|--------------|-----------|--------------|---------------|-----------|---------------|-----------|----------------|
| EAP | | | | | | | | | | | |
| Cambodia | .. | 20,000 | .. | .. | .. | .. | .. | .. | .. | .. | 20,000 |
| Indonesia | 38,369 | .. | .. | 400 | .. | .. | .. | .. | .. | .. | 38,769 |
| Laos | .. | .. | .. | .. | .. | 4,000 | .. | .. | .. | .. | 4,000 |
| Malaysia | .. | .. | .. | 700 | .. | .. | .. | .. | .. | .. | 700 |
| Mongolia | .. | 6,000 | .. | 425 | .. | .. | .. | .. | 1,250 | .. | 7,675 |
| Papua New Guinea | .. | .. | .. | 200 | .. | .. | .. | .. | 1,719 | .. | 1,919 |
| Philippines | 52,325 | .. | .. | 1,350 | .. | .. | .. | .. | 1,977 | .. | 55,652 |
| Samoa | .. | .. | .. | 100 | .. | .. | .. | .. | 1,047 | .. | 1,147 |
| Solomon Islands | .. | .. | .. | 150 | .. | .. | .. | .. | 1,290 | .. | 1,440 |
| South Pacific Fisheries Treaty | .. | 14,000 | .. | .. | .. | .. | .. | .. | .. | .. | 14,000 |
| Thailand | .. | .. | .. | 1,600 | .. | 3,000 | .. | .. | 638 | .. | 5,238 |
| Tonga | .. | .. | .. | 100 | .. | .. | .. | .. | 895 | .. | 995 |
| Vanuatu | .. | .. | .. | 100 | .. | .. | .. | .. | 1,069 | .. | 1,169 |
| ASEAN Environmental Initiative | .. | 4,000 | .. | .. | .. | .. | .. | .. | .. | .. | 4,000 |
| Asia Regional | 29,700 | .. | .. | .. | .. | 1,500 | .. | .. | 3,523 | .. | 34,723 |
| East Asia Pacific Regional Security Fund | .. | 250 | .. | .. | .. | .. | .. | .. | .. | .. | 250 |
| East Asia Regional Democracy Fund | .. | 5,000 | .. | .. | .. | .. | .. | .. | .. | .. | 5,000 |
| Refugee Assistance - East Asia | .. | .. | .. | .. | .. | .. | 11,300 | .. | .. | .. | 11,300 |
| Total, EAP | 120,394 | 49,250 | .. | 6,125 | .. | 8,500 | 11,300 | .. | 13,408 | .. | 207,977 |

Supporting Information

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY99 Request

| (BA \$ (thousands)) | DA | ESF | FMF | IMET | FSA/SEED | INL | MRA | PL-480 | Peace Corps | PKO | TOTAL |
|--|--------------|---------------|---------------|---------------|----------------|------------|---------------|-----------|--------------|---------------|----------------|
| EUR | | | | | | | | | | | |
| Albania | .. | 10,000 | 2,000 | 600 | 35,000 | .. | .. | .. | .. | .. | 47,600 |
| Ballics | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Bosnia & Herzegovina | .. | .. | .. | 600 | 225,000 | .. | .. | .. | .. | .. | 225,600 |
| Bulgaria | .. | .. | 6,000 | 950 | 30,000 | .. | .. | .. | 1,523 | .. | 38,473 |
| Croatia | .. | .. | .. | 425 | 10,000 | .. | .. | .. | .. | .. | 10,425 |
| Cyprus | .. | 15,000 | .. | .. | .. | .. | .. | .. | .. | .. | 15,000 |
| Czech Republic | .. | .. | 7,500 | 1,350 | .. | .. | .. | .. | .. | .. | 8,850 |
| Estonia | .. | .. | 4,700 | 650 | .. | .. | .. | .. | 800 | .. | 6,150 |
| F.Y.R.O. Macedonia | .. | .. | 6,000 | 450 | 16,000 | .. | .. | .. | 439 | .. | 22,889 |
| Greece | .. | .. | .. | 25 | .. | .. | .. | .. | .. | .. | 25 |
| Hungary | .. | .. | 7,500 | 1,500 | .. | .. | .. | .. | .. | .. | 9,000 |
| Ireland Fund | .. | 19,600 | .. | .. | .. | .. | .. | .. | .. | .. | 19,600 |
| Lalvia | .. | .. | 4,700 | 650 | .. | .. | .. | .. | 800 | .. | 6,150 |
| Lithuania | .. | .. | 4,700 | 650 | 2,200 | .. | .. | .. | 800 | .. | 8,350 |
| Malla | .. | .. | .. | 135 | .. | .. | .. | .. | .. | .. | 135 |
| Poland | .. | .. | 10,000 | 1,600 | 20,000 | .. | .. | .. | 2,637 | .. | 34,237 |
| Portugal | .. | .. | .. | 700 | .. | .. | .. | .. | .. | .. | 700 |
| Romania | .. | .. | 9,000 | 1,025 | 36,000 | .. | .. | .. | 1,514 | .. | 47,539 |
| Serbia-Montenegro | .. | .. | .. | .. | 15,000 | .. | .. | .. | .. | .. | 15,000 |
| Slovakia | .. | .. | 2,300 | 600 | 2,000 | .. | .. | .. | 1,404 | .. | 6,304 |
| Slovenia | .. | .. | 2,600 | 650 | .. | .. | .. | .. | .. | .. | 3,250 |
| Turkey | 4,000 | .. | .. | 1,500 | .. | 500 | .. | .. | .. | .. | 6,000 |
| CE Defense loans | .. | .. | 20,000 | .. | .. | .. | .. | .. | .. | .. | 20,000 |
| EUR-Peacekeeping | .. | .. | .. | .. | .. | .. | .. | .. | .. | 30,000 | 30,000 |
| Holocaust Assesls and Restitution Fund | .. | 10,000 | .. | .. | .. | .. | .. | .. | .. | .. | 10,000 |
| Refugee Assistance - Europe | .. | .. | .. | .. | .. | .. | 16,600 | .. | .. | .. | 16,600 |
| Refugees in Former Yugoslavia | .. | .. | .. | .. | .. | .. | 45,900 | .. | .. | .. | 45,900 |
| SEED Regional | .. | .. | .. | .. | 73,300 | .. | .. | .. | .. | .. | 73,300 |
| UNTAES Civpol | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Total, EUR | 4,000 | 54,600 | 87,000 | 14,060 | 464,500 | 600 | 62,600 | .. | 9,917 | 30,000 | 727,077 |

Supporting Information

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SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY99 Request

| (BA \$ thousands) | DA | ESF | FMF | IMET | FSA/SEED | INL | MRA | PL-480 | Peace Corps | PKO | TOTAL |
|--|---------------|------------------|------------------|--------------|-----------|------------|----------------|-----------|--------------|---------------|------------------|
| NEA | | | | | | | | | | | |
| Algeria | .. | .. | .. | 125 | .. | .. | .. | .. | .. | .. | 125 |
| Bahrain | .. | .. | .. | 225 | .. | .. | .. | .. | .. | .. | 225 |
| Egypt | .. | .. | 1,300,000 | 1,000 | .. | .. | .. | .. | .. | .. | 1,301,000 |
| Israel | .. | .. | 1,800,000 | .. | .. | .. | .. | .. | .. | .. | 1,800,000 |
| Israel-Lebanon Monitoring Group | .. | .. | .. | .. | .. | .. | .. | .. | .. | 1,000 | 1,000 |
| Jordan | .. | .. | 45,000 | 1,600 | .. | .. | .. | .. | 1,470 | .. | 48,070 |
| Lebanon | .. | .. | .. | 550 | .. | .. | .. | .. | .. | .. | 550 |
| MFO - Sinai | .. | .. | .. | .. | .. | .. | .. | .. | .. | 16,000 | 16,000 |
| Morocco | 11,781 | .. | .. | 900 | .. | .. | .. | .. | 2,299 | .. | 14,980 |
| Northern Iraq | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Oman | .. | .. | .. | 225 | .. | .. | .. | .. | .. | .. | 225 |
| Tunisia | .. | .. | .. | 900 | .. | .. | .. | .. | .. | .. | 900 |
| Yemen | .. | .. | .. | 125 | .. | .. | .. | .. | .. | .. | 125 |
| ME Regional | 4,807 | .. | .. | .. | .. | 200 | .. | .. | .. | .. | 5,007 |
| Middle East Peace Process | .. | 2,143,000 | .. | .. | .. | .. | .. | .. | .. | .. | 2,143,000 |
| Northern Iraq Peace Monitoring Force (PMF) | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Refugee Assistance - Near East | .. | .. | .. | .. | .. | .. | 98,200 | .. | .. | .. | 98,200 |
| Refugees to Israel | .. | .. | .. | .. | .. | .. | 70,000 | .. | .. | .. | 70,000 |
| Total, NEA | 16,588 | 2,143,000 | 3,145,000 | 6,650 | .. | 200 | 168,200 | .. | 3,769 | 17,000 | 5,499,407 |

Supporting Information

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY99 Request

| (BA \$ thousands) | DA | ESF | FMF | IMET | FSA/SEED | INL | MRA | PL-480 | Peace Corps | PKO | TOTAL |
|--------------------|----|-----|--------|-------|----------|-----|--------|--------|-------------|-----|---------|
| NIS | | | | | | | | | | | |
| Armenia | .. | .. | .. | .. | 80,000 | .. | .. | .. | 1,161 | .. | 81,161 |
| Azerbaijan | .. | .. | .. | .. | 31,500 | .. | .. | .. | .. | .. | 31,500 |
| Belarus | .. | .. | .. | 100 | 11,300 | .. | .. | .. | .. | .. | 11,400 |
| Georgia | .. | .. | 1,650 | 380 | 80,700 | .. | .. | .. | 1,308 | .. | 84,038 |
| Kazakstan | .. | .. | 1,750 | 550 | 46,000 | .. | .. | .. | 1,760 | .. | 50,060 |
| Kyrgystan | .. | .. | 1,300 | 325 | 29,000 | .. | .. | .. | 1,274 | .. | 31,899 |
| Moldova | .. | .. | 850 | 450 | 35,500 | .. | .. | .. | 1,598 | .. | 38,398 |
| Russia | .. | .. | 1,500 | 900 | 225,400 | .. | .. | .. | 3,889 | .. | 231,689 |
| Tajikistan | .. | .. | .. | .. | 18,750 | .. | .. | .. | .. | .. | 18,750 |
| Turkmenistan | .. | .. | 600 | 300 | 15,000 | .. | .. | .. | 1,090 | .. | 16,990 |
| Ukraine | .. | .. | 3,400 | 1,250 | 223,500 | .. | .. | .. | 2,860 | .. | 231,010 |
| Uzbekistan | .. | .. | 1,950 | 485 | 32,050 | .. | .. | .. | 1,390 | .. | 35,875 |
| N.I S. Regional | .. | .. | .. | .. | 96,300 | .. | 29,000 | .. | .. | .. | 125,300 |
| NIS - Parking Fees | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Total, NIS | .. | .. | 13,000 | 4,740 | 926,000 | .. | 29,000 | .. | 16,330 | .. | 988,070 |

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY99 Request

| (BA \$ thousands) | DA | ESF | FMF | IMET | FSA/SEED | INL | MRA | PL-480 | Peace Corps | PKO | TOTAL |
|----------------------|-----------|-----------|-----------|--------|-----------|---------|---------|---------|-------------|--------|-----------|
| SA | | | | | | | | | | | |
| Afghanistan | .. | .. | .. | .. | .. | 750 | .. | .. | .. | .. | 750 |
| Bangladesh | 65,270 | .. | .. | 350 | .. | .. | .. | 19,360 | 1,160 | .. | 86,140 |
| India | 56,500 | .. | .. | 450 | .. | 100 | .. | 91,752 | .. | .. | 148,802 |
| Maldives | .. | .. | .. | 100 | .. | .. | .. | .. | .. | .. | 100 |
| Nepal | 26,260 | .. | .. | 200 | .. | .. | .. | .. | 2,249 | .. | 28,709 |
| Pakistan | .. | .. | .. | 350 | .. | 2,500 | .. | .. | .. | .. | 2,850 |
| Sri Lanka | 1,500 | .. | .. | 200 | .. | .. | .. | .. | 731 | .. | 2,431 |
| South Asia Democracy | .. | 2,750 | .. | .. | .. | .. | .. | .. | .. | .. | 2,750 |
| South Asia Regional | 11,000 | .. | .. | .. | .. | .. | 29,500 | .. | .. | .. | 40,500 |
| Total, SA | 160,530 | 2,750 | .. | 1,650 | .. | 3,350 | 29,500 | 111,112 | 4,140 | .. | 313,032 |
| | | | | | | | | | | | |
| FY99 Request Total | 1,328,990 | 2,504,600 | 3,258,000 | 49,615 | 1,389,500 | 181,550 | 460,900 | 364,979 | 138,236 | 83,000 | 9,759,370 |

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY 99 REQUEST

(BA \$ thousands)

| | DA | ESF | FSA/ SEED | IMET | INL | MRA | PL-480 | Peace Corps | FMF | PKO | Other | Total |
|--|----------------|--------------|--------------|------------|---------------|----------------|----------------|----------------|---------------|----------|-----------|------------------|
| TOTAL REGIONAL ALLOCATIONS | 1,328,990 | 2,504,600 | 1,389,500 | 49,616 | 181,650 | 460,900 | 364,979 | 138,236 | 3,268,000 | 83,000 | - | 9,759,370 |
| CENTRAL PROGRAMS | | | | | | | | | | | | |
| DA & Child Survival | - | - | - | - | - | - | - | - | - | - | - | - |
| Global Programs & Field Support | 362,712 | - | - | - | - | - | - | - | - | - | - | 362,712 |
| Humanitarian Response | 68,426 | - | - | - | - | - | - | - | - | - | - | 68,426 |
| Program & Policy Coordination | 6,006 | - | - | - | - | - | - | - | - | - | - | 6,006 |
| Other DA | 2,500 | - | - | - | - | - | - | - | - | - | - | 2,500 |
| ESF | - | - | - | - | - | - | - | - | - | - | - | - |
| Human Rights & Democracy | - | 9,000 | - | - | - | - | - | - | - | - | - | 9,000 |
| FMF | - | - | - | - | - | - | - | - | - | - | - | - |
| Admin Costs | - | - | - | - | - | - | - | - | 29,910 | - | - | 29,910 |
| Enhanced International Peacekeeping Initiative | - | - | - | - | - | - | - | - | 8,000 | - | - | 8,000 |
| IMET - General Costs | - | - | - | 385 | - | - | - | - | - | - | - | 385 |
| International Narcotics & Law Enforcement | - | - | - | - | 93,450 | - | - | - | - | - | - | 93,450 |
| Migration & Refugee Affairs/ERMA | - | - | - | - | - | 209,100 | - | - | - | - | - | 209,100 |
| PL-480 (Titles II & III) | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Title III | - | - | - | - | - | - | 20,000 | - | - | - | - | 20,000 |
| Central P.L. 480 | - | - | - | - | - | - | 482,021 | - | - | - | - | 482,021 |
| Peace Corps | - | - | - | - | - | - | - | 132,099 | - | - | - | 132,099 |
| TOTAL, CENTRAL PROGRAMS | 439,644 | 9,000 | - | 385 | 93,450 | 209,100 | 502,021 | 132,099 | 37,910 | - | - | 1,423,609 |
| OTHER FOREIGN OPERATION ACCOUNTS | | | | | | | | | | | | |
| Multilateral Development Banks | - | - | - | - | - | - | - | - | - | - | 1,650,764 | 1,650,764 |
| Debt Reduction Programs | - | - | - | - | - | - | - | - | - | - | 72,000 | 72,000 |
| Treasury Technical Assistance | - | - | - | - | - | - | - | - | - | - | 5,000 | 5,000 |
| Enhanced Structural Adjustment Facility | - | - | - | - | - | - | - | - | - | - | 7,000 | 7,000 |
| International Organizations & Programs | - | - | - | - | - | - | - | - | - | - | 314,000 | 314,000 |
| USAID Credit Programs | - | - | - | - | - | - | - | - | - | - | 14,053 | 14,053 |
| USAID Operating Expenses | - | - | - | - | - | - | - | - | - | - | 483,858 | 483,858 |
| USAID Inspector General | - | - | - | - | - | - | - | - | - | - | 33,000 | 33,000 |
| Disaster Assistance | - | - | - | - | - | - | - | - | - | - | 205,000 | 205,000 |
| Nonproliferation, Antiterrorism, Demining | - | - | - | - | - | - | - | - | - | - | 215,900 | 215,900 |
| Trade & Development Agency | - | - | - | - | - | - | - | - | - | - | 50,000 | 50,000 |
| Export-Import Bank-Net | - | - | - | - | - | - | - | - | - | - | 824,940 | 824,940 |
| Overseas Private Investment Corp. - Net | - | - | - | - | - | - | - | - | - | - | (176,400) | (176,400) |
| Inter-American Foundation | - | - | - | - | - | - | - | - | - | - | 22,000 | 22,000 |

Supporting Information

SELECTED U.S. ECONOMIC AND MILITARY ASSISTANCE PROGRAMS: FY 99 REQUEST

(BA \$ thousands)

| | DA | ESF | FSA/ SEED | IMET | INL | MRA | PL-480 | Peace Corps | FMF | PKO | Other | Total |
|--|------------------|------------------|------------------|---------------|----------------|----------------|----------------|----------------|------------------|---------------|------------------|-------------------|
| African Development Foundation | - | - | - | - | - | - | - | - | - | - | 14,000 | 14,000 |
| Special Defense Acquisition Fund | - | - | - | - | - | - | - | - | - | - | (50,000) | (50,000) |
| TOTAL, OTHER FOREIGN OPS ACCOUNTS | - | - | - | - | - | - | - | - | - | - | 3,685,115 | 3,685,115 |
| OTHER FUNCTION 150 ACCOUNTS | | | | | | | | | | | | |
| State Operations (D&CP, S&E, CIF) | - | - | - | - | - | - | - | - | - | - | 2,177,400 | 2,177,400 |
| Security & Maintenance of U.S. Missions | - | - | - | - | - | - | - | - | - | - | 640,800 | 640,800 |
| Other State Department | - | - | - | - | - | - | - | - | - | - | 65,466 | 65,466 |
| Arms Control & Disarmament Agency | - | - | - | - | - | - | - | - | - | - | 43,400 | 43,400 |
| Contributions to International Organizations | - | - | - | - | - | - | - | - | - | - | 930,773 | 930,773 |
| Contributions to International Peacekeeping | - | - | - | - | - | - | - | - | - | - | 231,000 | 231,000 |
| Asia Foundation | - | - | - | - | - | - | - | - | - | - | 15,000 | 15,000 |
| U.S. Information Agency | - | - | - | - | - | - | - | - | - | - | 1,119,300 | 1,119,300 |
| Intl. Trade Commission & Other | - | - | - | - | - | - | - | - | - | - | 47,500 | 47,500 |
| U.S. Institute of Peace | - | - | - | - | - | - | - | - | - | - | 11,495 | 11,495 |
| TOTAL OTHER FUNCTION 150 ACCOUNTS | - | - | - | - | - | - | - | - | - | - | 5,282,134 | 5,282,134 |
| TOTAL FUNCTION 150 | 1,768,634 | 2,513,600 | 1,389,600 | 50,000 | 276,000 | 670,000 | 867,000 | 270,336 | 3,295,910 | 83,000 | 8,967,249 | 20,150,228 |