Performance Section

(Above) **This health clinic in Teshkan, Afghanistan, was repaired as a USAID Quick Impact project. Workers fixed the roof, plastered and painted interior and exterior walls, installed window panes and set up a clean water source.**

PHOTO: INTERNATIONAL ORGANIZATION FOR MIGRATION (IOM)

(Preceding page) **A Pakistani family rebuilds after the October 2005 earthquake, using their USAID-supplied kit to construct a warm, small house.**

PHOTO: USAID/BEN BARBER

INTRODUCTION TO THE JOINT PERFORMANCE SECTION

HOW WE MANAGE AND REPORT ON PERFORMANCE

The Joint Performance Section reports on performance indicators ***owned and managed separately*** by the Department of State and the U.S. Agency for International Development (USAID). Each indicator table shows the logo of the agency responsible for gathering, reporting, and validating the performance data for that indicator:

USAID Department of State

In addition, State and USAID are reporting separately on agency-specific resources invested to achieve specific performance goals. Throughout the fiscal year, performance management analysts from the Department of State and USAID provide training, guidance and support to planning coordinators from regional and functional bureaus in both agencies. These bureau planning coordinators work directly with senior leadership, program managers and technical experts to review and evaluate performance measures to ensure they best capture the President's highest foreign policy and foreign assistance priorities and focus on high-level outcomes. Furthermore, senior leaders and program managers use relevant performance data, including data from program evaluations, budget reviews, PART assessments, and quarterly results reporting to inform budget and management decisions.

During FY 2006, the Department and USAID closely reviewed and significantly simplified the number of indicators used to track performance. A joint State-USAID team of performance analysts reviewed the indicator set published in the FY 2006 Joint Performance Plan and, in consultation with program managers, replaced weak indicators and imprecise targets with measures that better track progress toward our highest-level outcomes and strategic goals. As a result, the number of indicators against which the Department of State and USAID are reporting in the FY 2006 PAR was reduced from 286 to 129, of which 35 are managed by USAID and 94 are managed by the Department..

Actual performance data are reported for every performance goal and explanations for changes to performance measures are listed in an appendix. For many of its indicators, USAID estimated performance results based on preliminary data, as final year data were unavailable as of November 15, 2006. If preliminary data have been used, this will be noted in the data source information for each indicator. Final USAID performance results will be reported after year-end data is received from field operating units later in the calendar year.

OUR PERFORMANCE RATING SYSTEM

The Department and USAID used a rigorous results rating methodology to assess FY 2006 performance on the initiatives and programs under each strategic goal. First, program managers assigned a single rating for each performance measure to characterize the status of agency performance in relation to targets set for FY 2006. Performance analysts from State and USAID then evaluated each self-assessed rating and raised follow-up questions with program managers as appropriate. On occasion, initial ratings were changed after review to more accurately reflect results.

The following table shows the criteria and parameters of the Performance Results Rating System.

PERFORMANCE RESULTS RATING SYSTEM					
Performance Rating	**Significantly Below Target**	**Below Target**	**On Target**	**Above Target**	**Significantly Above Target**
Criteria	**Parameters**				
Results Against Targets	Results missed FY 2006 target by a significant margin	Results missed FY 2006 target by a slight margin	Results met FY 2006 target	Results slightly exceeded FY 2006 target	Significantly exceeded FY 2006 target
Budget Status	Spent significantly over budget	Spent slightly over budget	Spent on budget	Spent slightly under budget	Spent significantly under budget
Timeliness	Missed most critical deadlines	Missed some critical deadlines	Met all critical deadlines	Met some critical deadlines early	Met most critical deadlines early
Impact on Outcomes	Results significantly compromise progress toward targeted outcomes	Results slightly compromise progress toward targeted outcomes	Results support progress toward targeted outcomes	Results slightly ahead of expected progress toward targeted outcomes	Results significantly ahead of expected progress toward targeted outcomes

VALIDATION AND VERIFICATION

Program managers are held accountable for performance results reported in the PAR. Credibility depends on the due diligence of program managers to validate and verify performance by choosing appropriate performance measures and ensuring the highest accuracy of reported results. The Department's Verification and Validation Reference Guide and USAID's Automated Directives System *(www.usaid.gov/policy/ads/200/203.pdf)* assist program managers to ascertain the quality, reliability and validity of performance data. The National Foreign Affairs Training Center also uses these reference materials in courses on strategic and performance planning.

Assessing the reliability and completeness of performance data is critical to managing for results. Tables in the Joint Performance Section include the following information to show validation and verification of performance data:

- **Validation:** At the top of each performance table under the indicator title, a short statement explains why this indicator is a useful and appropriate measure of program performance.
- **Verification:** Performance tables include a "Performance Data" subsection that provides data source and data quality information relevant to each indicator. Under these fields, program managers list the resources used to measure performance (data source) and provide an assessment of the reliability and completeness of performance data (data quality), including any issues that may compromise confidence in the accuracy, quality or reliability of performance data or data sources used to determine FY 2006 performance results.

Federal agencies' Inspectors General play a central role in the verification and validation of their agency's performance measures. To improve performance and implement the President's Management Agenda, the Office of the Inspector General (OIG) reviews performance measures in the course of its audits and evaluations. The OIG consults with program managers to identify key measures to be verified and validated as a complement to agency verification and validation efforts. The OIG gives priority to performance measures related to the President's Management Agenda initiatives, programs assessed by OMB's Program Assessment Rating Tool, and areas identified as serious management and performance challenges. ■

STRATEGIC OBJECTIVE #1:

ACHIEVE PEACE AND SECURITY

The foremost responsibility of government is protecting the life, liberty, and property of its citizens. Since our struggle for independence, diplomacy and development assistance have become critical to our nation's security. The Department of State and USAID lead the effort to build and maintain relationships, coalitions, and alliances that promote economic, social and cultural cooperation, helping create the conditions for peace, and containing or eliminating potential dangers from abroad before they can harm our citizens.

Our security is best guaranteed when our friends and neighbors are secure, free, and prosperous, and when they respect human rights and the rule of law. As a result, the Department and USAID focus their efforts on resolving regional conflicts, countering global terror networks, combating international organized crime, and keeping weapons of mass destruction out of the hands of those who seek to harm the United States, our allies, and our friends.

STRATEGIC GOAL 1: REGIONAL STABILITY

Avert and Resolve Local and Regional Conflicts to Preserve Peace and Minimize Harm to the National Interests of the United States

1. PUBLIC BENEFIT

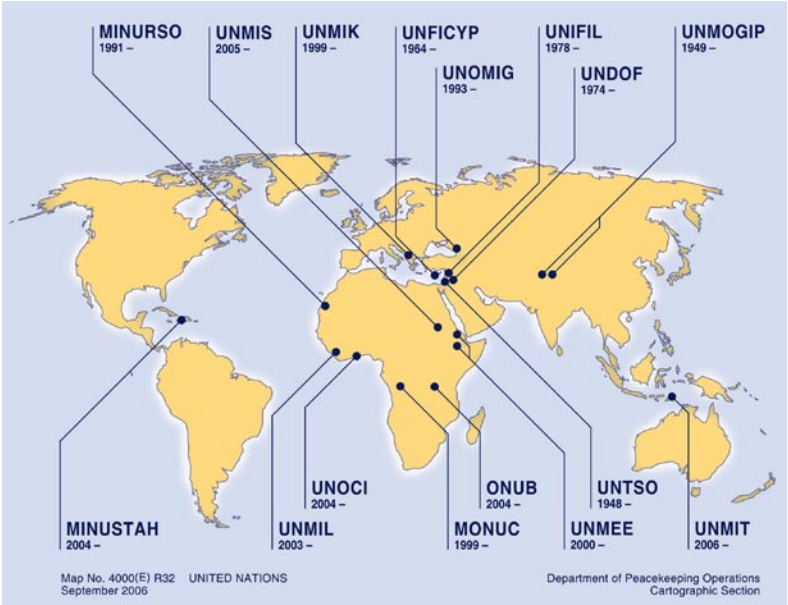
The United States Government seeks to provide security for American citizens and interests at home and abroad through international treaties, alliances, and the active promotion of freedom, democracy, and prosperity around the world. Employing diplomacy and development assistance, the U.S. builds and strengthens relations with neighbors and allies worldwide to promote shared values and prevent, manage, and mitigate conflicts and human suffering. The Department of State and USAID work with international partners to alleviate regional instability by promoting good governance and sustainable civil institutions, and by developing professional, responsible, and accountable police and military forces. In company with U.S. allies and coalition partners, the U.S. Government (USG) helps failing, failed, and recovering states to nurture democracy, enhance stability, improve security, make key reforms and develop capable institutions. Department of State and USAID policies and programs enable partnerships to fight terrorism, the proliferation of dangerous weapons, trafficking in people and narcotics, and other criminal activities that undermine legitimate governments and threaten regional stability around the globe. The USG helps build the capacity of foreign partners through military and development assistance programs that enhance regional security and reduce demands

Members of the Mano River Women's Peace Network in Guinea, a grasswork network of women's peace activists, wait to greet the Mano River heads of state. The organization, winner of the UN Human Rights prize, works in Guinea, Liberia, and Sierra Leone to promote women's roles in the peace process.

PHOTO: PHOTOSHARE /APRIL THOMPSON

on U.S. forces. Engagement of like-minded foreign partners contributes to and enhances the legitimacy of U.S. stabilization and reconstruction efforts. Success under the Regional Stability Strategic Goal can be seen in the expansion of NATO missions into Afghanistan, strong and growing security relationships with Japan, South Korea, India and Australia, and steady improvements in the capability of the African Union to respond to crises on the African continent. These and related efforts reduce threats created by regional instability and thereby protect the security of Americans and our interests at home and abroad.

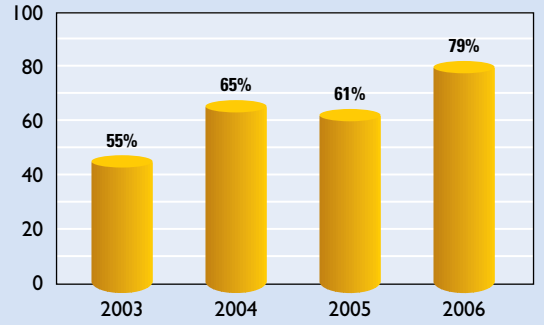
ONGOING PEACEKEEPING MISSIONS



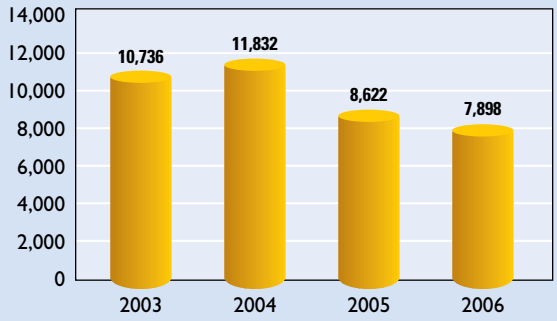
UNTSO	United Nations Truce Supervision Organization
UNMIS	United Nations Mission in the Sudan
UNMOGIP	United Nations Military Observer Group in India and Pakistan
MONUC	United Nations Organization Mission in the Dem. Rep. of the Congo
UNFICYP	United Nations Peacekeeping Force in Cyprus
UNMEE	United Nations Mission in Ethiopia and Eritrea
UNDOF	United Nations Disengagement Observer Force
UNMIL	United Nations Mission in Liberia
UNIFIL	United Nations Interim Force in Lebanon
UNOCI	United Nations Operation in Côte d'Ivoire
MINURSO	United Nations Mission for the Referendum in Western Sahara
MINUSTAH	United Nations Stabilization Mission in Haiti
UNOMIG	United Nations Observer Mission in Georgia
ONUB	United Nations Operation in Burundi
UNMIK	United Nations Interim Administration Mission in Kosovo
UNMIT	United Nations Integrated Mission in Timor-Leste

II. SELECTED PERFORMANCE TRENDS

Percentage of U.S. Trained African Units Deployed to Peace Support/Humanitarian Response Operations



Number of Individuals Trained under IMET Programs (International Military Education and Training)



III. STRATEGIC CONTEXT

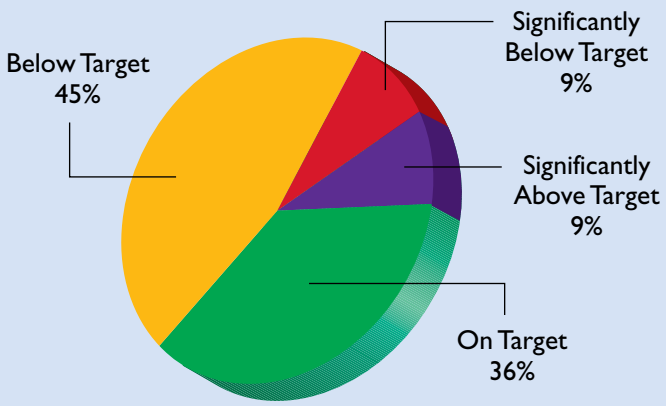
Shown below are the performance goals, initiatives/programs, and the resources, bureaus and partners that contribute to accomplishment of the Regional Stability strategic goal. Acronyms are defined in the glossary at the back of this publication.

Strategic Goal	Performance Goal (Short Title)	Initiative/ Program	Major Resources	Lead Bureau(s)	External Partners
Regional Stability	Close Ties with Allies and Friends	Transatlantic Relationship	D&CP, FMF, IMET, ESF	EUR, PM	NATO member and aspirant countries
		International Military Education and Training (IMET)	D&CP, IMET, FMF	PM	Office of the Secretary of Defense/ Defense Security Cooperation Agency (OSD/DSCA), Joint Staff
		Military Assistance for New NATO and NATO Aspirant Nations	D&CP, FMF, IMET	EUR, PM	DoD, Joint Staff
	Resolution of Regional Conflicts	Prevent/Resolve Regional and Local Conflicts	D&CP	EAP	DoD, ASEAN, Japan, China, Russia, Republic of Korea
		Conflict Management and Mitigation	D&CP, PKO, IMET, FMF, DA, ESF, TI	AF, AFR, DCHA	AU, DoD, EU, UNDPKO, France, UK, Belgium, ECOWAS, Nigeria, Senegal, Ghana, Kenya, Benin, Mali
		Regional Security Cooperation and Arms Control	D&CP	ISN, EUR, VCI	DoD, NATO, OSCE
		Implementation of the Road Map	D&CP, ESF	EB, NEA, PPC	NSC, CIA
		Iraq and Gulf Security	D&CP, FMF, IMET, ESF, INCLE, HRDF, IRRF	NEA, PM, ANE	NSC, DoD, Treasury, Commerce, Agriculture, FAA, Education, HHS, International Broadcasting Bureau, DOJ, Energy, UN
		Security Assistance to Sub-Saharan Africa	D&CP, PKO, ESF, IMET, FMF	AF, PM	AU, DoD, EU, ECOWAS, UNDPKO, Netherlands, Belgium, France, UK, Nigeria, Senegal, Ghana, Kenya, South Africa, Benin, Mali, Ethiopia, Djibouti

IV. PERFORMANCE SUMMARY (STATE AND USAID)

The chart below summarizes Department of State and USAID performance ratings for the Regional Stability strategic goal.

STRATEGIC GOAL RESULTS ACHIEVED FOR FY 2006



RATINGS DISTRIBUTION

Significantly Above Target	1
Above Target	0
On Target	4
Below Target	5
Significantly Below Target	1
Total Number of Ratings	**11**

V. PERFORMANCE ANALYSIS

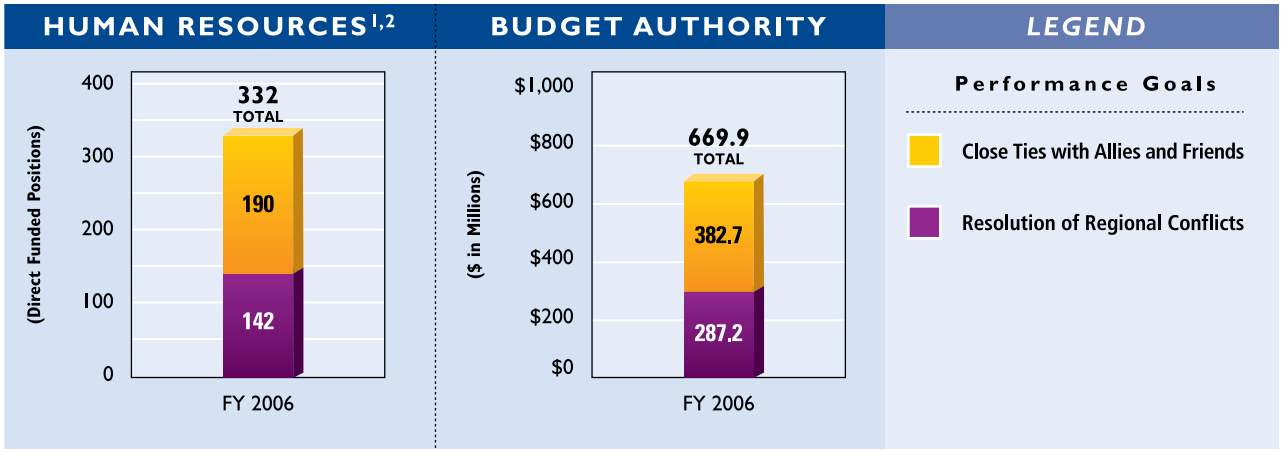
PERFORMANCE TRENDS. There have been a number of significant trends under the Regional Stability goal. One trend is the steady increase since FY 2003 in the percentage of U.S. trained African units deployed to peace support/humanitarian response operations. Another trend is the decrease in the number of foreign military officers participating in International Military Education and Training (IMET) programs from FY 2003 to FY 2006, attributable in part to fewer training opportunities available for foreign military officers due to military operations in Iraq and Afghanistan. A final notable trend is USAID's positive results in supporting local peace-building initiatives, conflict sensitivity training and conflict mitigation-focused media campaigns. USAID's grassroots approach has advanced USG efforts toward peace and regional stability.

HIGH-LEVEL RESULTS. The Department and USAID made demonstrable progress toward desired regional stability outcomes, including promoting strong and effective ties with transatlantic allies, augmenting interoperability with NATO forces, obtaining Chinese cooperation on regional stability matters, and building the capacity of African forces deployed to peace support and humanitarian response operations. USAID results on conflict management and mitigation programs showed progress is being made on local levels to advance peace processes around the world.

RESULTS SIGNIFICANTLY ABOVE OR SIGNIFICANTLY BELOW TARGET. USAID significantly exceeded targets for peacebuilding and conflict resolution activities worldwide. However, the indicator that tracks the implementation of the Adapted Conventional Forces in Europe (CFE) treaty was rated significantly below target. Implementation of the CFE remains stalled as the standoff between Russia and NATO states continues over Russia's failure to withdraw military forces from Moldova and Georgia.

KEY INITIATIVES AND PROGRAMS. For FY 2006, Congress appropriated $86.7 million to the Department of State for international military education and training, $4.5 billion for foreign military financing, and more than $1.2 billion to fund international peacekeeping operations.

VI. RESOURCES INVESTED BY USAID



1 USAID human resource figures reflect all full-time direct funded employees including civil service, foreign service, foreign service nationals, personal services contractors, and other USG employment categories. Institutional contractor staff are not included.

2 Data on FY 2006 human resource levels by Strategic and Performance Goals were not collected. These figures were estimated using FY 2005 human resources data prorated against the FY 2006 Statement of Net Cost.

VII. PERFORMANCE RESULTS

For each initiative/program that supports accomplishment of this strategic goal, the most critical FY 2006 performance indicators and targets are shown on the next page.

Acehnese citizens enjoy newfound peace at a USAID-sponsored concert. PHOTO: ACEH PEACE CONCERTS.

ANNUAL PERFORMANCE GOAL 1

Close, Strong, and Effective U.S. Ties with Allies, Friends, Partners, and Regional Organizations.

I/P: TRANSATLANTIC RELATIONSHIP

INDICATOR: Status of Transatlantic Security Relationships

Outcome

JUSTIFICATION: The North Atlantic Treaty Organization (NATO) is the United States' most effective and durable multilateral security relationship. Strong and effective ties with European allies within NATO are essential to promote stability and protect U.S. interests in Europe and around the world.

FY 2006 PERFORMANCE	Target	■ NATO increases the size and scope of its training mission in Iraq. ■ NATO-led International Security Assistance Force (ISAF) completes Stage IV transfer and assumes security responsibility throughout Afghanistan. ■ NATO stages large-scale military exercise in the Middle East and Central Asia and the Caucasus; four more Gulf states join NATO's security cooperation initiative for the Middle East; three more Central Asian and Caucasus states conclude Individualized Partnership Action Plans. ■ NATO Response Force reaches full operational capability following certification. ■ Ukraine further intensifies relationship with NATO, depending upon reform progress. ■ Russia launches peacekeeping brigade fully interoperable with NATO. ■ European countries contribute to NATO operations.
	Results	■ NATO increased the size and scope of its training mission in Iraq. ■ NATO-led International Security Assistance Force (ISAF) assumed responsibility for security throughout Afghanistan and completes expansion of Provincial Reconstruction Teams. ■ NATO completed Kosovo Force transition from a Multinational Brigade Force to a Multinational Task Force structure. ■ NATO Response Force improved but is not yet at full operating capability. ■ Ukraine committed to strengthening cooperation with NATO. ■ Russia and NATO work together to improve military interoperability, but Russia has not yet established a fully interoperable peacekeeping unit.
	Rating	**On Target**
	Impact	Advanced military goals in Iraq and Afghanistan. KFOR transition created leaner administration and support with more flexible maneuver elements.
PERFORMANCE DATA	Data Source	Reports from NATO.
	Data Quality (Verification)	The data, gathered through primary data collection from NATO Allies, are considered reliable.
PAST PERFORMANCE	2005	European military capabilities increased through engagement in the ISAF and NATO's Training Mission in Iraq. NATO's Stabilization Force completed its mission in Bosnia & Herzegovina. The NATO-EU handover took place smoothly. A NATO headquarters in Sarajevo was established on schedule. NATO began Kosovo Force transition to a Multinational Task Force structure to eliminate redundant administrative and support forces while enhancing overall effectiveness of maneuver forces.
	2004	European and Eurasian partners contributed troops to the Multinational Force-Iraq and Operation Enduring Freedom. NATO-ISAF operation expanded beyond Kabul. NATO expanded operations in Iraq. Minimal NATO presence in Bosnia & Herzegovina; deterrent presence in Kosovo.
	2003	Berlin Plus, which would have allowed the EU to borrow NATO assets and capabilities for European-led operations, was not agreed upon. Allied Heads of State and Government committed to enhance military capabilities through the New Capabilities Initiative. U.S. export controls with key European allies were streamlined to promote transatlantic defense industrial integration. NATO-Russia Council established.

I/P: INTERNATIONAL MILITARY EDUCATION AND TRAINING (IMET)

INDICATOR: Number of Individuals Receiving Training Under IMET

Output

JUSTIFICATION: The number of foreign military personnel participating in IMET programs helps gauge increased foreign receptivity to the U.S. strategic approach and likely success in gaining foreign support on specific policy issues. The greater the number of IMET students, the greater the likelihood that future leaders will be drawn froma cadre of individuals who possess an understanding of and appreciation for U.S. interests.

FY 2006 PERFORMANCE	Target	12,800 individuals.
	Results	7,898 individuals.
	Rating	**Below Target**
	Impact	Fewer foreign students trained through IMET programs could mean fewer future leaders who possess familiarity with and appreciation of U.S. strategic and policy interests.
	Reason for Shortfall	Reduction of students is due in large part to military operations in Iraq and Afghanistan, which resulted in fewer training opportunities at U.S. military schools and facilities, as well as a reduced number of trainers available to participate in Mobile Training Teams.
	Steps to Improve	Improvement in numbers of students receiving IMET-funded training is contingent upon increases in funding, decreases in military operational tempo, and on removing legislative restrictions on military assistance. However, data may be deceiving in that numbers of individuals trained may not directly reflect the potential foreign policy impact of training. Sending many junior military personnel to short training courses does not necessarily equate to the strategic impact of sending fewer but more senior officers to longer senior educational courses. The Department continues to search for better methodologies by which to measure the meaningful impact of IMET training.
PERFORMANCE DATA	Data Source	Data and records concerning IMET students and expenditures are maintained by the U.S. Department of Defense. Department of State Political-Military Affairs Bureau and regional bureau assessments of participation by foreign countries.
	Data Quality (Verification)	Data are regarded as reliable and authoritative.
PAST PERFORMANCE	2005	8,622 individuals.
	2004	11,832 individuals.
	2003	10,736 individuals.

The African Contingency Operations Training and Assistance Program

Under the African Contingency Operations Training and Assistance program, the Department of State trains and equips African militaries to carry out peace support and humanitarian relief operations in the region. ACOTA's comprehensive strategy and flexible approach to training and capacity building prepares African countries and security institutions to take primary responsibility for peacekeeping operations in the region. To date, ACOTA has trained 62,000 soldiers from eighteen partner nations. Enhanced African peace support capacity serves U.S. interests in promoting regional stability, democracy and economic growth in Africa.

A National Guardsman shows equipment to military leaders from Ghana, June 2006. PHOTO: AP/WIDE WORLD

I/P: MILITARY ASSISTANCE FOR NEW NATO AND NATO ASPIRANT NATIONS

INDICATOR: Aspirants Making Progress Achieving NATO-Defined and Measured, Country-Specific Membership Action Plans

PART Outcome

JUSTIFICATION: Progress shown by NATO aspirant nations to achieve membership action plans indicates political will to integrate defense with NATO as a whole.

FY 2006 PERFORMANCE	Target	■ New members fully integrated into revised command structure and making measurable progress toward meeting force goals. ■ Remaining aspirants (Albania, Croatia, and Macedonia) accelerate military reform and increase number of deployment-ready niche units through Adriatic Charter.
	Results	■ With mentoring from Allies, Albania, Macedonia and Croatia made progress implementing their Membership Action Plans, including progress on defense reforms, force restructuring, and improved interoperability. ■ All new allies have contributed to this consultation process. ■ New members are fully integrated into command structure and making measurable progress toward meeting force goals ■ All aspirants have deployed units to NATO operations.
	Rating	**On Target**
	Impact	Aspirant progress is on schedule. NATO has agreed to evaluate aspirants' progress and make decisions on possible membership invitations at its 2008 Summit. President Bush publicly pledged to support Croatia's bid for a 2008 invitation.
PERFORMANCE DATA	Data Source	NATO International Staff Consolidated and Individual Membership Action Plan, Annual National Plan submissions.
	Data Quality (Verification)	These data are official, objective and accurate. Reporting from the various sources is crosschecked to ensure reliability and completeness.
PAST PERFORMANCE	2005	Albania, Macedonia and Croatia made progress with Membership Action Plans with mentoring from new ally nations. All new allies have contributed to this consultation process.
	2004	One hundred percent of NATO aspirants made progress toward NATO-defined and measured, country-specific Membership Action Plans. Formal entry of New Allies, who complete full integration into NATO, and assist mentoring of Aspirants. Membership Action Plan cycle continued for aspirants; Adriatic Charter cooperation took shape.
	2003	Accession Protocols signed by 19 Allies; U.S. Senate ratification in May 2003. Invitees' reforms took place in line with NATO requirements for membership. Aspirants continue Membership Action Plan process and, along with the U.S., signed the Adriatic Charter, where all parties pledged to work together to move reform efforts toward NATO and EU membership.

The Afghan President reviews the guard-of-honor during a ceremony in Islamabad, Pakistan, February 2006. PHOTO: AP/WIDE WORLD

ANNUAL PERFORMANCE GOAL 2

Existing and Emergent Regional Conflicts are Contained ar Resolved.

I/P: PREVENT/RESOLVE REGIONAL AND LOCAL CONFLICTS

	INDICATOR: Status of Chinese Cooperation on Regional Stability	
	Outcome	
JUSTIFICATION: China is capable of playing a significant role in reducing tension in the East Asia and Pacific region.		
FY 2006 PERFORMANCE	**Target**	China continues to host and participate in Six-Party settlement of the North Korea nuclear issue.
	Results	China continues to prioritize the Six-Party Talks as the best venue to resolve the North Korea nuclear issue, and urges further participation in the talks by all parties. A fifth round of the talks took place in Beijing in November, but North Korea has refused to participate in subsequent sessions.
	Rating	**On Target**
	Impact	Chinese assistance in limiting North Korea's WMD proliferation is critical to our greater nonproliferation objectives.
PERFORMANCE DATA	**Data Source**	Reports and memoranda of communication from U.S. overseas posts, intelligence reporting, regional allies, and NGOs.
	Data Quality (Verification)	The quality of the data is largely dependent on the number and types of observations. Widespread interest in this area ensures a significant source of information is available to verify results and conclusions. Steady diplomatic reporting has provided a solid basis for policy makers to make informed decisions.
PAST PERFORMANCE	**2005**	China's active diplomacy continued to result in forward progress in Six-Party talks. China-Association of Southeast Asian Nations (ASEAN) enhanced confidence-building measures on trade and maritime ties. China, ASEAN and UN promoted Burma political opening.
	2004	China played a constructive role in, and hosted, the Six-Party talks with North Korea, and has continued to improve ties and play a constructive role in South Asia. China generally was supportive of U.S. Middle East policies and provided modest assistance with reconstruction in Afghanistan and Iraq.
	2003	China discussed its bilateral border disputes with Indian officials and played a crucial role in facilitating multilateral talks with North Korea on maintaining a nuclear weapons-free Korean Peninsula.

A Look to History: Regional Stability

In 1954, the United States, Britain, France, Australia, New Zealand, Pakistan, the Philippines, and Thailand created the Southeast Asia Treaty Organization (SEATO). Intended as a mutual defense pact to contain the spread of communism and to achieve regional stability in Southeast Asia, the United States perceived SEATO as the Asian equivalent of the North Atlantic Treaty Organization. However, the Asian defense agreement proved to be less effective than its North Atlantic counterpart. Despite treaty commitments only three members sent troops to fight in the Vietnam War. President Richard Nixon's rapprochement with the communist People's Republic of China also reduced SEATO's significance. In 1977, SEATO members agreed to dissolve the treaty, though bilateral defense agreements between various members continued.

French President Charles De Gaulle, center, gives a reception at Elysée Palace for foreign ministers attending the Southeast Asia Treaty Organization meeting in Paris, on April 9, 1963. U.S. Secretary of State, Dean Rusk, is the fifth from right, to his right is U.S. Ambassador to France, Charles Bohlen. PHOTO: AP/WIDE WORLD

I/P: CONFLICT MANAGEMENT AND MITIGATION

INDICATOR: Number of Peacebuilding and Conflict Resolution Activities Conducted Worldwide

Output

JUSTIFICATION: This is a measure of progress toward world peace that incorporates a balanced mix of coordinated outputs.

FY 2006 PERFORMANCE	**Target**	■ 5% increase over FY 2005 in number and types of events in support of peace processes (i.e., peace conferences, dialogues, training course, workshops, and seminars). ■ 5% increase over FY 2005 in number of officials and key decision-makers trained in peacebuilding/conflict resolution/mitigation skills. ■ 5% increase over FY 2005 in number of people reached by conflict prevention/mitigation media campaigns.
	Results	■ 44% increase in the number and types of events in support of peace processes (total number of events in FY 2006: 1,952). ■ 124% increase in the number of officials and key decision-makers trained in peacebuilding/conflict resolution/mitigation skills (total number of officials/decision-makers trained in FY 2006: 13,155). ■ 42% increase in the number of people reached by conflict prevention/mitigation media campaigns (total number of people reached by conflict prevention/mitigation media campaigns in FY 2006: 10,810,750).
	Rating	**Significantly Above Target**
	Impact	Working toward its mandate of mainstreaming conflict sensitivity within USAID's traditional disaster, transitional, and development assistance portfolios, conflict management and mitigation has achieved positive results by supporting peace-building initiatives, conflict sensitivity training, and conflict mitigation-focused media campaigns. These contributions continue to improve USAID's ability to more skillfully support local efforts toward peace and regional stability.
PERFORMANCE DATA	**Data Source**	Preliminary result data from USAID operating units.
	Data Quality (Verification)	The Agency's performance data are verified using Data Quality Assessments (DQA), and must meet five data quality standards of validity, integrity, precision, reliability and timeliness. The methodology used for conducting the DQAs must be well documented by each operating unit. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf).
PAST PERFORMANCE	**2005**	■ The number and types of events in support of peace processes (peace conferences, dialogues, training course, workshops, seminars) increased by 20% over FY 2004 (Total number of events in FY 2005: 1,355). ■ The number of officials and key decision-makers trained in peacebuilding/conflict resolution/mitigation skills increased by 78% (Total number of officials/decision-makers trained in FY 2005: 5,858). ■ The number of people reached by conflict prevention/mitigation media campaigns increased by 4% (The number of people reached in FY 2005: 7,587,694).
	2004	**Baselines:** ■ Number and types of events in support of peace processes (peace conferences, dialogues, training course, workshops, seminars): 1,126. ■ Number of officials and key decision-makers trained in peacebuilding/conflict resolution/mitigation skills: 3,301. ■ Number of people reached by conflict prevention/mitigation media campaigns: 7,295,860.
	2003	N/A.

I/P: CONFLICT MANAGEMENT AND MITIGATION *(continued)*

INDICATOR: Progress of Implementation of Sudan Peace Process

Outcome

JUSTIFICATION: A peaceful Sudan with an inclusive government based on the rule of law could be a hedge against regional instability and an important partner in the global war on terrorism. Ending the conflict would also alleviate one of the world's worst humanitarian situations and stimulate regional economic prospects.

FY 2006 PERFORMANCE	
Target	■ Regional democratic elections are planned; non-violent transitions to appropriate new government in Sudan or at minimum, preparation activities toward a program of democratic elections are put in place. ■ Military reform continues with additional assistance provided to the southern Army. ■ Disarmament, Demobilization, and Reintegration (DDR) on both sides results in force reduction of 40% globally. ■ 40% of refugees and internally displaced persons (IDPs) return home. Darfur IDPs and refugees return home. ■ UN authorizes extension of UN Mission in Sudan (UNMIS) in Darfur.
Results	■ Comprehensive Peace Agreement (CPA) implementation showed progress in security arrangements; less progress on power- and wealth-sharing protocols. ■ Darfur Peace Agreement signed in Abuja, Nigeria and Eastern Sudan Peace Agreement completed. Both agreements complement framework of CPA. ■ Planning for elections barely in preliminary phase; however, technical preparations for a national census, a precursor to elections, are on schedule. ■ Military transformation and U.S. support for Security Sector Transformation have slowly begun in the South. ■ UNMIS verified redeployment on schedule with 63% Sudanese Armed Forces redeployed and 65% Sudan People's Liberation Army (SPLA) forces redeployed. ■ The National Disarmament, Demobilization, Reintegration (DDR) Commission has not met since it was established in February 2006. The Northern Sudan DDR Commission started preliminary assessment work in Darfur. ■ Internally Displaced Persons (IDP) are returning in the South, but displacements are increasing in Darfur. ■ UNSCR 1706 authorizes the extension of UNMIS to Darfur and expansion by up to 17,300 troops, 3,300 UN Police, and 16 Formed Police Units.
Rating	**Below Target**
Impact	The crisis in Darfur and Sudanese military offensive in Darfur have hindered progress on the implementation of the Comprehensive Peace Agreement. Implementation of the Darfur Peace Agreement and Comprehensive Peace Agreements are closely linked, and resolving the Darfur crisis is key not only to those affected by the crisis directly, but for all Sudanese whose future depends on the full and sustainable implementation of the Comprehensive Peace Agreement.

PERFORMANCE DATA	
Data Source	Embassy, USAID, UN, and NGO reporting.
Data Quality (Verification)	UN and embassy reporting is generally detailed and accurate (e.g. monthly CPA Monitor). NGO reporting varies by location, event, and source.

Continued on next page

I/P: CONFLICT MANAGEMENT AND MITIGATION *(continued)*		
INDICATOR: Progress of Implementation of Sudan Peace Process *(continued)*		
PAST PERFORMANCE	**2005**	■ In accordance with the CPA, the Government of National Unity and Presidency was formed and the Government of Southern Sudan was established. The donors conference in April succeeded in obtaining pledges to support the Comprehensive Peace Agreement above request. ■ The UN Mission in Sudan deployed. ■ Following the untimely death of former Vice President John Garang in late July, Salva Kiir was announced as the new First Vice President of Sudan in an orderly succession process, signaling the resilience of the CPA. ■ Violence in Darfur and disruption of humanitarian assistance continued. In spite of some difficulty, Darfur peace talks in Abuja continued.
	2004	■ Power and wealth sharing agreements signed. ■ Comprehensive agreement being negotiated. ■ Crisis in Darfur eclipses Government of Sudan (GOS) - Sudan People's Liberation Movement (SPLM) peacemaking efforts. ■ GOS not yet able to rein in Jingaweit militia as humanitarian crisis worsens. ■ African Union deployed ceasefire monitors with U.S. assistance.
	2003	■ U.S. Government continued playing a strong role in the Inter-governmental Authority for Development peace process. Talks continued moving toward conclusion. ■ Wide-ranging USG planning in the event of peace undertaken; most planning targets were identified. ■ Ceasefire monitoring continued; DDR planning underway.

Dialogue Helps Avert Conflict

Since the Comprehensive Peace Agreement was signed in 2005 to end Sudan's North-South civil war, USAID has been working with various ethnic groups to address potential and existing conflict. This effort paved the way for initial agreements on arms control and seasonal grazing access. In January 2006, these agreements were jeopardized when a disarmament initiative led by the Sudan People's Liberation Army resulted in a tense standoff between their troops and armed civilians in Lou Nuer ethnic group's territory. Despite efforts to persuade the leaders to engage in dialogue, clashes ensued. Observers watched with dismay as the work toward stability seemed to unravel. They feared that old feuds would reignite and weapon supply lines would be reestablished. USAID responded by sponsoring initiatives with the Nuer Peace Council that brought together politicians, armed groups, and Lou leaders. This culminated in a peace meeting in Yuai, where more than 700 participants gathered, including Government of South Sudan President Riak Machar. The meeting resulted in agreements among Lou leaders on integration, disarmament, and peaceful engagement with their neighbors. Despite the fragile peace, participants from all sides said that the dialogue has profoundly influenced the course of events and averted conflicts that may have resulted in the collapse of delicate new relationships.

Community members participate in a traditional Murle dance in celebration of a successful peace meeting in Gurumuk. Source: PACT. PHOTO: PACT

I/P: CONFLICT MANAGEMENT AND MITIGATION *(continued)*

INDICATOR: Status of Regional Security in the Mano River Countries of Liberia, Guinea, and Sierra Leone

Outcome

JUSTIFICATION: Liberia, Guinea and Sierra Leone have been the site of war and other instabilities for at least the past 15 years, at untold humanitarian and economic cost to the countries and the region. Realizing a just peace will ensure that human resources and markets can better prosper and thereby decrease the region's potential as a site for terrorist or other illicit activities, including environmental degradation.

FY 2006 PERFORMANCE	**Target**	■ Liberia holds acceptable elections with nonviolent aftermath. ■ Security sector reform continues in Liberia with newly trained police and military units deployed. ■ The countries remain at peace, posting Gross Domestic Product growth twice that of population growth and boosting rankings on the Freedom House index of "free" nations by at least ten percentage points. ■ Seventy-five percent or more of internally displaced persons (IDPs) and refugees return home. ■ All international/regional forces withdraw.
	Results	■ Administration of Ellen Johnson Sirleaf was inaugurated January 16, 2006, with no significant violence or unrest. ■ Security sector reform programs are underway for the army; training of units begun in July 2006. UN is making progress on police training and reform with U.S. assistance. ■ All three countries remain at peace although there is some concern about the post-Conte transition in Guinea. The most recent World Bank data indicate the following ratios of GDP growth to population growth: Guinea -- pop 2.2%, GDP 2.7%; Liberia -- pop 0.7%; GDP 2.6%; Sierra Leone -- pop 4.2%, GDP 7.4%. ■ 2006 Freedom House rankings are as follows: Guinea -- "Not Free"; Liberia -- "Partly Free"; Sierra Leone -- "Partly Free". ■ All IDP camps closed in 2006. Approximately 100,000 refugees voluntarily returned to Liberia in 2006, some through UN facilitation. ■ UN Mission in Sierra Leone (UNAMSIL) withdrew from Sierra Leone in December 2005, replaced by UN Integrated Office for Sierra Leone (UNIOSIL) political mission.
	Rating	**Below Target**
	Impact	Security and living conditions in Liberian returnee communities are slowly improving and more refugees are voluntarily returning. Lack of support for and focus on returnee communities could perpetuate security problems.
	Reason for Shortfall	Since many refugees have suffered multiple displacements during the long conflict, they have been slow to trust the peace. UN High Commissioner for Refugees (UNHCR's) official repatriation program is scheduled to be completed in mid-2007. UN Mission in Liberia (UNMIL) remains at some 16,000 personnel; drawdown is not expected until 2009.
	Steps to Improve	There is a need for a mix of diplomacy and post conflict reconstruction, disarmament, demobilization, and reintegration (DDR), and recovery activities funded through U.S. foreign assistance. The Department will continue to work with UN partners to provide resources to encourage and support Liberian returnees and anchor refugee returns.
PERFORMANCE DATA	**Data Source**	Embassy, UN, NGO and press reporting.
	Data Quality (Verification)	UN and embassy reporting is generally detailed and accurate. NGO reporting varies by location, event, and source.

Continued on next page

I/P: CONFLICT MANAGEMENT AND MITIGATION *(continued)*		
INDICATOR: Status of Regional Security in the Mano River Countries of Liberia, Guinea, and Sierra Leone *(continued)*		
PAST PERFORMANCE	**2005**	■ Liberia's transitional government held elections in October 2005, and Sierra Leone continued post-conflict recovery. ■ UNAMSIL withdrew at the end of the year. ■ DDR and security sector reform activities were incomplete and greatly delayed, respectively. ■ As of the end of 2004, Sierra Leone had an estimated 48,000 Liberian refugees, Liberia 350,000 IDPs and thousands of Sierra Leonean refugees, while Guinea was hosting 6,000 Sierra Leoneans and 89,000 Liberians.
	2004	■ The Liberian peace agreement was holding and DDR proceeding smoothly. ■ Sierra Leone remained calm as UN Mission in Sierra Leone (UNAMSIL) continued its phased withdrawal. ■ IDPs and refugees were returning home.
	2003	■ The Liberian civil war deteriorated starting in May 2003. Peace talks began in Ghana in June 2003 and a comprehensive peace agreement was signed on August 18, 2003. ■ The U.S. provided nearly $26 million in logistics support to enable the deployment of Economic Community of West African States peacekeeping forces. ■ The peace in Sierra Leone was still somewhat fragile, and Guinea's stability was questionable. ■ 259,000 refugees and 425,000 IDPs in the region. ■ UNAMSIL began phased withdrawal, UNMIL was fully deployed and the DDR process began, along with planning for security sector reform.

U.S. Assistance to Liberia

The United States has taken the lead in helping Liberia make the transition from conflict to stability. Our diplomatic and military intervention in 2003 helped end the civil war, usher in a transitional government, and pave the way for democratic elections in 2006. In collaboration with other donors and multilateral organizations, the U.S. is helping Liberia rebuild its government and security functions, build infrastructure and roads, create employment and training opportunities, and provide vital health and education services for the Liberian people.

A Liberian Chief Justice of the Supreme Court administers the oath of office to the Liberian President-Elect in Monrovia, Liberia, January 2006. PHOTO: AP/WIDE WORLD

I/P: REGIONAL SECURITY COOPERATION AND ARMS CONTROL

INDICATOR: Progress of Implementation of the Adapted Conventional Forces in Europe (CFE) Treaty

Output

JUSTIFICATION: The 1990 CFE Treaty has long been considered a cornerstone of European security. Entry into force of the adapted CFE Treaty and its smooth implementation will contribute to a stable and secure Europe. The U.S. works closely with NATO Allies in coordinating positions regarding CFE issues, reinforcing the U.S. role in European security.

FY 2006 PERFORMANCE	**Target**	Entry into force of the Adapted CFE Treaty and accession discussions with additional Organization for Security and Cooperation in Europe (OSCE) states that wish to join.
	Results	Russia still has not fulfilled all Istanbul commitments. This is the long-standing prerequisite to permit most States Parties to pursue ratification of the Agreement on Adaptation. Russia reached an implementing agreement with Georgia on the status and future duration of its bases at Batumi and Akhalkalaki and began withdrawal on the agreed timetable, but no agreement was reached on the base at Gudauta. There was no further progress on Russian commitments regarding Moldova. The U.S. and other States Parties continued to press Russia in the JCG and elsewhere for further progress on these commitments.
	Rating	**Significantly Below Target**
	Impact	Until the adapted CFE Treaty enters into force, CFE states parties will be denied the benefit of its significant additional flexibilities concerning flank limits and accession provisions. The standoff between Russia and NATO states, which refuse to ratify the adapted Treaty unless Russia implements its political commitments to withdraw its forces from Moldova and Georgia, perpetuates an atmosphere in which the Joint Consultative Group (JCG) is often stymied in its efforts to make even routine and non-controversial improvements in the implementation of the existing Treaty and provides Russia with a basis to publicly criticize NATO states and the U.S. for their continued inaction.
	Reason for Shortfall	Resolution of outstanding Treaty implementation issues, as well as application of the adapted Treaty, has now been stalled for several years. Accession and other new flexibilities provided under adaptation are not available. Successful Treaty operation continues, but with occasional lapses Russia attributes to the "obsolete" character of the current Treaty.
	Steps to Improve	The U.S. and its NATO Allies continually urge Russia in the JCG and in high-level bilateral and NATO meetings to take the steps necessary to fulfill its Istanbul Commitments and create the conditions that would allow the adapted Treaty to enter into force.
PERFORMANCE DATA	**Data Source**	U.S. representatives' and Embassies' reporting; reports of meetings; information released by states involved.
	Data Quality (Verification)	U.S. Mission and Embassy reporting is generally detailed and accurate. Information from other states is generally accurate, but in occasional instances is subject to clarification in the JCG.
PAST PERFORMANCE	**2005**	Russia did not fulfill all Istanbul commitments. Russia reached a political agreement with Georgia on the status and future duration of its bases at Batumi and Akhalkalaki, but no agreement was reached on the base at Gudauta. There was no further progress on Russian commitments regarding Moldova.
	2004	Russia did not fulfill all Istanbul commitments. Russia still needed to reach agreement with Georgia on remaining issues regarding the status of the Russian presence at the Gudauta base and its future use, and the duration of Russian presence in Batumi and Akhalkalaki. Russia also needed to complete the withdrawal of its forces from Moldova, which virtually stalled in 2004. The U.S. and NATO continued to press Russia to fulfill these commitments, but there was no progress on key issues to report in FY 2004. Russia and the Georgian government continued to meet, but progress on Russian withdrawal from remaining bases fell victim to broader Russian-Georgian problems.
	2003	Major progress was made in calendar year 2003 on withdrawal of Russian forces from Moldova; some 20,000 tons of Russian munitions stored in depots in the Transdniestrian region had been withdrawn by the end of the year. Russia did not meet the OSCE's extended December 31, 2003 deadline to withdraw forces from Moldova. Progress on withdrawal of Russian bases from Georgia stalled for most of 2003, despite limited progress on technical issues. Russian equipment levels in the CFE Flank region remain below Adapted CFE Treaty Flank Limits.

I/P: IMPLEMENTATION OF THE ROAD MAP

INDICATOR: Progress of Implementation of the Road Map Leading to an Independent, Democratic Palestinian State Existing Side-by-Side with Israel in Peace and Security

Outcome

JUSTIFICATION: The indicator corresponds to the vision articulated by the President in his June 24, 2006, speech of two states, Israel and Palestine, existing side by side in peace and security, with targets geared to roadmap obligations.

FY 2006 PERFORMANCE	
Target	■ As comprehensive security performance moves forward, Israeli Defense Forces withdraw progressively from areas occupied since September 28, 2000, and the two sides revert to pre-September 28, 2000, status quo. ■ Immediate dismantlement of settlement outposts erected since March 2001, and freezing of all settlement activity. ■ Steps taken to improve the humanitarian situation. ■ Quartet convenes international conference. With Quartet, U.S. establishes a roadmap monitoring mechanism, including appointment of U.S. coordinator. Israeli, Palestinian, and regional Arab nonofficial experts resume dialogue on political, security, arms control, and other regional issues.
Results	Pursuant to Israel's successful disengagement from Gaza, the U.S. brokered an Agreement on Movement and Access (AMA) in November 2005 which allowed for the opening of the Rafah crossing with Egypt and outlined a number of steps to promote greater movement of both people and goods. Free and fair legislative council elections in January, the first in a decade, brought to power a Hamas government elected on a platform of ending corruption and improving the lives of the Palestinian people. That government, however, rejected calls for it to be a partner for peace by accepting the principles outlined by the Quartet (US, EU, UN and Russia), leading most members of the international community, including the U.S. to break contact with those elements of the PA controlled by Hamas, a designated Foreign Terrorist Organization. PA President Mahmoud Abbas remained in office, providing a vehicle for continued limited U.S. engagement with the Palestinian leadership. The Hamas victory led to increased violence and lawlessness in Gaza, including frequent rocket attacks against Israel, resulting in increased Israeli security operations and closure of crossings. In June 2006 Hamas conducted an attack inside green-line Israel, killing two IDF soldiers and abducting a third. Israel responded with an extended air and ground operation. The USG has concentrated on the direct provision of humanitarian assistance to the Palestinian people, while seeking to create the conditions that would allow the parties to return to the roadmap. Israeli settlement activity continued during the year and the GOI failed to make significant progress dismantling outposts. The U.S. Security Coordinator mission continued under LTG Keith Dayton, focusing on implementation of the AMA and supporting the office of President Abbas. In a September 19, 2006, speech at the UNGA, President Bush reaffirmed U.S. commitment to a two-state solution, indicating U.S. efforts would focus on strengthening and reforming the Palestinian security sector, supporting dialogue between the parties, and engaging moderate Arab leaders to help create an environment conducive to progress towards a two-state solution. A July attack by Hizballah provoked a month-long war between Israel and Hizballah, preventing progress on the Syria and Lebanon tracks.
Rating	**Below Target**
Impact	The purpose of this indicator is to fulfill the vision set forth by the President of two states, Israel and Palestine, existing side by side in peace and security, with goals geared to roadmap obligations.
Reason for Shortfall	Hamas-led PA government refused to make itself a legitimate partner and govern responsibly by renouncing terror, recognizing Israel, and accepting previous agreements. Hizballah's unprovoked attacks against Israel precipitated a war and prevented movement forward on the Israel-Lebanon/Israel-Syria tracks.
Steps to Improve	Per the President's September 19 speech to the UN General Assembly, the U.S. is focusing on strengthening and reforming the Palestinian security sector, taking steps to support Israeli and Palestinian leaders in their efforts to engage to resolve their differences, engaging with moderate leaders in the region, and welcomes European efforts to build and strengthen Palestinian governing institutions.

Continued on next page

I/P: IMPLEMENTATION OF THE ROAD MAP *(continued)*		
INDICATOR: Progress of Implementation of the Road Map Leading to an Independent, Democratic Palestinian State Existing Side-by-Side with Israel in Peace and Security *(continued)*		
PERFORMANCE DATA	**Data Source**	Post reporting and the Bureau of Near Eastern Affairs reporting, Quartet announcements, site visits, other governments and institutions (World Bank, IMF, NGOs), media reports, intelligence reports.
	Data Quality (Verification)	Post reporting is reliable and well researched – utilizing many different resources: meetings with Israeli and Palestinian government officials, political figures, community leaders, as well as respected institutions working in the region.
PAST PERFORMANCE	**2005**	Israel's Government has concluded its withdrawal from Gaza, and the focus has now shifted to Palestinian efforts to establish order. Disengagement produced coordination on a number of levels between the two sides. The Palestinian Authority has begun to take steps to restructure and reform its security forces throughout the West Bank and Gaza, with the support of U.S. Security Coordinator General William Ward and assistance from the international community. Quartet Special Envoy James Wolfensohn worked on his agenda of issues which intends to restore the viability of the Palestinian economy. Restoration of pre-Intifada Arab links with Israel continues, as indicated by the return of the Egyptian and Jordanian ambassadors to Tel Aviv.
	2004	Roadmap process is relaunched. Security cooperation renewed. Both sides progress through provisions in Phase I of the roadmap, including, but not limited to, on the GOI side: a) as comprehensive security performance moves forward, IDF withdraws progressively from areas occupied since September 28, 2000 and the two sides revert to the pre-September 28, 2000 status quo; b) immediate dismantlement of settlement outposts erected since March 2001 and freezing of all settlement activity; and c) steps to improve the humanitarian situation in the West Bank/Gaza.
	2003	Roadmap is publicly released and used effectively as diplomatic tool to relaunch Israeli-Palestinian peace negotiations. Both sides progress through provisions in Phase I of the roadmap, including, but not limited to: a) as comprehensive security performance moves forward, IDF withdraws progressively from areas occupied since September 28, 2000 and the two sides revert to pre-September 28, 2000 status quo; b) immediate dismantlement of settlement outposts erected since March 2001 and freezing of all settlement activity; and c) steps to improve the humanitarian situation in the West Bank/Gaza. Israel's border with Lebanon remains quiet.

People's Forums Foster Peace

To address ethnic tension and civil conflict between Sinhalese and Tamils in rural Ambagamuwa in central Sri Lanka, USAID sponsored a people's forum, where representatives of both ethnic groups identified an acute need for improved health services in both communities. This gathering resulted in more than 300 people from both groups volunteering to share a day of labor in the community. Forums generally begin by addressing community development issues as a first step, and then move toward more difficult issues of peace building as they evolve. The forums aim to encourage citizen participation and consensus-building through community projects and discussion groups that work towards developing action plans that identify common needs and outline ways to meet those needs. These ambitious agendas run the gamut from education and job skills training to recreation and social services. Through the forums, communities are beginning to craft a vision for their collective future, often including mission statements in their action plans. The number of community forums is expected to expand to 72 by FY 2007.

A Muslim appeals to people's forum representatives in Kinniya, Trincomalee district, whose population is equally divided between Sinhalese Buddhists, Hindu Tamils, and Muslim Moors. Source: Academy for Educational Development.

PHOTO: AP/WIDE WORLD

I/P: IRAQ AND GULF SECURITY

INDICATOR: Free, Democratic, and Whole Iraq at Peace with Itself and its Neighbors

Outcome

JUSTIFICATION: A free and democratic Iraq would contribute to economic and political stability in the region.

FY 2006 PERFORMANCE	**Target**	■ Draft permanent constitution successfully adopted in October 2005 referendum. ■ Law enforcement institutions begin to enforce and the judiciary begins to uphold civil liberties protections in the new constitution. ■ Political parties announce coalitions and register for December elections, offering voters real choices. Parties and coalitions campaign peacefully. December 2005 elections successfully held. Results of elections receive broad public support. ■ Newly elected government takes power peacefully in early 2006 with broad domestic and international legitimacy and support. ■ Iraq assumes primary responsibility for its own security, able to defend itself without being a threat to its neighbors..
	Results	Recognizing progress in establishing a democratic society, international donors have increased assistance for Iraq, announcing $900 million in new pledges since the Madrid conferences. International recognition of and exchanges with Iraq have increased, including through opening of Embassies.
	Rating	**Below Target**
	Impact	Success will contribute to security, economic and social development, and political reform in the region.
	Reason for Shortfall	■ Governance capacity shortfalls have resulted from inadequate training resources, and the Iraqi failure to obligate and spend a large majority of ministerial budgets. ■ Development of civil society institutions has been inhibited due to a perilous security environment, and a lack of devoted Iraqi resources and attention. ■ Security forces are failing to achieve levels of quality and quantity required to allow Government of Iraq to assume primary responsibility in the current security environment. ■ High attrition retards the rate of Iraqi Security Forces growth while corruption and infiltration by militias and others loyal to parties instead of the Government of Iraq is resulting in the Iraqi Security Forces, especially police, being part of the problem in many areas instead of a solution; the Minister of Interior recently stated that 2/3 of MOI forces should be fired.
	Steps to Improve	■ Accelerate National Capacity Development Program across central ministries, and focus enhanced Mission field resources to develop provincial ministry capacity. ■ Put in place defined processes and requirements to obligate and execute 2007 Iraqi budget. ■ Support programs to promote Iraqi national reconciliation efforts, which will reduce politically driven violence and intimidation. ■ Significantly enhanced focus is required on present-for-duty strength of Iraqi Security Forces units, versus numbers initially trained and equipped, and upon developing true capability and readiness.
PERFORMANCE DATA	**Data Source**	U.S. Mission post reports.
	Data Quality (Verification)	Post reporting is reliable and well researched - utilizing many different resources: meeting with Iraqi government officials, political figures, community leaders, as well as respected institutions working in the region.

Continued on next page

I/P: IRAQ AND GULF SECURITY *(continued)*

INDICATOR: Free, Democratic, and Whole Iraq at Peace with Itself and its Neighbors *(continued)*

PAST PERFORMANCE	**2005**	Credible elections for Transitional National Assembly and local governments were held on time; the change of government occurred in an orderly fashion and ahead of schedule; preparations are on track for constitutional referendum and December election; the rule of law and civil society are being established more firmly as time goes on; free media has been a responsible watchdog on governmental power; Iraq has progressively assumed increasing responsibility for own security.
	2004	■ Transitional Administrative Law drafted and approved. ■ Iraqi Interim government assumes full sovereignty; continued political, legal and economic reform. National Conference held. ■ Iraqi Interim National Council selected and begins operating. ■ Democratic institutions, rule of law, civil society, and free media started. ■ Accountability and anti-corruption efforts began to take hold. ■ Independent Electoral Commission of Iraq established and begins preparations for January 2005 elections, assisted by the UN.
	2003	Saddam Hussein's regime overthrown. The Department worked closely with DoD and Coalition Provisional Authority to stabilize and rebuild Iraq. The Department continues to support the development of strategies to move Iraq toward democracy, rule of law, build free market economy, including non-oil sector; build Iraqi security forces, subordinate to constitutional authority, capable of relieving U.S. and Coalition forces. UN agencies made critical contributions in humanitarian assistance and economic reform in Iraq.

I/P: SECURITY ASSISTANCE TO SUB-SAHARAN AFRICA

INDICATOR: Percentage of U.S.-Trained African Units Deployed to Peace Support/Humanitarian Response Operations

PART Output

JUSTIFICATION: A U.S.-trained African unit or one trained by U.S.-trained trainers will perform better than one not provided such training or its equivalent. African peacekeeping requirements are expected to remain high and therefore improved African capability will lessen calls for the use of U.S. forces.

FY 2006 PERFORMANCE	**Target**	Of all African battalions (or their equivalent) deployed in Peace Keeping Operations globally, approximately 75% will have significant staff and unit training experience under U.S. or U.S.-trained trainers.
	Results	Approximately 79% of all African battalions (or other military contingents) deployed on peacekeeping missions globally have significant staff and/or unit training experience through the African Contingency Operations Training and Assistance (ACOTA) Program.
	Rating	**On Target**
	Impact	ACOTA partners populate all peace support missions in Africa and represent over 75% of the African contingents deployed on these missions.
PERFORMANCE DATA	**Data Source**	United Nations Department for Peacekeeping Operations (UNDPKO), Embassy and NGO reporting.
	Data Quality (Verification)	UNDPKO reporting is detailed and accurate. The African Union's African Mission in Sudan reporting varies, backed up by U.S. Embassy reporting from troop contributing country locations. NGO reporting varies by location, event, and source.
PAST PERFORMANCE	**2005**	ACOTA trained and/or equipped 11,442 African partner military personnel with $28 million. Fifteen ACOTA-trained contingents routinely deployed on UN or African Union peace support missions. African units trained by U.S. trainers came from Ghana, Senegal, Mali, Benin, Ethiopia, Mozambique, South Africa, and Kenya in significant numbers.
	2004	Of all African battalions (or their equivalent) deployed in peacekeeping operations globally, approximately 65% had significant staff and unit training experience under U.S. or U.S.-trained trainers.
	2003	Seven African contingents trained by the U.S. or U.S.-trained trainers engaged in peace support missions. An additional five contingents planned for Peace Support Operations participation in Liberia and Burundi. The Economic Community of West African State forces, with significant U.S. support and training, deployed to Liberia.

STRATEGIC GOAL 2: COUNTERTERRORISM

Prevent Attacks Against the United States, Our Allies, and Our Friends, and Strengthen Alliances and International Arrangements to Defeat Global Terrorism

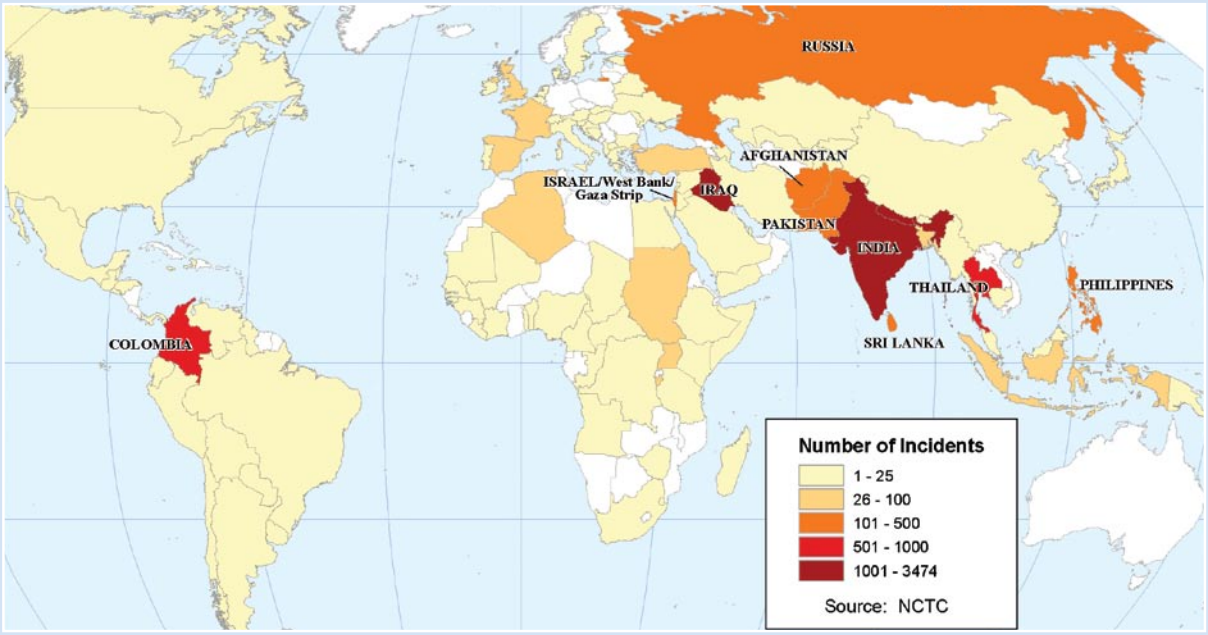
I. PUBLIC BENEFIT

The tragic events of September 11, 2001, demonstrated the gravity of the threat international terrorists pose to the United States and its citizens, at home and abroad. The Global War on Terrorism remains the U.S. Government's top priority. The Department of State and USAID, in partnership with other U.S. Government agencies, international organizations, and countries around the world, work to combat terrorist networks wherever they exist and prevent attacks against Americans and our friends. In every corner of the globe, the Secretary of State and other senior officials, Ambassadors, and country team members, including USAID Mission Directors, use all instruments of statecraft to help host nations understand the threat of global terrorism and strengthen political will and capacity to counter it. This includes support for extending protection of the homeland beyond America's borders, through programs such as the Container Security Initiative, Immigration Security Initiative, Proliferation Security Initiative, Customs-Trade Partnership Against Terrorism, inspections of foreign ports, and sharing of terrorist watch list information. Through effective bilateral and multilateral diplomacy, the U.S. leads a worldwide coalition that acts to suppress terrorism on all fronts: military, intelligence, law enforcement, public diplomacy and financial. To date, the Department has mobilized some 180 countries and territories in the war on terrorism to identify, disrupt and destroy international terrorist organizations. Thousands of terrorist suspects have been arrested, and tens of millions of dollars in terrorists' assets have been blocked. In an effort to deny weapons to terrorists, more than 5,000 Man-Portable Air Defense Systems (MANPADS) have been destroyed. Key to the ability to mobilize effective action by our foreign partners is the provision of training to those who want to help but lack the means. Since 9/11, programs such as anti-terrorist assistance, terrorist interdiction, anti-terrorist finance , combined with long-term efforts to increase stability, have significantly improved U.S. global partners' counterterrorism capabilities.

USAID Administrator, Ambassador Randall Tobias, U.S. Ambassador to Pakistan, Ambassador Ryan Crocker, and Pakistani General Nadeen meet in Dadar, Pakistan.

PHOTO: USAID/LEE MCBREARTY

TERRORIST INCIDENTS BY COUNTRY, 2005



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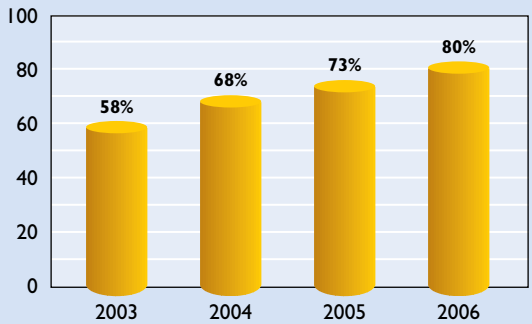
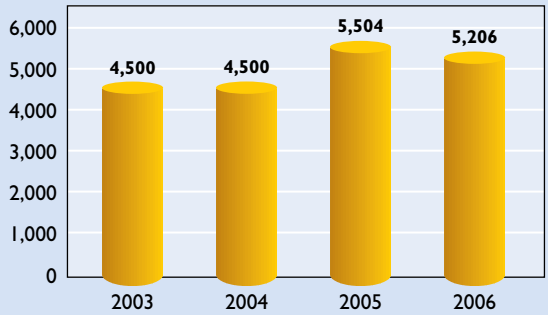
II. SELECTED PERFORMANCE TRENDS

Percentage of Travelers Screened by Participating Nation Governments with the Terrorist Interdiction Program's Watchlisting System Across all Sites at which the System is Installed



Number of Foreign Man-Portable Air Defense Systems (MANPADS) Reduced as a Result of Implementation of International Commitments



III. STRATEGIC CONTEXT

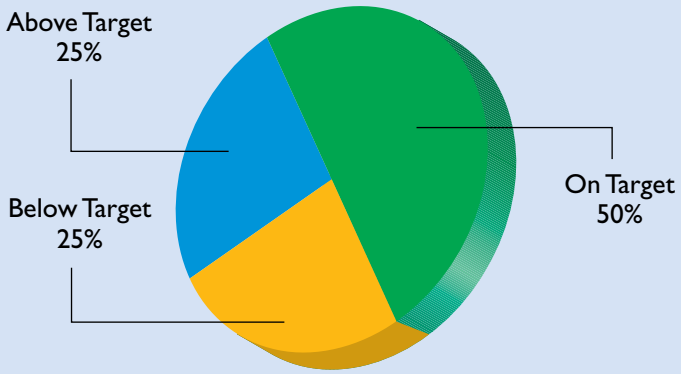
Shown below are the performance goals, initiatives/programs, and the resources, bureaus and partners that contribute to accomplishment of the Counterterrorism strategic goal. Acronyms are defined in the glossary at the back of this publication.

Strategic Goal	Performance Goal (Short Title)	Initiative/ Program	Major Resources	Lead Bureau(s)	External Partners
Counterterrorism	Active Anti-Terrorist Coalitions	Anti-Terrorism Assistance	D&CP, NADR	S/CT, DS	N/A
		Terrorist Interdiction Program	NADR	S/CT	N/A
		Meeting International Standards	CIO, D&CP	S/CT, IO	N/A
	Freezing Terrorist Financing	Combating Terrorist Financing	D&CP	EB, S/CT, INL, INR	Treasury, DOJ
	Prevention and Response to Terrorism	Frontline States in the Global War on Terrorism	D&CP, NADR	SCA, S/CT	NSC, DoD, FBI, CIA, Treasury and DOJ
		Bioterrorism Response	ESF	OES	DHS, HHS, WHO
		Reduction and Security of MANPADS	D&CP, NADR	PM	NSC, OSD, DTRA, JCS, DoD, intelligence community
	Diminished Terrorism Conditions	Diminish Potential Underlying Conditions of Terrorism in Afghanistan	DA, ESF	SCA, S/CT, INL, ANE, PPC	NSC, DoD, NGOs, Treasury, Justice, IFI

IV. PERFORMANCE SUMMARY (STATE AND USAID)

The chart below summarizes the performance ratings for Department of State and USAID results for the Counterterrorism strategic goal.

STRATEGIC GOAL RESULTS ACHIEVED FOR FY 2006



RATINGS DISTRIBUTION

Significantly Above Target	0
Above Target	2
On Target	4
Below Target	2
Significantly Below Target	0
Total Number of Ratings	**8**

V. PERFORMANCE ANALYSIS

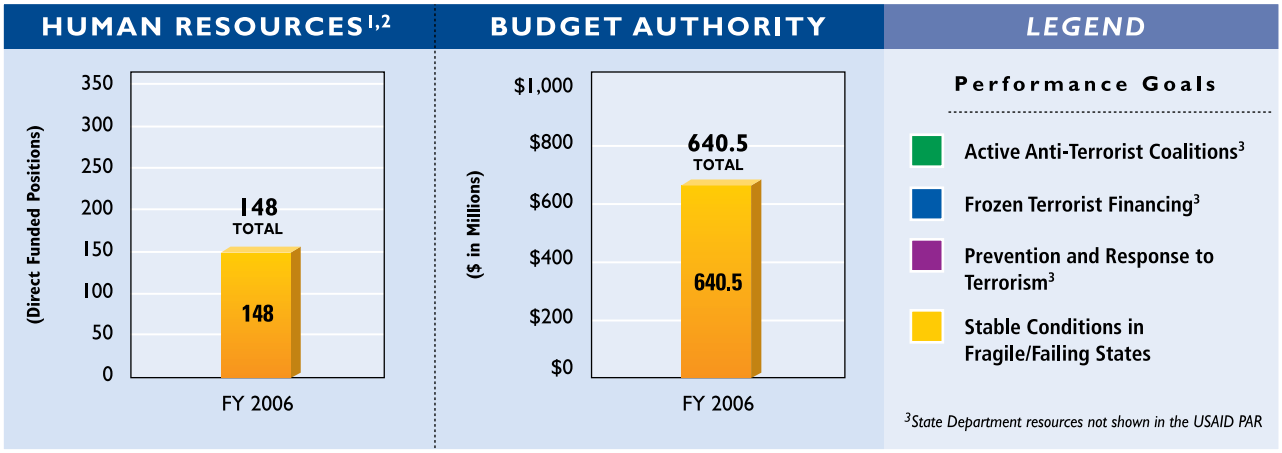
PERFORMANCE TRENDS. One noteworthy trend under the Counterterrorism Strategic Goal is the steady increase in the percentage of travelers screened around the world using the Terrorist Interdiction Program's watch listing system. The number of sites at which the system is installed has increased from 58% in FY 2003 to 80% in FY 2006. The number of foreign man portable air defense systems (MANPADS) destroyed or secured by foreign governments trended downward in FY 2006. The Department continues to press implementing partners to honor commitments and schedules to destroy MANPADS.

HIGH-LEVEL RESULTS. The Department made demonstrable progress toward achieving high-level outcomes in such areas as increasing the number of countries capable of effectively countering terrorist organizations and threats, bolstering border security to guard against terrorist transit, strengthening the capacity of the Afghan National Army to defend its government, and building medical reserves to respond to bioterrorism threats. Additionally, the Department has made strides on efforts to encourage parties to comply with United Nations Security Council Resolution 1373, which requires UN members to take specific actions to combat global terrorism. USAID has made considerable advances in its efforts to rehabilitate Afghanistan's educational system, a potential underlying condition of terrorism.

RESULTS SIGNIFICANTLY ABOVE OR SIGNIFICANTLY BELOW TARGET. No indicator under the Counterterrorism Strategic Goal was rated significantly above or significantly below target.

KEY INITIATIVES AND PROGRAMS. In FY 2006, of the $410 million appropriated for nonproliferation, anti-terrorism, demining and related programs, $136 million was allocated to anti-terrorism assistance, the terrorist interdiction program, counterterrorism financing, and engagement with allies.

VI. RESOURCES INVESTED BY USAID



1 USAID human resource figures reflect all full-time direct funded employees including civil service, foreign service, foreign service nationals, personal services contractors, and other USG employment categories. Institutional contractor staff are not included.

2 Data on FY 2006 human resource levels by Strategic and Performance Goals were not collected. These figures were estimated using FY 2005 human resources data prorated against the FY 2006 Statement of Net Cost.

VII. PERFORMANCE RESULTS

For each initiative/program that supports accomplishment of this strategic goal, the most critical FY 2006 performance indicators and targets are shown below.

ANNUAL PERFORMANCE GOAL 1
Coalition Partners Identify, Deter, Apprehend and Prosecute Terrorists.

I/P: ANTI-TERRORISM ASSISTANCE		
	INDICATOR: Number of Participant Countries That Achieve and Sustain a Capability to Effectively Deter, Detect, and Counter Terrorist Organizations and Threats	
	PART Output	
JUSTIFICATION: Anti-Terrorism Assistance (ATA) not only provides quality training to priority counterterrorism countries but enables each country to achieve sustainment by providing them with the capability to incorporate anti-terrorism curriculum into their own training methods over a set course of time, thereby optimizing USG cost efficiency of each nation's participation in the ATA program.		
FY 2006 PERFORMANCE	**Target**	Two new countries (6 total) ascend from basic through advanced training and have attained competence in countering terrorist activities.
	Results	The Department conducted counterterrorism training for 77 partner nations and performed 269 training events. Two new countries ascended from basic through advanced training and attained competence in countering terrorist activities.
	Rating	**On Target**
	Impact	The ATA program continues to serve as the U.S. Government's primary provider of anti-terrorism training to partner nations by delivering a wide range of courses to strengthen critical counterterrorism capacities. ATA alumni have served as the lead investigators of a number of recent terrorist attacks and have utilized their training in tracking down and arresting perpetrators.
PERFORMANCE DATA	**Data Source**	Embassy reporting, intelligence/law enforcement reporting, after-action reports by the Bureau of Diplomatic Security and Department regional bureau area offices and individual country assessments.
	Data Quality (Verification)	All partner nations receive a needs assessment describing and recommending training to address critical counter terrorism needs. The Country Assistance Plan documents the direction ATA training will be processed to conduct the identified training need.
PAST PERFORMANCE	**2005**	ATA proceeded with antiterrorism training and assistance efforts to help partner nations in the global war on terrorism, sponsoring 217 training events to 78 countries.
	2004	Two additional countries (Israel and South Africa) ascended from basic through advanced training and attained competence in countering terrorist activities and threats.
	2003	Two countries ascended from basic through advanced training and attained competence in countering terrorist activities and threats.

I/P: TERRORIST INTERDICTION PROGRAM

INDICATOR: Percentage of Travelers Screened by Participating Foreign Governments with the Terrorist Interdiction Program's Watchlisting System

PART Outcome

JUSTIFICATION: A key element of the Terrorist Interdiction Program (TIP) is maximizing the usage of the terrorist watchlisting system to screen travelers passing through ports of entry. U.S. counterterrorism strategic objectives are best served when participating nations maximize their use of the watchlisting system provided under TIP.

FY 2006 PERFORMANCE	Target	79%.
	Results	80%.
	Rating	On Target
	Impact	The level of host nation use of the screening system indicates that partner countries share and support our strategic goal of constraining terrorist mobility.
PERFORMANCE DATA	Data Source	Percentages were derived from informal feedback from U.S. personnel charged with program oversight in each country, as well as reporting from program personnel during the course of visits to perform system maintenance, software upgrades, or follow-on operator training.
	Data Quality (Verification)	Although the data is based on periodic and not constant observation, it is considered a reliable representation of host nation usage.
PAST PERFORMANCE	2005	73%.
	2004	68%.
	2003	58%.

U.S. Anti-Terrorism Assistance to Indonesia

The Department of State provided assistance in FY 2006 to train and equip a special Indonesian counterterrorism police unit called Special Detachment 88. SD-88 was launched in 2003 in response to the October 2005 bombings in Bali. In November 2005, SD 88 located Indonesia's most wanted terrorist, Azahari bin Husin, who was linked to the Bali bombings and to bombings in Jakarta. SD 88 planned and executed a successful assault on Azahari's stronghold, killing him and securing valuable intelligence to help prevent other attacks.

A bomb squad member removes a mock explosive device from a hijacked passenger plane during a September 2006 anti-terror drill at Juanda airport in Surabaya, East Java, Indonesia. PHOTO: AP/WIDE WORLD

I/P: MEETING INTERNATIONAL STANDARDS

INDICATOR: Compliance with United Nations Security Council Resolution (UNSCR) 1373

Output

JUSTIFICATION: Repeated reporting by UN member countries and UN Counterterrorism Executive Directorate (CTED) analysis indicate continued progress in meeting UNSCR 1373 requirements.

FY 2006 PERFORMANCE	**Target**	The Counterterrorism Committee (CTC) develops best practices in all areas related to UNSCR 1373 implementation. CTC uses the best practices to develop standards for measuring Member State compliance with UNSCR 1373. Regular CTC field missions conducted to ensure compliance and facilitate technical assistance to "willing but unable" countries. CTC identifies those "unwilling" countries. Tangible sanctions developed to be applied by the UN Security Council to recalcitrant countries that decline to meet obligations under UNSCR 1373 even with technical assistance.
	Results	A directory of best practices has been developed. A total of nine state visits and two other field missions were conducted, and the Counterterrorism Executive Directorate (CTED) has planned seven more state visits during 2006. One of CTED missions in 2006 was a high-level mission to press a state, which had fallen out of compliance with UNSCR 1373, to pass necessary legislation promptly. The CTC also is beginning to consider how to develop standards for measuring states' compliance. CTED is enhancing its outreach to donor states and organizations, including through regular contact with the G-8 Counter-Terrorism Action Group (CTAG), the UNDP, and the EU.
	Rating	**Above Target**
	Impact	Through the efforts of the CTC and CTED, Member States and regional organizations have become more aware of the requirements of UNSCR 1373 and have been given assistance to meet those requirements. CTED field missions have helped Member States identify legal and policy gaps in their counterterrorism apparatus. The United Nations' Office on Drugs and Crime, Terrorism Prevention Branch has provided assistance to states in drafting legislation to implement 1373 obligations and to implement the requirements of the 13 universal conventions and protocols on CT. Other donors, such as the EU and UNDP are pursuing assistance projects to close gaps CTED has identified in States CTED has visited.
PERFORMANCE DATA	**Data Source**	UNCTC reports; reporting from U.S. Embassies and the U.S. Mission to the United Nations.
	Data Quality (Verification)	The UNCTC receives and reviews all reports submitted by UN Member States detailing efforts to implement UNSCR 1373. The U.S. Government conducts interagency reviews of these reports. The Department obtains copies of CTC letters to Member States.
PAST PERFORMANCE	**2005**	One hundred sixty nine of 191 UN members submitted follow-up reports as requested by the CTC. CTED did not become fully staffed until September 2005. CTC and CTED did not achieve the level of results expected, but staged one international conference on counterterrorism standards and best practices and conducted field missions to Morocco, Albania, Kenya, Thailand, and Algeria.
	2004	All 191 countries completed their second and third reports and 100 countries have in place executive machinery needed to implement counter-terrorism legislation required under UNSCR 1373. CTC initiated limited number of field missions to States to monitor compliance with 1373 and to assess needs for technical assistance and training. CTC implemented restructuring of its expert staff to meet increased responsibilities.
	2003	All UN Member States submitted at least one report. Assistance began to reach states having difficulty complying. CTC began to identify States seriously out of compliance with UNSCR 1373 and provide notification that corrective action must be taken to avoid repercussions.

ANNUAL PERFORMANCE GOAL 2

U.S. and Foreign Governments Actively Combat Terrorist Financing.

I/P: COMBATING TERRORIST FINANCING

INDICATOR: Number and Effectiveness of U.S. Training and Assistance Programs and Assessments Delivered to Priority States to Help Combat the Financing of Terrorists

Output

JUSTIFICATION: Counterterrorism finance capacity building is one mechanism for the U.S. to engage its allies to provide early warning, detection and interdiction of terrorist financing.

FY 2006 PERFORMANCE	
Target	■ Three countries assessed by financial systems assessment teams and three training and technical assistance plans developed. ■ Six countries at least partially implement technical assistance and training plans (training received in at least three of the five functional areas). ■ Eight countries fully implement technical assistance and training plans (training received in at least all five of the functional areas). ■ At least five countries undergo comprehensive review of the effectiveness of technical assistance and training.
Results	■ One country assessed by financial systems assessment teams and one training and technical assistance plans developed. ■ Five countries at least partially implemented technical assistance and training plans (training received in at least three of the five functional areas). ■ Three countries fully implemented technical assistance and training plans (training received in at least all five of the functional areas). ■ No countries have undergone comprehensive review of the effectiveness of technical assistance and training.
Rating	**Below Target**
Impact	Even though the results for the indicator are below target, continued yet slow progress has been made in the establishment and improvement of counterterrorist financing regimes, particularly with respect to the passage of new laws, regulations and reporting requirements.
Reason for Shortfall	■ Two countries were not assessed due to serious security considerations. ■ Three countries that received training were unable to partially implement technical assistance and training plans. ■ Five countries did not fully implement technical assistance and training plans. ■ The interagency task force is in the process of developing criteria and a database to conduct comprehensive reviews for effectiveness of training.
Steps to Improve	■ The Department will reinforce the necessity for countries to demonstrate political will and live up to their international commitments. ■ On a tactical level, depending on host nation sensitivity, the Department will encourage Resident Legal Advisors to engage with legislative drafting committees and experts and other stakeholders to explain international legal obligations and legal strategies for compliance with UN Security Council Resolutions, conventions, treaties, Financial Action Task Force (FATF) recommendations and other obligations.

Continued on next page

I/P: COMBATING TERRORIST FINANCING *(continued)*

INDICATOR: Number and Effectiveness of U.S. Training and Assistance Programs and Assessments Delivered to Priority States to Help Combat the Financing of Terrorists *(continued)*

PERFORMANCE DATA	**Data Source**	Interagency assessments, embassy reporting, international (FATF) evaluations. Money laundering section of the International Narcotics Control Strategy Report and other sensitive reporting sources.
	Data Quality (Verification)	Interagency assessments are conducted by expert practitioners and verified by the parent agency, the interagency working group, and the embassy. Embassy reporting is reviewed (verified) and cleared by country team and ambassador. International (FATF) mutual evaluations are on-site expert peer reviews. These evaluation reports are reviewed and verified by a special experts group. Other sensitive reporting may include sensitive law enforcement information, intelligence and other such reporting.
PAST PERFORMANCE	**2005**	■ One country assessed and one training and technical assistance plan developed. ■ 10 countries have at least partially implemented technical assistance and training plans (training received in at least three of the give functional areas). ■ One country has fully implemented technical assistance and training plans (training received in at least all five of the function areas).
	2004	■ Four countries assessed and six training and technical assistance plans developed. ■ Four countries fully implemented technical assistance and training plans (training received in at least all five of the functional areas). ■ Six countries at least partially implemented technical assistance and training plans (training received in at least three of the five functional areas). ■ Six new countries were added to the priority assistance list.
	2003	15 assessments completed. 15 of the targeted 19 states received training and technical assistance.

A Look to History: Counterterrorism

Following a number of overseas terrorist attacks against American diplomats and military personnel in the 1970s and early 1980s, the Department of State created the Anti-Terrorism Assistance Program to assist foreign governments in combating terrorism and protecting American installations abroad. Under the program, foreign security and law enforcement personnel came to the United States to receive training. Courses have ranged from kidnap intervention and hostage negotiation to crisis management and response to incidents involving weapons of mass destruction. American evaluation teams also visited participating foreign countries to develop training programs best suited to their needs. Costa Rica, Turkey, Portugal, Italy, Liberia, Ecuador, Cameroon, Thailand, Tunisia, and a number of Caribbean states were among the first countries to participate in the program, which has since grown to include over 52,000 students from over 140 countries.

The U.S. military is training Filipino soldiers on counter-terrorism warfare in different parts of war-torn Mindanao island in southern Philippines as part of security assistance program of the U.S. government.

PHOTO: AP/WIDE WORLD/STR

ANNUAL PERFORMANCE GOAL 3

Coordinated International Prevention and Response to Terrorism, Including Bioterrorism.

I/P: FRONTLINE STATES IN THE GLOBAL WAR ON TERRORISM

INDICATOR: Capacity of the Afghan National Army to Defend the Afghan Government and Its Territory from External and Internal Threats

Outcome

JUSTIFICATION: The training and deployment of, and expansion of influence by, the Afghan National Army (ANA) indicates progress toward establishing sustainable security in Afghanistan, without which the war on terrorism will not succeed.

FY 2006 PERFORMANCE	Target	■ Afghan National Army (ANA) units conduct routine operational deployments throughout Afghanistan as needed; continued fielding of regional corps with at least one brigade at each location. ■ Ministry of Defense and General Staff assumes, with limited international community support, policy, planning, budget and operational responsibilities; institutional training base completed; functional commands provide increasing support for regional commands. Ministry of defense personnel reform process complete; includes ethnically balanced and increasingly professional staff. ■ Afghan National Police, Highway Patrol and Border Police are increasingly capable of enforcing law and securing transportation routes and borders. All Border Police brigades have undergone training and been provided with individual and basic unit equipment.
	Results	■ 29,300 Afghan National Army forces trained and equipped and partially capable of conducting counterinsurgency operations in conjunction with Coalition units. ■ Minor improvements to Ministry of Defense and General Staff action process are being initiated despite the delay in assigning personnel to key leadership positions. Assistant Minister for Defense for Personnel and Education office beginning to take on a more active role in policy development. Operational Planning Guidance complete; staff beginning to develop the seven operational plans based on this guidance. ■ 42,900 Afghan National Police trained and equipped.
	Rating	**On Target**
	Impact	The training and deployment of the ANA to defend the credibly elected Afghan government from internal and external threats contributes to the fight against the global war on terror.
PERFORMANCE DATA	Data Source	Embassy reporting, intelligence/law enforcement reporting, Department of Defense Combatant Command after-action reports and country assessments.
	Data Quality (Verification)	Reliability and completeness of performance data is ensured through primary data collection and extensive cross-referencing among numerous sources (Department of Defense, Law Enforcement, State/Embassy Reports).
PAST PERFORMANCE	2005	■ ANA influence fully established in Kabul and throughout the country. Forty (25 combat, 15 support / logistics) battalions are operational and approximately three and a half battalions are trained. Force strength is over 26,000. ■ More than 62,000 militia were disarmed and demobilized, ending the formal disarmament and demobilization process in June 2005. The reintegration phase is scheduled for completion in 2006. ■ Four ANA regional centers are operational.
	2004	■ Three brigades of "Kabul Corps" fully fielded to a minimum of 90% manning and equipment. At least 6 Central Corps battalions conduct operational deployments. ■ 100% of heavy weapons collected and cantoned by June 2004 and 60% combatants disarmed and demobilized by September 2004.
	2003	U.S.-led Operation Enduring Freedom drove the Taliban from power and began to destroy the country's terrorist networks. Three battalions completed basic training at the Kabul Military Training Center and one began training. However, none were fully equipped nor completed the full training due to lack of weapons, munitions and demined training sites. Other challenges included lack of warlord support, recruiting difficulties, and insufficient funding. No Border Guard battalions were trained.

I/P: BIOTERRORISM RESPONSE

INDICATOR: Status of National and Global Reserves of Medical Countermeasures for International Use in Responding to Bioterrorism

Outcome

JUSTIFICATION: National and international stockpiles of medical countermeasures will help mitigate the consequences of an international bioterrorism attack.

FY 2006 PERFORMANCE	**Target**	■ Private industry and international community support creation of global reserves of medical countermeasures. ■ Multilateral organizations advocate both national and international stockpiles. ■ Continue bilateral discussions for mutual assistance to share medical countermeasures in response to bioterrorism. ■ U.S. mechanism(s) identified for creation and management of a U.S. international stockpile of medical countermeasures for responding to emergency foreign requests.
	Results	■ Global Health Security Action Group continues to advocate support for international stockpiles. ■ U.S. and Switzerland develop Black ICE (Bioterrorism International Coordination Exercise) which outlines information about national stockpile and raises awareness among international organizations about the limited global supplies and the need for a system to gather and distribute medical countermeasures in the event of a bioterrorist attack. ■ In U.S., Project BioShield establishes first contracts for development and procurement of additional medical countermeasures.
	Rating	**On Target**
	Impact	Enhanced stockpiles and cooperation on medical countermeasures strengthen U.S. and international abilities to quickly and effectively respond to bioterrorism and mitigate potential effects to human, animal, and plant health – as part of the broader strategy to strengthen global counterterrorism cooperation.
PERFORMANCE DATA	**Data Source**	World Health Organization (WHO); open source and intelligence channels.
	Data Quality (Verification)	Information provided by the WHO on national stockpiles is verified by U.S. Government personnel and verified against open source and intelligence channels.
PAST PERFORMANCE	**2005**	WHO continued to seek additional nations to contribute to the Global Smallpox Vaccine Reserve. U.S. continued to promote (through GHSAG and in other venues) its contribution and encourage other nations to support the stockpile.
	2004	The U.S. announced a contribution of 20 million doses of smallpox vaccine to the WHO Global Smallpox Vaccine Reserve. WHO developed a framework for the Global Smallpox Vaccine Reserve which marked an important milestone in facilitating country support for the reserve. France announced a contribution of 5,000,000 doses of smallpox vaccine for the reserve.
	2003	WHO had very limited reserve of smallpox vaccine. Few countries had sufficient stockpiles to respond to bioterrorism attack. No countries had reserves to respond to international requests.

I/P: REDUCTION AND SECURITY OF MANPADS

INDICATOR: Number of Foreign Man-Portable Air Defense Systems (MANPADS) Reduced as a Result of Implementation of International Commitments

Outcome

JUSTIFICATION: This indicator measures the number of MANPADS destroyed or secured as a result of commitments by foreign nations.

FY 2006 PERFORMANCE	**Target**	7,000.
	Results	Total MANPADS missiles destroyed (as of August 11, 2006): 5206.
	Rating	**Below Target**
	Impact	Reduction of the number of excess, loosely secured and obsolete MANPADs worldwide.
	Reason for Shortfall	Some destruction events projected for FY 2006 are now scheduled for FY 2007.
	Steps to Improve	The Department will continue to press implementing partners to proceed with destruction events as scheduled.
PERFORMANCE DATA	**Data Source**	Implementing partners, embassies, and the Department's Bureau of Political-Military Affairs and Office of Weapons Removal and Abatement staff who witness the destructions.
	Data Quality (Verification)	Confirmed by direct observation and reports by implementing partners.
PAST PERFORMANCE	**2005**	5,504.
	2004	5,500.
	2003	3,400.

ANNUAL PERFORMANCE GOAL 4

Stable Political and Economic Conditions that Prevent Terrorism from Flourishing in Fragile or Failing States.

I/P: DIMINISH POTENTIAL UNDERLYING CONDITIONS OF TERRORISM IN AFGHANISTAN

INDICATOR: Rehabilitation Status of Afghan Educational Infrastructure

Output

JUSTIFICATION: This indicator measures efforts to rehabilitate Afghanistan's education system and related infrastructure, with a focus on: 1) providing support to secular schools and education, and 2) promoting democratic values through education.

FY 2006 PERFORMANCE	**Target**	■ 10% increase over FY 2005 in the number of institutions (homes, schools, clinics, markets, etc.) rehabilitated/ built through USAID assistance. ■ 10% increase over FY 2005 in the number students enrolled/ trained through USAID assistance. ■ 10% increase over FY 2005 in number of teachers trained through USAID assistance. ■ 10% increase over FY 2004 in the number of textbooks printed/ distributed. ■ 10% increase over FY 2005 in the number of students enrolled in basic education programs receiving a secular curriculum supported through USAID.
	Results	■ 90% increase over FY 2005 in the number of institutions (homes, schools, clinics, markets, etc.) rehabilitated/ built through USAID assistance (number of institutions rehabilitated/built in FY 2006 was 506). ■ 2,012% increase over FY 2005 in the number students enrolled/ trained through USAID assistance (number of students enrolled/ trained through USAID assistance in FY 2006 was 3,601,687. The results for FY 2006 report on the entire USAID Afghan education program, not only the accelerated education program as reported in FY 2005). ■ 166% increase over FY 2005 in number of teachers trained through USAID assistance (number of trained through USAID assistance in FY 2006 was 26,390). ■ FY 2006 preliminary data for the number of textbooks printed/ distributed are not yet available. ■ FY 2006 preliminary data for the number of students enrolled in basic education programs receiving a secular curriculum supported through USAID are not yet available.
	Rating	**Above Target**
	Impact	Rebuilding Afghanistan's education system is vital to long-term economic and social development and growth.
PERFORMANCE DATA	**Data Source**	USAID annual reports from operating units; other USAID reports; the USAID Afghanistan Database.
	Data Quality (Verification)	The Agency's performance data are verified using Data Quality Assessments (DQA), and must meet five data quality standards of validity, integrity, precision, reliability and timeliness. The methodology used for conducting the DQAs must be well documented by each operating unit. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf)

Continued on next page

I/P: DIMINISH POTENTIAL UNDERLYING CONDITIONS OF TERRORISM IN AFGHANISTAN *(continued)*		
INDICATOR: Rehabilitation Status of Afghan Educational Infrastructure *(continued)*		
PAST PERFORMANCE	**2005**	■ 267 institutions (homes, schools, clinics, markets, etc.) rehabilitated/built through USAID assistance, a 230% increase over FY 2004. ■ 165,761 students enrolled/ trained through USAID assistance, a 2% decrease over FY 2004 (the FY 2005 results reported on the number of students enrolled in the accelerated education program, not the entire education program). ■ 9,910 teachers trained through USAID assistance, a 72% decrease from FY 2004. ■ Information for the number of textbooks printed/ distributed is not available for FY 2005. ■ Baseline: 4.8 million students enrolled in basic education programs receiving a secular curriculum supported through USAID.
	2004	■ 81 institutions (homes, schools, clinics, markets, etc.) built or rehabilitated in 2004 through USAID assistance, a 57% decrease from the FY 2003 baseline. ■ 169,716 students enrolled/ trained (in 3 provinces) through USAID assistance, a 1010% increase over the FY 2003 baseline. ■ 35,819 teachers trained in 2004 through USAID assistance, a 353% increase over the FY 2003 baseline. ■ 8.7 million textbooks printed/ distributed through USAID assistance, a 16% decrease from the FY 2003 baseline.
	2003	**Baselines:** ■ 188 institutions (homes, schools, clinics, markets, etc.) rehabilitated/built through USAID assistance. ■ 15,282 students enrolled/trained (in 3 provinces) through USAID assistance. ■ 7,900 teachers trained through USAID assistance. ■ 10.3 million textbooks printed/ distributed through USAID assistance.

A Community Keeps the Peace

Since 2001, USAID has been working to mitigate tensions on Kyrgyzstan's border with Uzbekistan by mobilizing communities in vulnerable cross-border areas. In the village of Turkishtak, Kyrgyzstan, the effort to keep order was assisted by the community initiative group (CIG), a body of active community leaders formed with USAID training and support. Shortly after violence erupted in Andijan, Uzbekistan, in May 2005, a rural council phoned the CIG in neighboring Turkishtak, which immediately initiated measures to secure its own community. The group formed a neighborhood patrol, went door-to-door to inform residents of the events in Andijan and kept watch for possible refugees fleeing the area. They even organized a makeshift refugee camp in a vacant building in the event that the situation worsened. One CIG member and two of his neighbors supplied mattresses, materials, and clothing, and selected two families to prepare food if refugees arrived. Fortunately, neither violence nor refugees descended on Turkishtak. Nevertheless, those CIG members who rose to the occasion and took responsibility for the safety of their community further solidified their role as leaders and decision makers. The communication structure, organized and practiced by the CIG with USAID assistance, prevented fear from turning into chaos--a success that will continue to enhance the lives and well-being of the residents of Turkishtak and preserve their relationship with neighboring Uzbekistan communities.

The Turkishtak community initiative group makes plans to ensure the safety of their village. PHOTO: MERCY CORPS.

STRATEGIC GOAL 3: INTERNATIONAL CRIME AND DRUGS

Minimize the Impact of International Crime and Illegal Drugs on the United States and its Citizens

I. PUBLIC BENEFIT

Americans and our global partners face growing security threats, both at home and abroad, from international terrorist networks and international criminal enterprises. In America alone, illegal drugs impose a staggering toll, killing more than 19,000 Americans annually and costing more than $160 billion in law enforcement costs, drug-related heath care, and lost productivity. This is in addition to the wasted lives, the devastating impact on families, schools, and communities, and the generally corrosive effect of illeagal drugs on public institutions.

International crime groups also threaten U.S. and global partner interests in a stable world system. International trafficking in persons, smuggling of migrants and contraband, money laundering, cyber crime, theft of intellectual property rights, trafficking in small arms, and other offenses cost U.S. taxpayers and businesses billions of dollars each year and undermine rule of law in both developing and developed nations.

The events of 9/11 and their aftermath highlight the close connections among international terrorists, drug traffickers, and transnational criminals. All three groups seek out weak states with feeble judicial systems, whose governments they can corrupt or even dominate. Such groups jeopardize peace and freedom, undermine the rule of law, menace local and regional stability, and threaten the U.S. and its friends and allies.

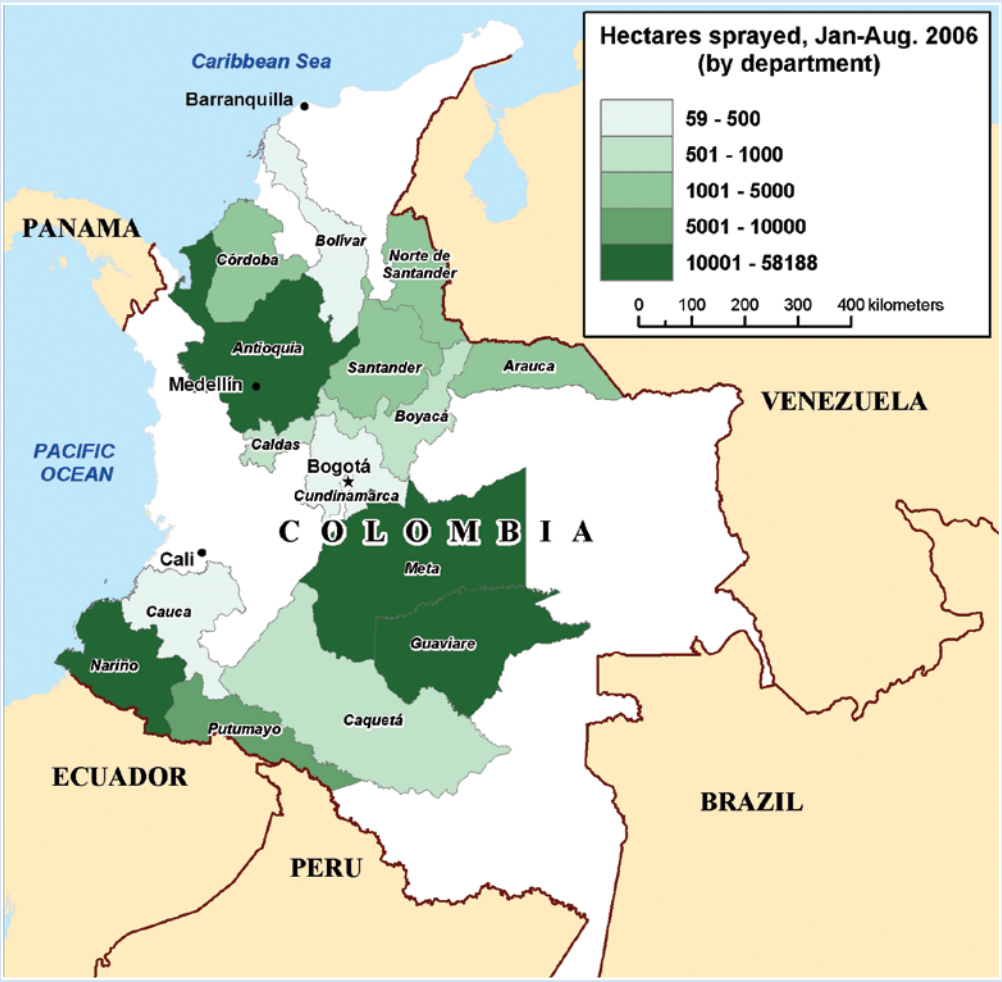
With the support of USAID, Bolivian farmers are switching from coca production to licit crops. A farmer in the Chapare region of Bolivia proudly shows his legal land titles.

PHOTO: USAID/WALTER MUR.

To meet these challenges, the Department of State and USAID support a robust and comprehensive range of programs that foster international cooperation to help stop these threats before they reach U.S. soil, and to mitigate these threats within the borders of our global partners. The Department and USAID work with other U.S. Government agencies and foreign governments to break up drug trafficking and other international crime groups, disrupt their operations, arrest and imprison their leaders, and seize their assets.

On the diplomatic level, the Department works with the United Nations, the European Union, the Organization of American States, the Group of Eight Industrialized States, and other international and regional bodies to set international counter-drug, anti-crime and counter-terrorist standards, foster cross-border law enforcement cooperation, and deny safe havens to crime, drug and terrorist groups.

DRUG ERADICATION IN COLOMBIA



Names and boundary representation are not necessarily authoritative

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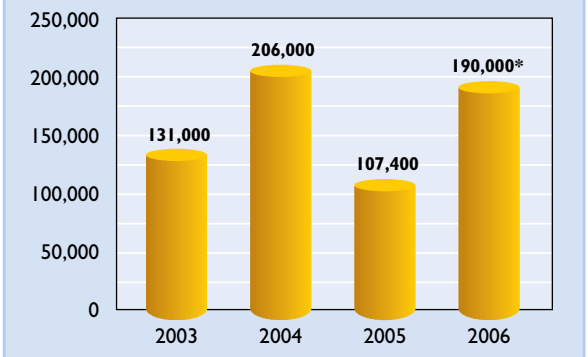
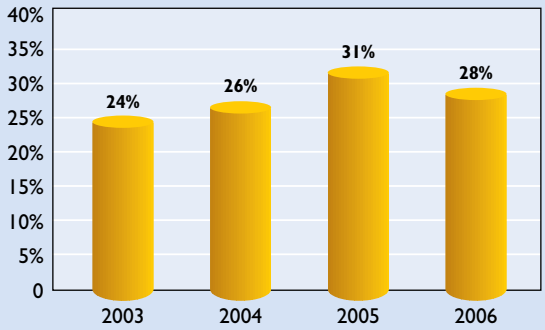
II. SELECTED PERFORMANCE TRENDS

Cultivation of Illicit Opium Poppy in Afghanistan (hectares)



*Note: 2006 is the target value

Ratio of Total Metric Tons Seized in Colombia, Peru and Bolivia to Estimated Production of Cocaine



III. STRATEGIC CONTEXT

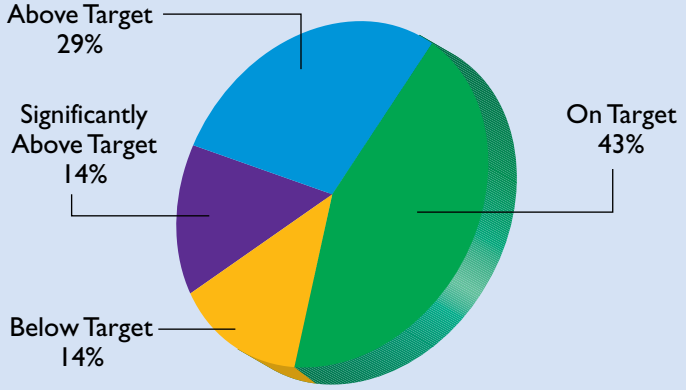
Shown below are the performance goals, initiatives/programs, and the resources, bureaus and partners that contribute to accomplishment of the International Crime and Drugs strategic goal. Acronyms are defined in the glossary at the back of this publication.

Strategic Goal	Performance Goal (Short Title)	Initiative/ Program	Major Resources	Lead Bureau(s)	External Partners
International Crime and Drugs	Disruption of Criminal Organizations	Andean Counterdrug Initiative	ACI, CIO, D&CP, DA	INL, WHA, LAC	DoD, DEA, DOJ, ONDCP, CNC
		Global Poppy Cultivation	ACI, CIO, D&CP, DA	INL, WHA, LAC	DoD, DEA, DOJ, ONDCP, CNC
		Improve Anti-Trafficking Prosecutorial and Protection Capacities	CIO, D&CP, DA, ESF, FSA, INCLE, MRA, SEED	G/TIP, PPC	DOJ, DOL, DHS, UN, IOM, ILO, Asia Foundation, OAS, OSCE, Stability Pact, SECI, ASEAN, ECOWAS, SADC
	Law Enforcement and Judicial Systems	International Law Enforcement	CIO, D&CP, FSA, INCLE, SEED	INL	FBI, DEA, DHS, Treasury, UN
		Justice Sector Reconstruction in Iraq	DA, IRRF, TI	NEA, INL	DoD, DOJ

IV. PERFORMANCE SUMMARY (STATE AND USAID)

The chart below summarizes the performance ratings for Department of State and USAID results for the International Crime and Drugs strategic goal.

STRATEGIC GOAL RESULTS ACHIEVED FOR FY 2006



RATINGS DISTRIBUTION

Significantly Above Target	1
Above Target	2
On Target	3
Below Target	1
Significantly Below Target	0
Total Number of Ratings	**7**

V. PERFORMANCE ANALYSIS

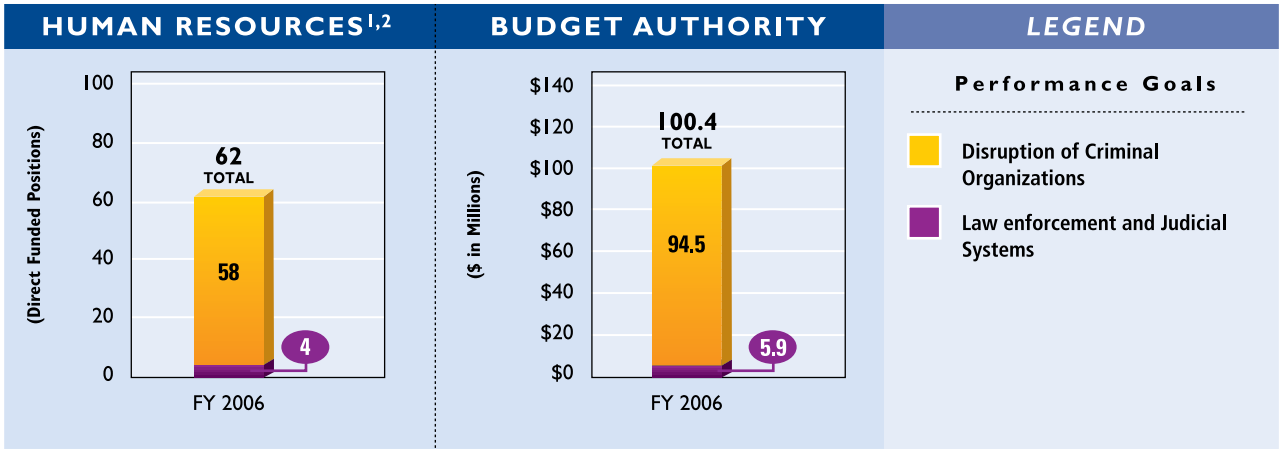
PERFORMANCE TRENDS. There were a number of positive trends under the Andean Counterdrug Initiative: hectares sprayed, shipments seized, and licit crop production increased. In addition, host government law enforcement partners have become stronger and more effective, capturing an increasing share of the cocaine produced in the Andean region. Unfortunately, the four-year trend in Afghanistan shows an increase in illicit opium poppy cultivation, despite U.S. Government efforts to discourage planting, eradicate the crop and promote alternative development.

HIGH-LEVEL RESULTS. The Department and USAID have demonstrated results toward disrupting criminal organizations through programs that seize cocaine shipments, eradicate poppy crops, and strengthen prosecution of individuals and groups that traffic in persons. In addition, both agencies have had success with programs to strengthen the justice sector and related institutions in other countries, most notably Iraq.

RESULTS SIGNIFICANTLY ABOVE OR SIGNIFICANTLY BELOW TARGET. No indicator under this Strategic Goal was rated significantly below target. Efforts to strengthen anti-trafficking laws significantly exceeded FY 2006 targets. Forty-one countries took action to strengthen legislation to combat trafficking in persons.

KEY INITIATIVES AND PROGRAMS. In FY 2006, Congress appropriated $734.5 million to the Department of State to carry out the Andean Counterdrug Initiative, of which approximately $229 million was earmarked to USAID for alternative development and institution building, including $131 million for assistance to Colombia. An additional $477 million was appropriated in FY 2006 to fund international narcotics and law enforcement activities, including $16 million to fund International Law Enforcement Academies.

VI. RESOURCES INVESTED BY USAID



1 USAID human resource figures reflect all full-time direct funded employees including civil service, foreign service, foreign service nationals, personal services contractors, and other USG employment categories. Institutional contractor staff are not included.

2 Data on FY 2006 human resource levels by Strategic and Performance Goals were not collected. These figures were estimated using FY 2005 human resources data prorated against the FY 2006 Statement of Net Cost.

VII. PERFORMANCE RESULTS

For each initiative/program that supports accomplishment of this strategic goal, the most critical FY 2006 performance indicators and targets are shown below.

ANNUAL PERFORMANCE GOAL I
International Trafficking in Drugs, Persons, and Other Illicit Goods Disrupted and Criminal Organizations Dismantled.

I/P: ANDEAN COUNTERDRUG INITIATIVE		
	INDICATOR: Ratio of Total Metric Tons Seized in Colombia, Peru, and Bolivia to Estimated Production of Cocaine	
	PART Outcome	
JUSTIFICATION: Statistics on seizures complement estimates on cultivation and production. They are an indication of law enforcement effectiveness but much less reliable as a snapshot of drug trafficking.		
FY 2006 PERFORMANCE	**Target**	Seizure Rate: at least 28% of total net production.
	Results	Although actual data for metric tons produced or actual metric tons seized is not expected to be distributed until April 2007, based on results for 2005 and past experience, it is reasonable to forecast that the seizure rate will remain on target.
	Rating	**On Target**
	Impact	The seizure rate measures the effectiveness of U.S. Government assistance to law enforcement capacity building in Colombia, Peru, and Bolivia. The upward trend from 2003 to 2005 indicates that the host government law enforcement, working together with the U.S. Government, continue to capture an increasing share of the cocaine produced in the Andean region.
PERFORMANCE DATA	**Data Source**	Seizure statistics are provided by post and the host government and are included annually in the International Narcotics Control Strategy Report. The quality of the data varies by government. Estimates of cocaine production are provided by the CIA's Crime and Narcotics Center.
	Data Quality (Verification)	The quality of the seizure data varies by government. Estimates of cocaine production as provided by the CIA's Crime and Narcotics Center are regarded as the U.S. Government's most reliable information regarding cocaine production.
PAST PERFORMANCE	**2005**	31%.
	2004	26%.
	2003	24%.

I/P: GLOBAL POPPY CULTIVATION

INDICATOR: Cultivation of Illicit Opium Poppy in Hectares in Afghanistan

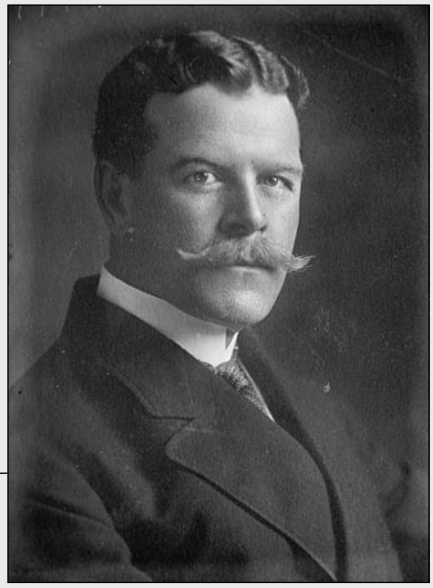
Outcome

JUSTIFICATION: The level of cultivation is the single best indicator of poppy and therefore heroin production. It has the added advantage of pinpointing poppy-growing areas so they can be targeted for eradication and other counter-narcotics programs.

FY 2006 PERFORMANCE	Target	190,000 hectares under cultivation. USG-supported program eradicates 15,000 hectares.
	Results	In September 2006, the U.N. Office of Drugs and Crime released its opium poppy cultivation estimate of 165,000 hectares for Afghanistan, indicating a cultivation level below the 2006 target of 190,000. The 2006 estimate was initially set against the official U.S. Government estimate provided by the CIA's Crime and Narcotics Center and the official estimate will not be available until December 2006.
	Rating	**On Target**
	Impact	Reducing the level of opium poppy under cultivation will deny destabilizing forces in Afghanistan the revenue with which to continue their operations and reduce the global supply of heroin.
PERFORMANCE DATA	Data Source	CIA Crime and Narcotics Center provides the estimates.
	Data Quality (Verification)	Data provided by the CIA's Crime and Narcotics Center are regarded as the most reliable U.S. Government information on narcotics cultivation and production.
PAST PERFORMANCE	2005	107,400 hectares under cultivation.
	2004	206,000 hectares under cultivation.
	2003	131,000 hectares under cultivation.

A Look to History: International Crime and Drugs

The 1909 Shanghai Opium Commission was the first international meeting to address the problem of drugs and the question of drug control. Dr. Hamilton Wright represented the United States in the Commission's negotiations to diminish the East Asian opium trade that had caused a significant public health crisis in China and elsewhere. In his efforts to impose limitations on legal opium use, Hamilton clashed with some imperial powers as they benefited from the opium trade. Though the Commission did not reach any concrete resolutions, it raised important questions related to international drug trade and consumption and marked the inception of drug control as an international issue.



Dr. Hamilton Wright PHOTO: AP/WIDE WORLD

I/P: GLOBAL POPPY CULTIVATION *(continued)*

INDICATOR: Number of Hectares Devoted to Legitimate Agricultural and/or Forestry Products Developed or Expanded in Areas Receiving USAID Assistance

Output

JUSTIFICATION: This indicator measures the impact of USAID programs in Afghanistan, Bolivia, Colombia, Ecuador and Peru to expand production of licit crops and forestry products, thereby expanding legitimate economic opportunities.

FY 2006 PERFORMANCE	Target	344,160 Hectares.
	Results	382,286 Hectares, 11% above the FY 2006 target.
	Rating	**Above Target**
	Impact	USAID programs educate growers, provide alternative seeds, and agricultural inputs, and promote the production of licit crops in areas where poppy has been grown.
PERFORMANCE DATA	Data Source	Preliminary result data from USAID operating units.
	Data Quality (Verification)	The Agency's performance data are verified using Data Quality Assessments (DQA), and must meet five data quality standards of validity, integrity, precision, reliability and timeliness. The methodology used for conducting the DQAs must be well documented by each operating unit. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf)
PAST PERFORMANCE	2005	310,281 hectares in licit production formerly in illicit poppy production, 1,141% above the FY 2004 baseline.
	2004	25,000 hectares in licit production formerly in illicit poppy production.
	2003	N/A.

Farmers Abandon Illicit Crops in Colombia

In Colombia's Urabá region, which has suffered from security problems resulting from illegal drug crop cultivation and trafficking, USAID's alternative development projects have helped poor farmers and other vulnerable groups transition from the illegal drug economy to a legitimate business economy by sharing technical expertise on agriculture and small business development. These projects have made the communities safer and allowed farmers to earn a legal living. For example, participants in one program learned planting techniques, plant care, and fertilizer applications. They also learned about the economic potential of the plants. After the demonstration phase finished, the plots were turned into plant nurseries that produce several varieties of acacia, melina, and teak, in addition to cacao, rubber, and other crops. The nurseries are spread out over 15 hectares of communally owned land, and they continue to serve as a center for training and community gatherings. This program in Urabá alone has reached some 1,500 Colombians in 10 co-ops, who since 2003 have planted a combined total of 679 hectares (1,677 acres) in legal crops where illegal coca plants once grew.

A farmer inspects his coffee shrub, planted in fields that once grew illegal crops, with his son near Turbó, in Colombia's Urabá region. PHOTO: USAID

I/P: IMPROVE ANTI-TRAFFICKING PROSECUTORIAL AND PROTECTION CAPACITIES

INDICATOR: Number of Countries Strengthening and Enforcing New or Existing Anti-Trafficking Laws to Come Into Compliance with International Standards

Outcome

JUSTIFICATION: Strengthened laws requiring strong penalties for traffickers and comprehensive assistance for victims indicate concrete efforts to prosecute and convict traffickers and to protect victims.

FY 2006 PERFORMANCE	**Target**	■ Ten countries move up a tier or off the Tier 2 Watch List classification based on fulfillment of country strategies. ■ Two additional countries receiving USG assistance successfully adopt comprehensive anti-trafficking law(s).
	Results	■ In the past year, sixteen countries moved up a tier or off the Tier 2 Watch List. Of these 16 countries, eight countries moved up from Tier 3 to Tier 2 Watch List or Tier 2. Eight additional countries moved from the Tier 2 Watch List to Tier 2. ■ Forty-one countries adopted new legislation or amended existing legislation to combat trafficking in persons.
	Rating	**Significantly Above Target**
	Impact	Concrete actions taken by governments to fight trafficking result in more prosecutions, convictions, and prison sentences for traffickers and comprehensive assistance for victims.
PERFORMANCE DATA	**Data Source**	Annual Department of *State Trafficking in Persons Report.*
	Data Quality (Verification)	Information from the 2006 *Trafficking in Persons Report* is from U.S. embassies, foreign government officials, NGOs and international organizations, published reports, research trips to every region, and information submitted to *tipreport@state.gov*. U.S. diplomatic posts reported on the trafficking situation and governmental action based on thorough research, including meetings with a wide variety of government officials, local and international NGO representatives, international organizations, officials, journalists, academics, and survivors.
PAST PERFORMANCE	**2005**	■ With USG assistance, 39 countries adopted anti-trafficking legislation. ■ The United States was the ninety-seventh country to ratify the UN Trafficking in Persons Protocol on November 5, 2005.
	2004	■ Tier rating targets for 2004 TIP Report: Tier 1: 31; Tier 2: 80; Tier 3: 12. ■ Thirty additional countries, including the U.S., ratified UN Trafficking in Persons Protocol.
	2003	■ Forty-two percent of Tier 2 and Tier 3 countries use Department assistance to develop or further anti-trafficking initiatives. ■ Forty-two countries ratified UN Trafficking in Persons Protocol, which entered into force.

I/P: IMPROVE ANTI-TRAFFICKING PROSECUTORIAL AND PROTECTION CAPACITIES *(continued)*

INDICATOR: Number of Stakeholders and Survivors Assisted Through USAID-Supported Anti-Trafficking in Persons Programs

Output

JUSTIFICATION: By training stakeholders on the legal and human rights aspects of trafficking, and by providing support services to the survivors of trafficking, USAID will reduce the number of people trafficked and the consequences of trafficking. Stakeholders include government officials, non-governmental organizations, journalists, private sector participants, community leaders and members, and religious organization leaders.

FY 2006 PERFORMANCE	Target	■ 280,638 stakeholders (police, ministry of justice personnel, journalists, school children, at-risk trafficking survivors, etc) educated or trained. ■ 50,265 survivors of trafficking receive counseling and other support services.
	Results	■ 222,332 stakeholders (police, ministry of justice personnel, journalists, school children, at-risk trafficking survivors, etc) educated or trained. ■ FY 2006 data for the number of survivors of trafficking receiving counseling and other support services are not available.
	Rating	**Below Target**
	Impact	A decrease in the number of stakeholders trained or educated equates to a general decline in the overall awareness of the dangers of trafficking. In turn, this may indirectly impact USAID's effort to reduce the numbers of people trafficked.
	Reason for Shortfall	The explanation for this program's shortfall is pending and will be obtained once the final FY 2006 results are reported.
	Steps to Improve	The necessary steps for this program's improvement are pending and will be obtained once the final FY 2006 results are reported.
PERFORMANCE DATA	Data Source	Preliminary result data from USAID operating units.
	Data Quality (Verification)	The Agency's performance data are verified using Data Quality Assessments (DQA), and must meet five data quality standards of validity, integrity, precision, reliability and timeliness. The methodology used for conducting the DQAs must be well documented by each operating unit. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf)
PAST PERFORMANCE	2005	■ 267,275 officials educated or trained. ■ 61,534 survivors of TIP received counseling and other support services.
	2004	■ 47,483 officials educated or trained. ■ 434,318 survivors of TIP received counseling and other support services.
	2003	**Baselines:** ■ 3,737 officials educated or trained. ■ 362 survivors of TIP receive counseling and other support services.

ANNUAL PERFORMANCE GOAL 2

Countries Cooperate Internationally to Set and Implement Anti-drug and Anti-crime Standards, Share Financial and Political Burdens, and Close Off Safe-havens Through Justice Systems and Related Institution Building.

I/P: INTERNATIONAL LAW ENFORCEMENT

INDICATOR: Number of Officials Trained at International Law Enforcement Academies (ILEAs)

Output

JUSTIFICATION: Training is a major component of U.S. anti-crime assistance and correlates positively with institution building efforts to improve and professionalize foreign law enforcement agencies and institutions. U.S.-trained officers tend to move up to positions of leadership more rapidly than their peers and are more likely to cooperate with U.S. Government agencies at the operational level. They are also more open to and supportive of regional cooperation, particularly with counterparts from other countries who trained with them at the ILEAs.

FY 2006 PERFORMANCE	Target	2,800.
	Results	3,110.
	Rating	**Above Target**
	Impact	ILEA graduates raise the professional standards and skill levels of foreign law enforcement officials and foster operational cooperation between U.S. and foreign law enforcement officials, as well as promoting regional cooperation among participating governments.
PERFORMANCE DATA	Data Source	ILEA academies in Bangkok, Budapest, Gaborone, Roswell, San Salvador, and Lima monitor and report training data.
	Data Quality (Verification)	The Department of State and other agencies involved in training cross-check and validate the training data.
PAST PERFORMANCE	2005	2,856.
	2004	2,400.
	2003	2,200.

Trafficked Children Get a Fresh Start

In Albania, USAID supports Tjeter Vizion, an organization that helps children who were being trafficked to other countries to resume a normal life. Some are reunited with their families, and some, particularly those who have suffered trauma, are placed under the organization's legal custody. Tjeter Vizion runs a residential center, day care center, and secure apartments for trafficking victims and other at-risk youth. Staff members help younger residents with their school work while older children are trained in a vocation like plumbing or hair-dressing. Dritan was trafficked at age six, often beaten and forced to steal, beg, and sleep on the streets. Now 14, he has lived in a Tjeter Vizion secure apartment for six months and is training to be a car mechanic. USAID also supports Transnational Action against Child Trafficking (TACT), an organization that works to teach elementary school children about the dangers of trafficking before they are placed at risk. TACT visits schools to show testimonial videos of trafficked children and distribute pamphlets about kids who were made to beg on the street. Operating in half of Albania's districts, TACT has reached some 25,000 children with its anti-trafficking message.

An elementary school student reads a brochure about the dangers of trafficking. PHOTO: USAID/STEPHANIE PEPI.

I/P: JUSTICE SECTOR RECONSTRUCTION IN IRAQ

INDICATOR: Viability of Iraqi Justice and Law Enforcement Sectors

Outcome

JUSTIFICATION: Given the uncertain political and security environment, a measure of the capacity and professionalization of the police force is extremely relevant and useful to program planning and decision-making.

FY 2006 PERFORMANCE	**Target**	■ Large-scale basic police training ramps down to accommodate normal personnel management. ■ New phase of training focuses on organizational development leadership. ■ Training increasingly emphasizes transparency, accountability, anti-corruption, and respect for human rights. ■ Specialized training intensifies. ■ Special anti-corruption units created within Justice Ministry and police internal accountability units (i.e., internal affairs) created. ■ Revision of criminal code completed and enacted by National Assembly. ■ Personal and operational equipment and infrastructure provided to supplement similar support provided by Coalition military forces.
	Results	■ The Coalition Police Advisory Training Team plans to conclude large-scale basic police training by December 31, 2006. To date, 39,826 Iraqi students have graduated from the Jordan International Police Training Center. ■ Police Transition Teams that include over 600 International Police Liaison Officers are assessing and mentoring Iraqi police. ■ Advanced and specialized police training includes basic criminal investigations (3,400 total graduates to date), advanced criminal investigations (240 graduates), interviews and interrogation (1,313 graduates), violent crimes investigation (1,151 graduates), criminal intelligence (596 graduates). ■ An internal affairs unit has been established at the Ministry of Interior, over 285 internal affairs investigators have been trained, and the Ministry is providing mentoring. Internal controls training has been provided to 837 Iraqi Police Service graduates.
	Rating	**On Target**
	Impact	Strengthening the law enforcement and justice sectors in Iraq is essential to restoring public confidence in the Iraqi government. Improvements in the accountability and transparency of the police, courts, and prisons systems are critical to the success of the U.S. mission in Iraq.
PERFORMANCE DATA	**Data Source**	Department of Defense (Coalition Police Advisory Training Team), Embassy Baghdad, U.S. contractor.
	Data Quality (Verification)	Data are gathered by U.S. Embassy teams, verified at post, and validated by State Department employees of the Bureau of International Narcotics and Law Enforcement.
PAST PERFORMANCE	**2005**	Police training facilities expanded operations in Jordan and Baghdad, where police training experts delivered two classes to 1,750 new Iraqi police recruits each.
	2004	Police training facilities established in Jordan and Baghdad, where an international staff of police experts provides eight weeks of basic training and some specialized training. Approximately 7,000 police completed basic training and deployed to the field in Baghdad and some other key urban areas. Approximately 400 international police liaison officers provide follow-on mentoring and guidance for the newly deployed units.
	2003	N/A

STRATEGIC OBJECTIVE #2:

ADVANCE SUSTAINABLE DEVELOPMENT AND GLOBAL INTERESTS

The strategic goals for democracy and human rights, economic prosperity and security, and social and environmental issues are integral to the strategic vision of the Department of State and USAID. It is no coincidence that conflict, chaos, corruption, environmental degradation, and humanitarian crisis often reign in the same places.

The broad aim of our diplomacy and development assistance is to turn vicious circles into virtuous ones, where accountable governments, political and economic freedoms, investing in people, and respect for individuals leads to prosperity, healthy and educated populations, and political stability.

STRATEGIC GOAL 4: DEMOCRACY AND HUMAN RIGHTS

Advance the Growth of Democracy and Good Governance, Including Civil Society, the Rule of Law, Respect for Human Rights, and Religious Freedom

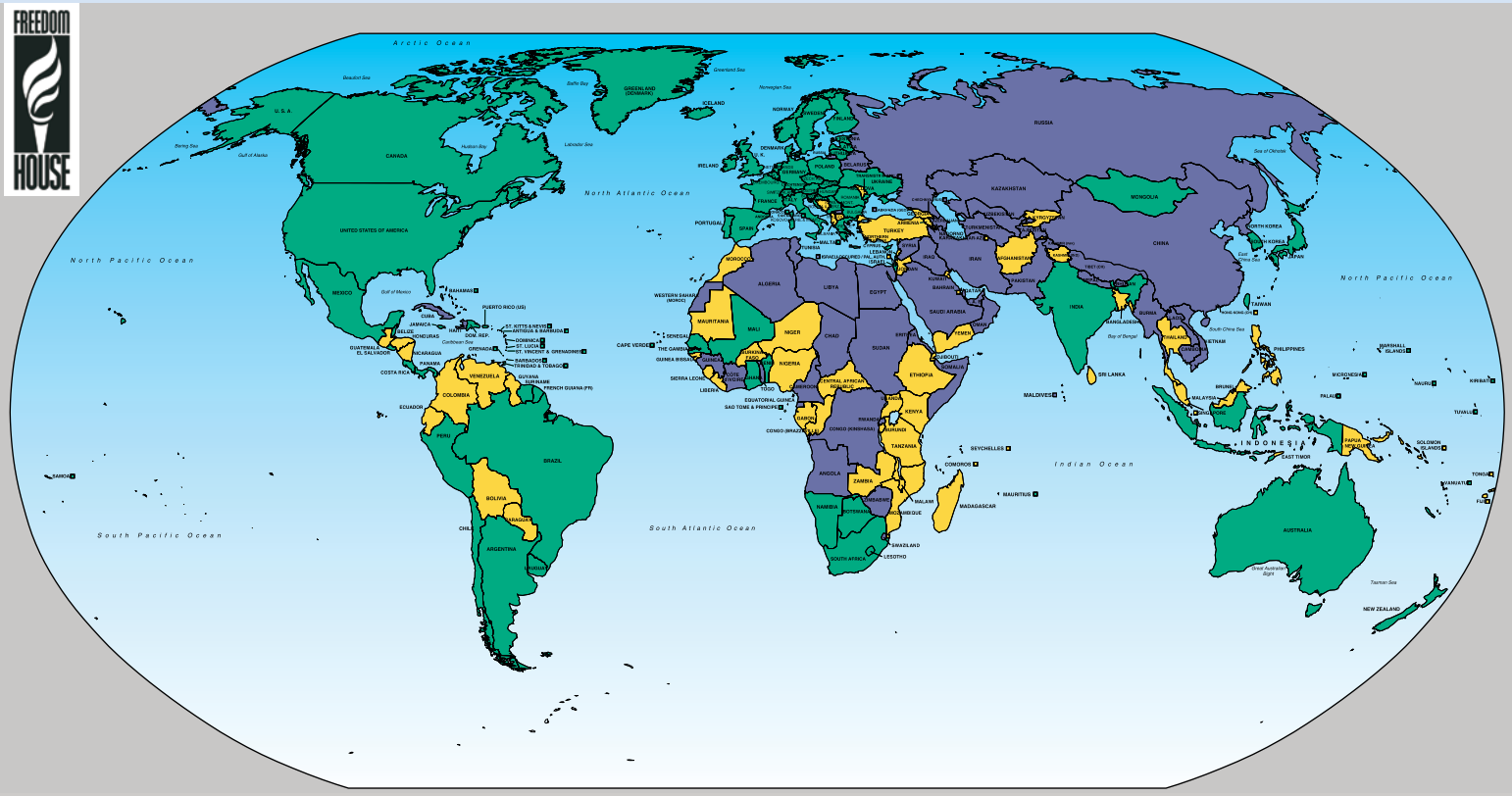
I. PUBLIC BENEFIT

In his second National Security Strategy, in March 2006, President Bush affirmed the conviction that promotion of democracy is the best long-term strategy for ensuring stability and prosperity in the U.S. and abroad. Nations that respect human rights, respond to the need of their people, and govern by rule of law are also responsible partners in the international community.

Protecting human rights and building democracy are thus cornerstones of a U.S. foreign policy that seeks to end tyranny, combat terrorism, champion human dignity, and enhance homeland security. As President Bush affirmed in his 2006 State of the Union Address, "Democracies replace resentment with hope, respect the rights of their citizens and their neighbors, and join the fight against terror. Every step toward freedom in the world makes our country safer."

Voters emerge from a polling station in Kirkuk, Iraq. USAID has been supporting the democratic process in Iraq, with nearly $150 million going toward the constitutional referendum. PHOTO: USAID/SCOTT JEFFCOAT

MAP OF FREEDOM 2006



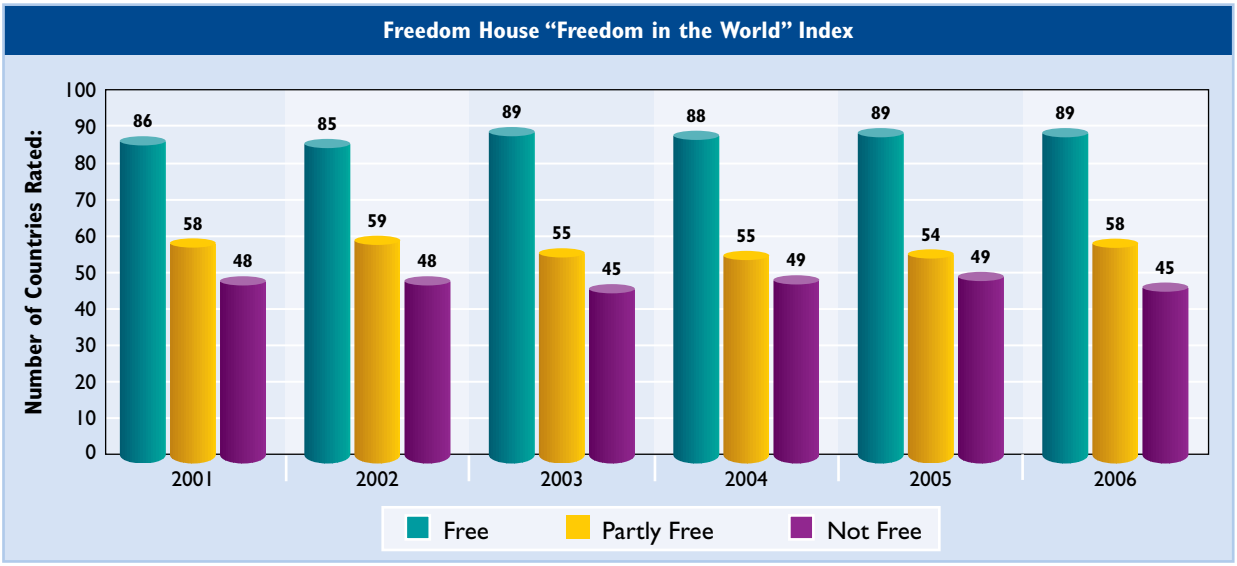
	FREE
	PARTLY FREE
	NOT FREE

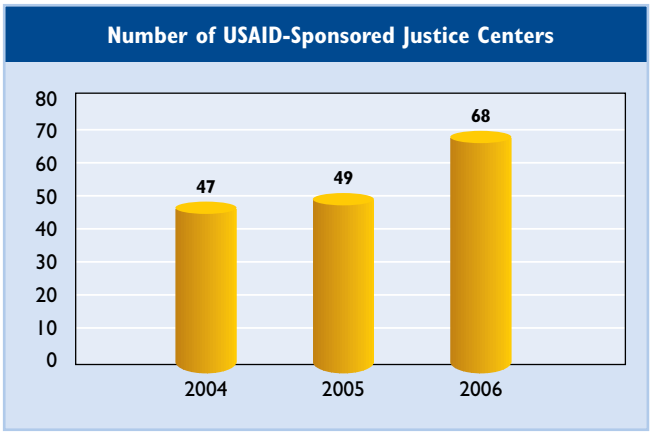
Global Trends in Freedom			
Year Under Review	1995	2000	2006
Free	76	86	89
Partly Free	62	58	58
Not Free	53	48	45
Total	191	192	192

In order for democratization to be successful and sustainable, the process must be driven by the people. The Department and USAID take a holistic approach to democracy promotion, engaging both governments and civil society, and exemplifying Secretary Rice's goal of transformational diplomacy: "Using America's diplomatic power to help foreign citizens to better their own lives, and to build their own futures."

We bolster and support human rights defenders and pro-democracy non-governmental organizations (NGOs) in countries that routinely ignore or violate international human rights. We reach out to all aspects of civil society - NGOs, the private sector, labor, media, and religious and community leaders – to encourage their activism in ensuring their governments are responsive to their needs. We persist in a dialogue with foreign policy makers to persuade them to enact necessary changes to strengthen democracy and respect human rights.

II. SELECTED PERFORMANCE TRENDS





III. STRATEGIC CONTEXT

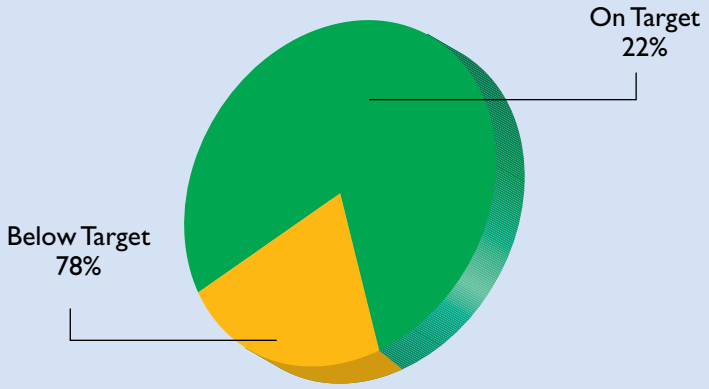
Shown below are the performance goals, initiatives/programs, and the resources, bureaus and partners that contribute to accomplishment of the Democracy and Human Rights strategic goal. Acronyms are defined in the glossary at the back of this publication.

Strategic Goal	Performance Goal (Short Title)	Initiative/ Program	Major Resources	Lead Bureau(s)	External Partners
Democracy and Human Rights	Democratic Systems and Practices	Engagement to Advance Democracy	ACI, DA, D&CP, ESF	DRL, DCHA, AFR	DoD, DOJ, NGOs, UN, other int'l orgs, NGOs
		Democratic Stability in South Asia's Frontline States	D&CP	DRL, SCA, DCHA	NGOs, UN, other int'l orgs, NGOs
		Democracy and Governance in the Near East	D&CP, ESF	NEA, DCHA	DOJ, NGOs
		Support of Women's Political and Economic Participation	D&CP, ESF, DA	DRL, G/IWI, DCHA, AFR	NGOs
	Universal Human Rights Standards	Bilateral and Multilateral Diplomacy	CIO, D&CP, IO&P	DRL, IO	UN, other int'l orgs, NGOs
		Promote International Religious Freedom	D&CP	DRL	NGOs, other int'l orgs
		Labor Diplomacy and Advocacy for Workers' Rights	CIO, DA, D&CP	DRL, DCHA	DOL, USTR, OPIC, DOC, NGOs, IFIs, ILO, other int'l orgs

IV. PERFORMANCE SUMMARY (STATE AND USAID)

The chart below summarizes the performance ratings for Department of State and USAID results for the Democracy and Human Rights strategic goal.

STRATEGIC GOAL RESULTS ACHIEVED FOR FY 2006



RATINGS DISTRIBUTION

Significantly Above Target	0
Above Target	0
On Target	7
Below Target	2
Significantly Below Target	0
Total Number of Ratings	**9**

V. PERFORMANCE ANALYSIS

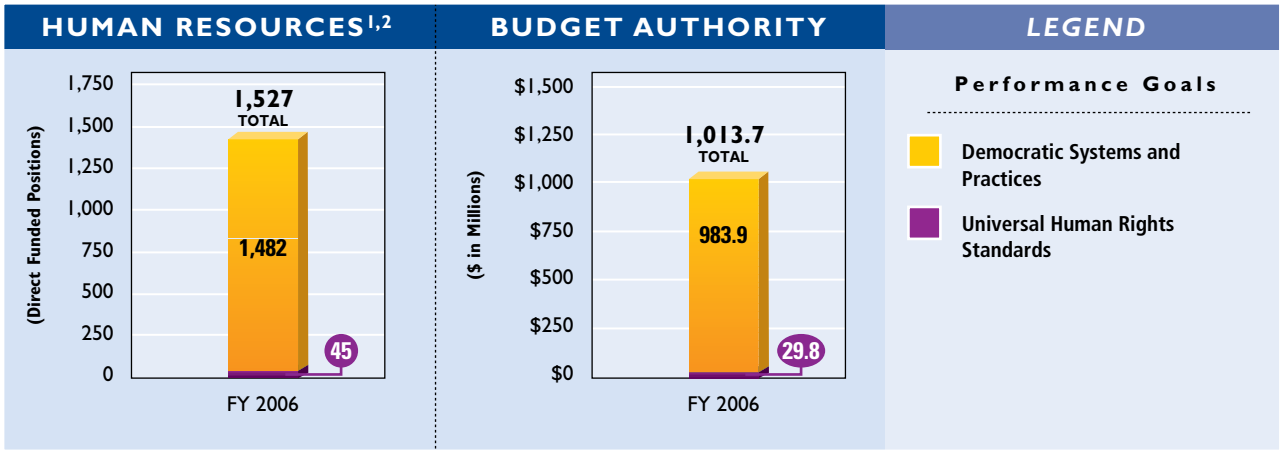
PERFORMANCE TRENDS. The Department and USAID have been able to demonstrate progress in developing democratic institutions, supporting free and fair elections, upholding religious freedom, and increasing women's participation in the economy and politics, particularly in Afghanistan and the countries of the Middle East.

HIGH-LEVEL RESULTS. The contextual indicator on freedom in the world developed by Freedom House demonstrates that the number of countries designated "free" or "partly free" has increased slightly over the past four years. At a country level, both Afghanistan and Iraq have made progress toward building the institutions necessary to support constitutional democracy.

RESULTS SIGNIFICANTLY ABOVE OR SIGNIFICANTLY BELOW TARGET. No results were rated significantly above or significantly below target.

KEY INITIATIVES AND PROGRAMS. The Department and USAID invested significant resources to promote democracy and human rights in FY 2006. For example, a new Human Rights and Democracy Fund was established with an appropriation of $94 million, of which $15 million was earmarked for the National Endowment for Democracy (NED) and $6.5 million was set aside for the advancement of democracy in Iran and Syria. Under a separate appropriation, an additional $74 million was earmarked to NED for democracy grants. Using Economic Support Funds, the Department invested $50 million for democracy, human rights and governance programs in Egypt; $56 million for democracy, governance and rule of law programs in Iraq; and $20 million for labor and environmental capacity building activities in support of the free trade agreement with the countries of Central America and the Dominican Republic. In FY 2006, USAID received $15 million for programs to improve women's leadership capacity in developing countries and $40 million to support the transition to democracy and long-term development of countries in crisis.

VI. RESOURCES INVESTED BY USAID



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2 Data on FY 2006 human resource levels by Strategic and Performance Goals were not collected. These figures were estimated using FY 2005 human resources data prorated against the FY 2006 Statement of Net Cost.

VII. PERFORMANCE RESULTS

For each initiative/program that supports accomplishment of this strategic goal, the most critical FY 2006 performance indicators and targets are shown below.

ANNUAL PERFORMANCE GOAL 1

Measures Adopted to Develop Transparent and Accountable Democratic Institutions, Laws, and Economic and Political Processes and Practices.

I/P: ENGAGEMENT TO ADVANCE DEMOCRACY		
	INDICATOR: Extent to Which Legal Systems Support Democratic Processes and Uphold Human Rights	
	Outcome	
JUSTIFICATION: This indicator measures the efficiency and effectiveness of judicial systems to establish justice and resolve disputes.		
FY 2006 PERFORMANCE	**Target**	■ Average number of days to process a case: 202. ■ Number of USAID-sponsored mediation centers: 109. ■ Number of USAID-sponsored justice centers: 56. ■ Average pre-trial detention in days: 98.75.
	Results	■ Average number of days to process a case: 566, 180% below from the FY 2006 target (Results for four USAID-assisted countries). ■ Number of USAID-sponsored mediation centers: 192, 76% above the FY 2006 target (Results for nine USAID-assisted countries). ■ Number of USAID-sponsored justice centers: 68, 21% above the FY 2006 target (Results for five USAID-assisted countries). ■ Average pre-trial detention in days: 180, 82% below the FY 2006 target (Results for three USAID-assisted countries).
	Rating	**Below Target**
	Impact	Shortfalls in the effectiveness of legal systems in the surveyed countries suggest that citizens do not have effective mechanisms available to them to prevent the abuse of their rights and obtain remedies when their rights are abused.
	Reason for Shortfall	The explanation for this program's shortfall is pending and will be obtained once the final FY 2006 results are reported.
	Steps to Improve	The necessary steps for this program's improvement are pending and will be obtained once the final FY 2006 results are reported.
PERFORMANCE DATA	**Data Source**	Preliminary result data from USAID operating units.
	Data Quality (Verification)	The Agency's performance data are verified using Data Quality Assessments (DQA), and must meet five data quality standards of validity, integrity, precision, reliability and timeliness. The methodology used for conducting the DQAs must be well documented by each operating unit. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf).

Continued on next page

I/P: ENGAGEMENT TO ADVANCE DEMOCRACY *(continued)*		
INDICATOR: Extent to Which Legal Systems Support Democratic Processes and Uphold Human Rights *(continued)*		
PAST PERFORMANCE	**2005**	■ Average number of days to process a case after USAID assistance: 224, an 8% decrease from the FY 2004 baseline. ■ Number of USAID-sponsored mediation centers (200, a 127% increase). ■ Number of USAID-sponsored justice centers (49, a 4% increase) in target areas. ■ Average pre-trial detention in days after USAID assistance: 141, a 1.4% decrease from the FY 2004 baseline.
	2004	**Baselines:** ■ Average total time it took to process a legal case before USAID assistance was 661.2 days. After USAID assistance began in 2004, the average number of days dropped to 244.3. ■ Number of USAID-sponsored mediation centers: 88. ■ Number of USAID-sponsored justice centers: 47. ■ Average pre-trial detention prior to USAID assistance: 479.25 days. After USAID assistance began in 2004, the average pre-trial detention was 143 days.
	2003	N/A.

Cutting the Red Tape

In the industrial city of Zenica, Bosnia, USAID is addressing the needs of residents for better processing of documents and permits by building and equipping one-stop-shop processing centers. In addition to improving physical space, USAID equips the processing centers with modern technology to increase efficiency and identifies ways to streamline bureaucracy. Municipal staff undergoes customer service training, making interactions professional and fast. Also, new technology allows managers to see how many cases each employee is working on and identify delays. Business registrations and other documents are processed faster, and corruption is limited by modern, transparent approval systems. In these one-stop-shops it takes half as long to get a construction permit, and documents such as birth certificates are processed in minutes. In July 2005, the Zenica municipality processed a record 9,000 documents in its one-stop shop. The Zenica one-stop shop is one of 25 built with USAID support, with forty more being built in partnership with Sweden's International Development Cooperation Agency.

A typical day at the municipal "one stop shop" in Zenica where residents now obtain business permits and vital records.

PHOTO: USAID/KRISTINA STEFANOVA

I/P: ENGAGEMENT TO ADVANCE DEMOCRACY *(continued)*

INDICATOR: Freedom House Index

Outcome

JUSTIFICATION: Freedom House ratings include raw scores, with the tables for each country indicating three possible changes: a) status, b) trend (positive or negative), and c) score in either political rights or civil liberties. All three compilations permit multi-year comparisons; the Department seeks an increase in the number of countries with a higher status from the previous year as an indication of whether the Department's goals are being achieved.

FY 2006 PERFORMANCE	Target	**Freedom House 2006 Report** Net Progress: Positive change from previous year. Net Change in Status: Positive change from previous year.
	Results	**Freedom House 2006 Report** Free: 89. Partly Free 58. Not Free 45. Net Change +4.
	Rating	**On Target**
	Impact	A net change of +1 in countries that are rated as "free" indicates improvement in democratic conditions around the world.
	Data Source	Freedom House "Freedom in the World" annual survey.
	Data Quality (Verification)	Freedom House rating allows multi-year comparisons that demonstrate advances in democratic reform worldwide. Freedom House ratings are publicly available and widely regarded as reliable quantitative data to verify movement toward greater democracy.
PAST PERFORMANCE	2005	**Freedom House 2005 Report** Free: 89. Partly Free: 54. Not Free: 49. Net Change: +1.
	2004	**Freedom House 2004 Report** Free: 88. Partly Free: 55. Not Free: 49. Net Change in Status: -1. Improved Countries: 25. Declined Countries: 10. Net Progress: +15.
	2003	**Freedom House 2003 Report** Free: 89. Partly Free: 55. Not Free: 48. Net Change in Status: +4. Improved Countries: 29. Declined Countries: 11. Net Progress: +18.

I/P: DEMOCRATIC STABILITY IN SOUTH ASIA'S FRONTLINE STATES

INDICATOR: Progress Toward Constitutional Democracy in Afghanistan

Outcome

JUSTIFICATION: Achieving progress towards meeting political objectives laid out in the Afghanistan Compact will effectively establish democratic rule in Afghanistan.

FY 2006 PERFORMANCE	**Target**	■ Parliament produces constructive legislation, approves responsible budgets, and oversees appropriate government operations, such as combating corruption and narcotics activity. ■ Civil liberties provisions remain intact and receive strong support from legal and executive institutions. ■ Citizens throughout the country have access to the Afghan Independent Human Rights Commission for resolution of human rights complaints. Human rights education becomes part of primary school education curriculum. ■ Courts in Kabul begin to hold trials in criminal cases. ■ Women are active political participants and hold public positions in Kabul and the central, regional and provincial government levels.
	Results	■ Parliament adopted a law on the duties and responsibilities of the Provincial Councils; adopted the budget; and confirmed the President's cabinet and the members of the Supreme Court. ■ Provisions on civil liberties are intact and the Afghan Independent Human Rights Council remains active. Religious freedom became an issue due to an apostasy case that was eventually dismissed. Afghan Independent Human Rights Commission continues to expand to the provinces and is more accessible and active. In most schools human rights are a primary part of the curriculum, but the extent to which this is true varies by class. ■ There are 68 female members in the National Assembly, one female cabinet member and one female provincial governor. Approximately 35% students attending school are female. Approximately 60% of primary age girls are in school. For the lower secondary level (grades 7-9) it is about 9% and for the upper secondary level (10-12) approximately 3% of girls attend school.
	Rating	**On Target**
	Impact	A democratically elected president and government are essential to ensuring Afghanistan's progress toward democracy.
PERFORMANCE DATA	**Data Source**	Joint Elections Management Board website; UN and NGO human rights reports; U.S. Department of State, USAID and U.S. Embassy in Kabul reports, the Afghanistan Compact.
	Data Quality (Verification)	Data and methodology of public reports are readily available for verification and widely regarded as accurate. State Department, other U.S. Government, international organization, and non-governmental data are cross-checked to ensure accuracy.

Continued on next page

I/P: DEMOCRATIC STABILITY IN SOUTH ASIA'S FRONTLINE STATES *(continued)*		
INDICATOR: Progress Toward Constitutional Democracy in Afghanistan *(continued)*		
PAST PERFORMANCE	**2005**	■ Presidential elections held in October 2004. More than 10 million Afghans registered and 8 million participated in the election, 40 of whom were women. Provincial Council and National Assembly elections scheduled for September 18, 2005. 1.69 million voters registered for upcoming parliamentary elections. ■ Afghan Independent Human Rights Commission reported on a wide range of human rights issues including Afghan perceptions of past human rights abuses. ■ Two women were Cabinet Ministers (Minister of Women's Affairs and Minister of Martyrs and Disabled); first female governor appointed (Bamiyan). ■ USAID constructed 24 judicial facilities throughout the country; trained 382 judges in a series of formal training programs; and codified, compiled, printed, and disseminated 1,000 copies of Afghanistan's basic laws.
	2004	■ Constitutional Loya Jirga adopted moderate, democratic Constitution on January 4, 2004. ■ Loya Jirga broadly representative; over 100 of the 500 delegates were women. ■ Twenty-three candidates announced bids for presidency; 18 of which were accepted, and presidential elections were held on October 9, 2004.
	2003	■ Constitutional Commission established and new Constitution drafted. ■ Human Rights and Judicial Commissions began to address ethnic abuses, women's rights violations, rule of law, war crimes/ethnic killings, etc., and identify priority objectives. ■ Rules and procedures developed for the elections in 2004. ■ Afghan Conservation Corps established to provide income to Afghan returnees, fostering community-based efforts to promote sound land and water management.

An Afghan boy sells a poster with photographs of candidates competing in the first ever presidential elections in Kabul, Afghanistan.

PHOTO: PHOTOSHARE/AMIT GURUNG

I/P: DEMOCRATIC STABILITY IN SOUTH ASIA'S FRONTLINE STATES *(continued)*

INDICATOR: Degree to Which Democratic Principles and Institutions are Established and Maintained in Pakistan

Outcome

JUSTIFICATION: Institutions that promote democratic principles and habits in civil society are prerequisites to a democratic polity.

FY 2006 PERFORMANCE	**Target**	■ Pakistani political parties accept and implement civil society recommendations. Civil society organizations are increasingly well managed and self-sustaining. ■ More effective and accountable electoral preparations put in place. ■ National and Provincial Assemblies perform constitutional roles in transparent and effective manner. National Assembly debates, legislates, and appropriates funds. ■ More effective judiciary and enhancements in efficiency, transparency, and equity of Pakistan's legal system. ■ Polls show that people feel government attempts to be responsive to their needs.
	Results	■ Government began devolution of selected powers to provincial and local levels bringing new players into the grass roots political dialogue. ■ The government permitted all existing political parties to function. Local elections were marred by voter buying, voter list fraud, intimidation, and bribery. ■ National and provincial assemblies initiated policy debates in key areas of women rights. ■ The government did not directly or indirectly censor the media. Media outlets, however, continued to practice self-censorship. The government arrested, harassed, and intimidated journalists during the year. ■ Stability is maintained but the head of state remains the head of the military. The military is not subject to civilian control.
	Rating	**On Target**
	Impact	As a populous and influential Muslim country, Pakistan's progress toward building and sustaining democratic principles and institutions is critical to the Administration's goal of supporting democracy globally.
PERFORMANCE DATA	**Data Source**	Government data and publications, press reports, nongovernmental reports, polling data.
	Data Quality (Verification)	Data are reliable and regularly vetted through the U.S. Embassy.

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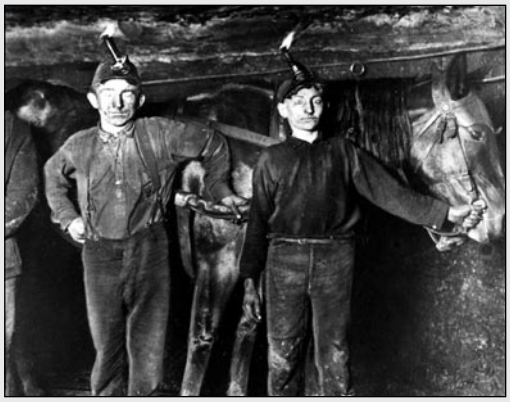
A Look to History: Democracy and Human Rights

In 1919, parties to the Paris Peace Conference established the International Labor Organization (ILO), and in 1946, it became part of the United Nations. Although the United States was an original ILO member, and Samuel Gompers of the American Federation of Labor its first chairman, the United States withdrew from the ILO in 1978 under protest that the organization's agenda focused too heavily on labor issues pertaining to the Arab-Israeli conflict and not on labor issues in communist countries. The United States rejoined in 1980.



Two young boys work as drivers in a West Virginia underground coal mine in 1908. PHOTO: AP/WIDE WORLD

I/P: DEMOCRATIC STABILITY IN SOUTH ASIA'S FRONTLINE STATES *(continued)*		
PAST PERFORMANCE	2005	■ Stability was maintained but the head of state remained the head of the military. The military was not subject to civilian control. ■ The range of national security and foreign policy issues open for genuine debate remained circumscribed. ■ Politicians and press were increasingly free to publicly criticize the army and the establishment, although the government continued to exercise some control over the media by offering "recommendations" on editorial content and by allocating advertising that serves as a critical subsidy.
	2004	■ Both houses freely debated the President's message to Parliament; standing committees were announced; and various key pieces of legislation were passed, including a bill authorizing the formation of a National Security Council. The parliamentary debate over the President's address included national security issues. ■ Conducted national public opinion survey on a range of subjects (including familiarity with national and provincial representatives, the political process, and political engagement). ■ The arrest and conviction of opposition leader Javed Hashmi was a setback for political freedom.
	2003	■ Elections occurred October 10, 2002, and parties accept the outcome but with credible allegations of flaws regarding their conduct. ■ Pakistani military returned to the barracks as civilian rule resumes. ■ Corrupt patronage continued to dominate political parties but reformers were identified. ■ Civil society organizations began to organize, grow in size and activity, and gain a voice. ■ Reasonably free political party activity and press. Limited investigative/prosecutorial capacity.

An elderly woman casts her vote during local government elections in Rawalpindi City District, Pakistan.

PHOTO: PHOTOSHARE/KHALID MAHMOOD RAJA

I/P: DEMOCRACY AND GOVERNANCE IN THE NEAR EAST

INDICATOR: Status of Democracy in the Near East

Outcome

JUSTIFICATION: Successful elections (held as scheduled and free and fair) indicate fundamental movement toward democratic, representative government. A free and independent media is an imperative for democratic, transparent governance. It provides essential information to the people, both informing their voting decisions and acting as a means for the people to express dissent between elections.

FY 2006 PERFORMANCE	**Target**	■ Municipal elections in Yemen are held as scheduled and are free and fair. ■ Elections in Bahrain held as scheduled and are free and fair. ■ Media Freedom: Two additional Near Eastern Affairs (NEA) countries move into the "Partly Free" category and no other states lower their rankings.
	Results	■ Free, fair and competitive elections took place in Yemen (municipal and Presidential); Egypt (Parliamentary); Qatar (legislative); Bahrain (municipal council). ■ No countries saw a decline in their Media Freedom scores. No countries moved from "Not Free" to "Partly Free". ■ In Iraq, a draft permanent Constitution was successfully adopted in October 2005. Political parties formed coalitions, registered and campaigned for December 2005 elections.
	Rating	**On Target**
	Impact	Holding free, fair, competitive elections and adopting a Constitution are first steps in achieving participatory democracy and open opportunities for increased democracy programming including political party and civil society strengthening.
PERFORMANCE DATA	**Data Source**	Freedom House analysis based on Democracy Scores—an average of the ratings for all six categories covered by Nations in Transit (e.g. electoral process, civil society, independent media, governance, constitutional/legislative/judicial framework, and corruption). Ibn Khuldun Center in Cairo regional report on democracy and civil society. IREX Media Sustainability Index used to assess trend lines in freedom and sustainability of local media. ABA/CEELI indicators used to assess judicial qualification and preparation, continued legal education, judicial review of legislation, and judicial oversight of administrative practice. Independent monitors (UN, NGOs, political party observers) and U.S. Mission reporting. The Department does not make public declarations regarding freedom or fairness of elections.
	Data Quality (Verification)	The International Republican Institute and the National Democratic Institute are non-governmental organizations working internationally with extensive experience supporting democratic activities overseas. Performance data provided by them are widely regarded as reliable and authoritative and are reviewed by U.S. Embassy personnel.

Continued on next page

I/P: DEMOCRACY AND GOVERNANCE IN THE NEAR EAST *(continued)*		
INDICATOR: Status of Democracy in the Near East *(continued)*		
PAST PERFORMANCE	**2005**	■ Elections scheduled to have occurred were free, fair and competitive. Saudi Arabia held its first municipal elections. Other countries scheduled elections and through Middle East Partnership Initiative, the Department worked to ensure they were free, fair and competitive, including: ■ Senate elections in Tunisia. ■ Parliamentary elections in Egypt. ■ Parliamentary elections in Lebanon. ■ Municipal and parliamentary elections in West Bank/Gaza.
	2004	■ Algeria – Elections were generally judged as fair and open. ■ Lebanon – Municipal elections were held in April 2004. ■ Tunisia – Elections were scheduled in the fall.
	2003	■ Bahrain – Parliamentary and municipal elections held as scheduled; judged by international community to be generally free and fair. ■ Yemen – National elections as scheduled; judged to be generally fair. ■ Jordan and Kuwait – Parliamentary and National Assembly elections, respectively, held as scheduled. ■ Oman and Morocco – Consultative Assembly and Municipal elections, respectively, held as scheduled.

Youth leaders in rural hamlets contribute to the democratization of health care in Upper Egypt.

PHOTO: PHOTOSHARE/TAHSEEN PROJECT

I/P: SUPPORT OF WOMEN'S POLITICAL AND ECONOMIC PARTICIPATION IN TRANSITIONAL AND POST CONFLICT SOCIETIES

INDICATOR: Level of Women's Participation in the Economy and Politics

Outcome

JUSTIFICATION: Empowering women politically and economically is a critical objective of transformational diplomacy efforts and feeds directly into the State Department's global goal of promoting democratization. Women must have equal opportunity and ability to participate fully in all aspects of civic and political life. Entrepreneurship among women contributes to poverty reduction; when women have income their children also tend to be healthier and better educated.

FY 2006 PERFORMANCE	**Target**	■ **Afghanistan:** Women's Teachers Training Institute to train Afghan teachers. The Afghan Literacy Initiative will raise literacy levels of Afghan women in rural areas. 50% of girls attend school. ■ **Iraq:** Women appointed or elected to political office. Women occupy 25% of elected positions. Judicial training enables officers of the court to share best practices and craft new legal remedies to protect women's human rights. Permanent constitution guarantees equality for women. ■ **Broader Middle East:** Women establish professional associations and develop advocacy skills on public policy issues and pro-women, pro-business practices. All-Women's radio stations expand the number of on-air hours and programs for women.
	Results	■ **Afghanistan:** USG built or rehabilitated 585 schools. Afghan Literacy Initiative reached 9600 students, 50% are female. 34% of 5 million children enrolled in school are female. USG completed 17 Women's Resource Centers deeded to Ministry of Women's Affairs to provide outreach and training to provincial women. ■ **Iraq:** Political and economic training delivered, with emphasis on NGO sustainability in rural areas. Began partnerships with universities, establishing centers to be run by Iraqi women. Worked with women leaders to ensure rights upheld in Constitutional amendment process. Expanded media training with youth emphasis. Provided microcredit to women, built economic empowerment through skills training. ■ **Broader Middle East:** Literacy and vocational training programs inaugurated. Developed and obtained approval for one project for the economic empowerment of women.
	Rating	■ **On Target**
	Impact	Especially in Iraq, women are gaining economic and political traction through programs such as the Iraqi Women's Democracy Initiative. The impact of these programs is clear: democracies cannot survive without the full political and economic participation of all members.
PERFORMANCE DATA	**Data Source**	USAID reports. U.S. Embassy reporting. Bureau of International Women's Issues. NGO and grantee reports.
	Data Quality (Verification)	Data are gathered by USAID implementing partners and reviewed and analyzed by U.S. Government officials at post. U.S. Embassy officials draft reports which are then reviewed by colleagues in Washington.

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I/P: SUPPORT OF WOMEN'S POLITICAL AND ECONOMIC PARTICIPATION IN TRANSITIONAL AND POST CONFLICT SOCIETIES *(continued)*		
INDICATOR: Level of Women's Participation in the Economy and Politics *(continued)*		
PAST PERFORMANCE	**2005**	■ **Iraq:** Iraqi women trained in democracy, political participation, media, and economics, including 25 of 87 women elected to national assembly. ■ **Afghanistan:** Over 8000 women and girls received literacy and health education; 80 women judges and lawyers trained in Afghan civil law, international conventions. ■ **Broader Middle East:** Women's priority economic issues defined and corresponding program mechanisms established.
	2004	■ **Afghanistan:** 1,000 women received microcredit loans and started businesses; 250 women received job skills training; 500-1,000 women benefited from literacy programs. ■ **Iraq:** Training provided in political, economic and media skills, as well as in trauma and stress reduction programs. Women entrepreneurs attended Global Summit of Women (1,000 women from 85 countries) for entrepreneurial training. ■ **Post-Conflict:** Riga Women Business Leaders Summit partnered Baltic region women with U.S. counterparts, sharing experience and best practices, and promoted private enterprise in the Baltic Sea region. Mentoring programs with women entrepreneurs and women business interns from the Middle East. Mentoring programs with women political and business leaders from Kosovo.
	2003	■ **Afghanistan:** Grants awarded for microfinance, job skills training, political participation, literacy and other educational programs in Women's Resource Centers. ■ **Post-Conflict:** Big Idea Mentoring Initiative began with Afghanistan. Security Council Resolution 1325: Women and peace and security (adopted Oct. 31, 2000) led to enhanced involvement of women as planners, implementers, and beneficiaries of peace-building processes.

Second-year law students at Albania's Magistrates School in Tirana learn about legal and judicial aspects of family law and domestic violence.

PHOTO: MAGISTRATES SCHOOL

ANNUAL PERFORMANCE GOAL 2

Universal Standards Protect Human Rights, Including the Rights of Women and Ethnic Minorities, Religious Freedom, Worker Rights, and the Reduction of Child Labor.

I/P: BILATERAL AND MULTILATERAL DIPLOMACY

INDICATOR: Percent of U.S.-Supported Resolutions Adopted at UN Commission on Human Rights/Human Rights Council (UNCHR/HRC)

Output

JUSTIFICATION: As the UN's primary forum on human rights, the CHR/HRC's actions on country-specific resolutions demonstrate how the international community deals with the most serious human rights abusers. CHR/HRC resolutions on democracy reinforce the interrelationship between human rights and democracy and strengthen the legitimacy of human rights and democracy development efforts in non-democratic countries.

FY 2006 PERFORMANCE	**Target**	The Human Rights Council (HRC) adopts 85% of U.S.-supported resolutions. Secretary-General replaces the Commission on Human Rights (CHR) with an action-oriented Human Rights Council, whose membership should not include states with the most egregious record of abuse.
	Results	HRC replaced the discredited Commission on Human Rights, a key USG objective. Resolution included several USG priority elements, including: individual voting for Member States, an exhortation to UN Member States to consider the human rights record when voting for the Council, a universal peer review mechanism, and an agreement to review all the Council's special procedures, working groups, and the Subcommission with a view to eliminating redundant or politicized bodies. The HRC adopted no U.S.-supported resolutions in its first regular and first two special sessions. The HRC's first two special sessions were devoted exclusively to issues related to Israel and each adopted anti-Israel resolutions.
	Rating	**Below Target**
	Impact	The HRC was formed. It has a strong mandate that has yet to be fully implemented. In its first session it was unable to address pressing global human rights issues, resulting in a negative impact on USG efforts to achieve our human rights goals.
	Reason for Shortfall	The first session of the HRC was meant to focus on procedural issues only – not pass any specific country issues. However, the HRC ran two resolutions against Israel. The regional allocation of seats in the HRC is a major factor behind the HRC focus on Israel and away from other countries.
	Steps to Improve	Strive to make the HRC a credible body by pressing for constructive and positive results from the mandate review process and the process to set up the Universal Peer Review mechanism. Seek the passage of country specific resolutions on countries other than Israel, and press for cooperation by states on human rights issues.
PERFORMANCE DATA	**Data Source**	U.S. cables, United Nations High Commissioner for Human Rights reporting, and the Council's voting record on issues important to the protection and promotion of human rights.
	Data Quality (Verification)	Data quality depends on reporting cables by U.S. embassies, especially the U.S. Mission in Geneva, and reporting by the UNHRC. Council votes are a matter of public record.
PAST PERFORMANCE	**2005**	The USG achieved virtually all of its priority objectives at the UN Commission on Human Rights (predecessor to the Council) in 2005. Together with our allies, we defeated all efforts to pass no-action motions, which end debate on a resolution without a vote.
	2004	Eighty percent of key U.S.- supported resolutions were adopted.
	2003	CHR passed U.S.-sponsored resolutions on Cuba, North Korea, Belarus, Turkmenistan, Burma, and Iraq. However, resolutions on Chechnya, Sudan and Zimbabwe were defeated. The Department took a strong stand against Libya's chairmanship of the CHR, and succeeded in blocking a special sitting on Iraq, despite a strong anti-U.S. block of Muslim countries and some EU states.

I/P: PROMOTE INTERNATIONAL RELIGIOUS FREEDOM

INDICATOR: Status of Religious Freedom

Outcome

JUSTIFICATION: Congress established the broad policy goals and reporting requirements in the International Religious Freedom Act. The performance indicators chosen follow from the mandates of the law. Meetings, agreements and documented movement by countries toward greater religious freedom are concrete examples of progress toward International Religious Freedom goals.

FY 2006 PERFORMANCE	**Target**	■ Undertake at least two additional bilateral or regional International Religious Freedom initiatives, laying the groundwork for significant policy changes in those countries or regions. ■ Establish a working coalition of allies focused on problem countries, working bilaterally and multilaterally to improve or establish religious freedom laws, practices and accountability in problem countries. ■ Revise and streamline the format of the Annual Country Reports and the *International Religious Freedom Report*, maintaining high standards and making the reports more user friendly.
	Results	■ Focused intensive diplomatic efforts on consolidating religious freedom improvements in Saudi Arabia and Vietnam. As a result, Saudi Arabia confirmed policies to revise school textbooks to eliminate intolerant language, to protect the right to private worship and to import religious materials for private use, and to enforce controls over the actions of the religious police. Vietnam released all remaining religious prisoners, speeded registration of churches, and took action against officials who violated the right to worship. ■ Worked with international partners to successfully press for countries not to establish anti-conversion laws (e.g., India and Sri Lanka) and to release religious prisoners (e.g., Saudi Arabia, China, and Indonesia). ■ Began revising and streamlining the format of the *International Religious Freedom Report*.
	Rating	■ **On Target**
	Impact	Advanced Department's objectives of promoting religious freedom and human rights, strengthening civil society.
PERFORMANCE DATA	**Data Source**	Department of State's *International Religious Freedom Report* and Country Reports on Human Rights Practices. On-the ground assessments of embassy and consulate officers, Bureau of Democracy, Human Rights and Labor officers and meetings with members of religious groups, NGOs, and other knowledgeable observers. Embassy and bureau reporting. Third-country laws, court decisions, and other legal provisions.
	Data Quality (Verification)	Data and methodology are available to the public for verification. Reporting from U.S. embassies, State Department analysts, and non-governmental entities is cross-checked to ensure accuracy.
PAST PERFORMANCE	**2005**	■ Initiative begun with Saudi Arabia on religious freedom issues; efforts on Uzbekistan and Eritrea as part of broader international efforts on human rights in those countries; continued religious freedom dialogue with China. ■ Religious prisoners were released in Vietnam, Saudi Arabia, China, and other countries. ■ intensive diplomacy with Vietnam resulted in a binding agreement on religious freedom
	2004	■ Constitutional guarantees for religious freedom achieved in Afghan Constitution and Iraqi Transitional Administrative Law. ■ Religious prisoners freed in Laos, Vietnam, China, Egypt, Eritrea, Turkmenistan and other countries.
	2003	Posts showed an increased engagement on religious freedom issues, producing, for the most part, excellent country reports for the *International Religious Freedom Report* to Congress.

I/P: LABOR DIPLOMACY AND ADVOCACY FOR WORKERS' RIGHTS

INDICATOR: Improvement in Respect for Workers' Rights

Outcome

JUSTIFICATION: Tracking the existence of independent and democratic worker organizations will measure a country's respect for basic worker rights.

FY 2006 PERFORMANCE	**Target**	■ Improved compliance with internationally recognized labor standards. ■ Continued progress in worker rights in countries specified in the Department of State's operating plans.
	Results	■ Successful conclusion of trade agreement with Oman, passage by Congress, and implementation. Oman government issues decree amending law and formally establishing unions. ■ Implementation of Central America Free Trade Agreement (CAFTA) began. International Labor Organization (ILO) began verification and benchmarking activities. ■ Programs to strengthen labor ministries, labor courts, and to fight discrimination in the maquilas began. ■ Negotiations with UAE and Thailand were on-going. Negotiations began with Korea and Malaysia on labor chapters of free trade agreements.
	Rating	**On Target**
	Impact	The progress in advancing labor rights abroad furthers key aspects of U.S. foreign policy related to human rights, democracy promotion, and trade. Stronger labor laws and enforcement allow workers and employers to organize themselves, build democratic institutions, and ensure that the gains of trade are distributed more equitably across societies.
PERFORMANCE DATA	**Data Source**	Country Reports on Human Rights Practices, ILO reports, International Confederation of Free Trade Union reports, other governmental and non-governmental reports, and the Department's WebMILS database (when fully operational). USAID Reports.
	Data Quality (Verification)	Data and methodology available to the public for verification. Reporting from U.S. Embassies, other government and non-governmental sources are crosschecked for accuracy.
PAST PERFORMANCE	**2005**	New labor codes in Oman and formation of first worker's committee. New child labor law in the United Arab Emirates. Election of first workers' committee in Bangladesh export processing zones.
	2004	Creation of trade unions in Bahrain. Expanded cooperation on labor issues with China. Conclusion of CAFTA negotiations and the inauguration of the U.S. Department of Labor's $6.75 million project "Strengthening Labor Systems in Central America." Parliamentary approval of a law in Bangladesh allowing workers in export processing zones to organize. Changes in law and practice leading to the rebirth of independent trade unions in Iraq.
	2003	■ Significant Department of State and Department of Labor projects conducted to improve worker rights begun in China. Notable improvements in worker rights in Cambodia. Continuing evolution in Bahrain and Saudi Arabia. ■ Labor clauses in all initial versions of trade agreements under negotiation: Central American Free Trade Agreement, other free trade agreements with Australia, Morocco, and South African Customs Union.

STRATEGIC GOAL 5: ECONOMIC PROSPERITY AND SECURITY

Strengthen World Economic Growth, Development, and Stability, While Expanding Opportunities for U.S. Businesses and Ensuring Economic Security for the Nation

I. PUBLIC BENEFIT

National security and global economic prosperity are inextricably linked. Continued economic prosperity for the U.S. depends on the expansion of prosperity, freedom, and economic opportunity worldwide.

As the war against terrorism has become central to U.S. foreign policy, the Department and USAID have increased U.S. economic security by reducing terrorist financing, increasing energy security, improving the security of transportation and information networks, and building international coalitions to deny financial support to terrorists and their supporters. In December 2005, the Department received the highest marks of any Federal counterterrorism effort by the 9/11 Commission's Public Discourse Project's report on U.S. counterterrorism activities.

Ghanaian pineapples go to European markets. Many farmers in Ghana are involved in a USAID alliance to deliver fair-trade, ready-to-eat products to supermarkets in Europe, helping to enrich the farmers and fund community development.

PHOTO: ROYAL AHOLD

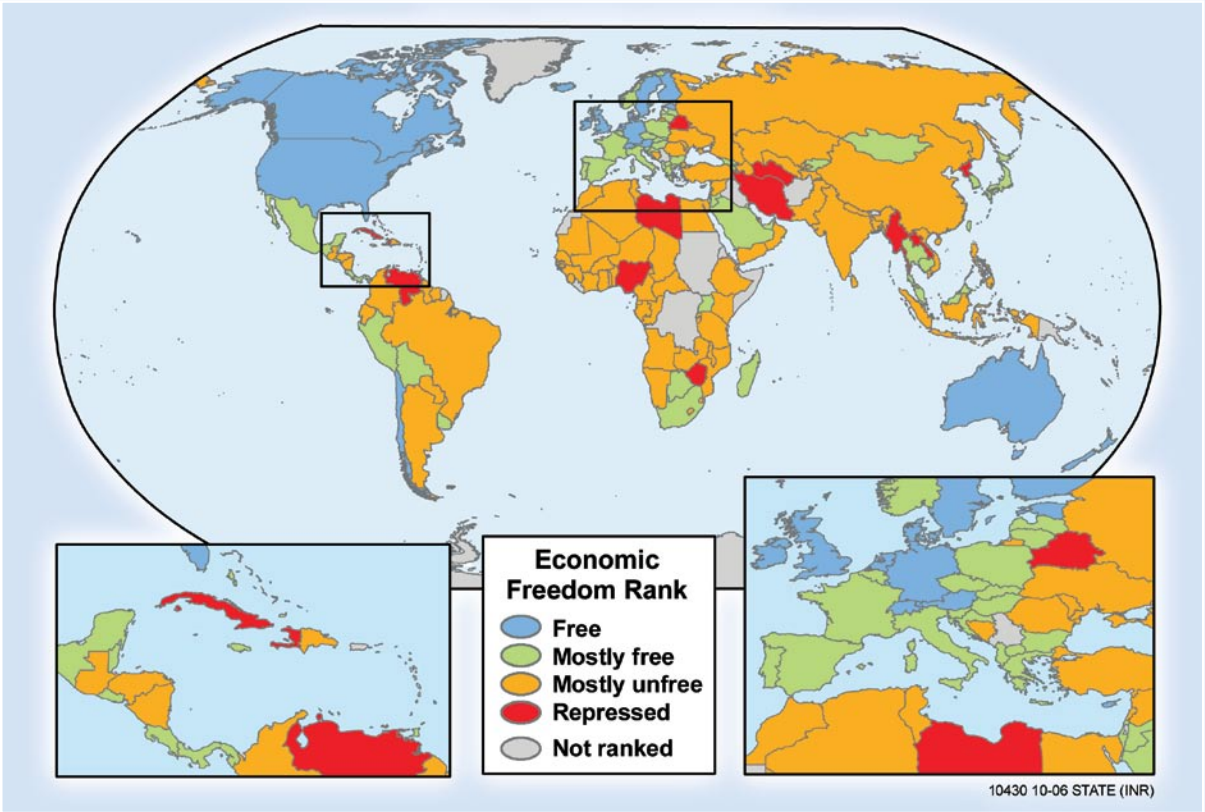
The U.S. Government promotes prosperity at home and abroad by opening markets through ambitious trade and investment agendas, strengthening development efforts through private sector participation and recipient country accountability, and supporting U.S. businesses through outreach and advocacy. Working with other agencies, businesses, labor groups, and NGOs, the Department of State and USAID contribute to a stronger, more dynamic international economic system that creates new opportunities for American business, workers, and farmers.

The U.S. Government coordinates with allies and major donors to assist countries recovering from conflict and natural disasters. U.S. relief and reconstruction efforts following the Indian Ocean Tsunami and the South Asia Earthquake, in partnership with the private sector, strongly reinforced public efforts to restore positive attitudes toward the U.S. in several Muslim countries

The Department and USAID partner with countries around the world to protect intellectual property rights, combat bribery, and support flexible energy and financial markets. USAID's economic growth initiatives play an important role in helping countries on the road to economic prosperity, political stability, and self-sufficiency. Deep and comprehensive economic engagement with developing countries enhances the prosperity and security of those countries, and therefore our own.

Finally, the Department of State leads the U.S. representation at the International Energy Agency, the primary mechanism for maintaining oil market stability in times of crisis. The Department was able to secure the release of up to 60 million barrels of emergency petroleum stockpiles when prices increased due to Hurricane Katrina, saving American taxpayers hundreds of millions of dollars per day.

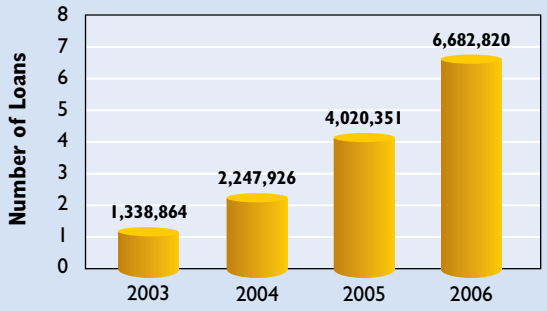
ECONOMIC FREEDOM IN THE WORLD 2006



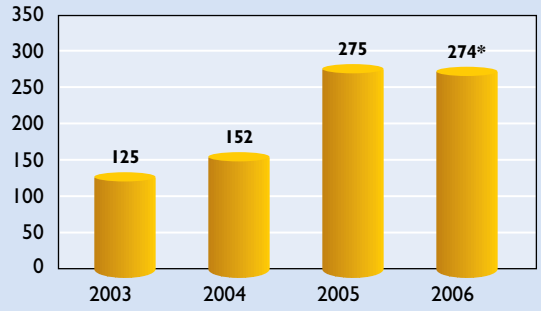
Source: Heritage Foundation

II. SELECTED PERFORMANCE TRENDS

Number of Loans Provided to USAID-Assisted Enterprises



Number of Companies Provided Advocacy Services



**FY 2006 data are for 8 months only*

III. STRATEGIC CONTEXT

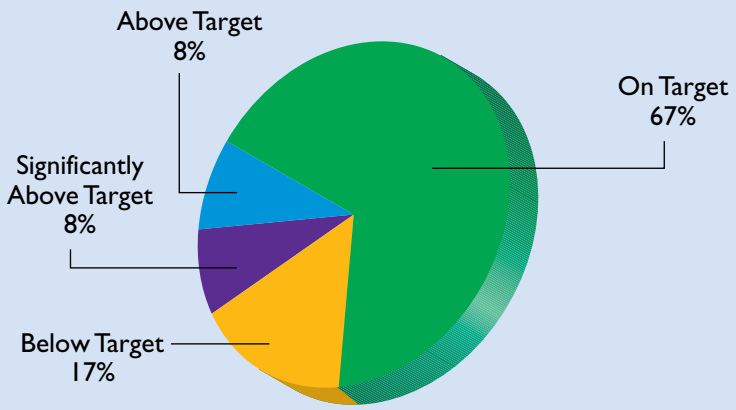
Shown below are the performance goals, initiatives/programs, and the resources, bureaus and partners that contribute to accomplishment of the Economic Prosperity and Security strategic goal. Acronyms are defined in the glossary at the back of this publication.

Strategic Goal	Performance Goal (Short Title)	Initiative/ Program	Major Resources	Lead Bureau(s)	External Partners
Economic Prosperity and Security	Economic Growth and Development	Growth and Development Strategies	CIO, DA, D&CP, ESF, FSA, IO&P, MCA, SEED	EB, EUR, IO, PPC	Treasury, DOC, MCC, USDA, EXIM, OPIC, TDA, USTR, IMF, World Bank, Reg'l Devl Banks, UNDP, ILO, WTO, OECD, UNCTAD, UNICEF, FAO, G-8
		International Organizations and Economic Development Policy	CIO, D&CP, IO&P	EB, IO	Treasury, DOC, USDA, EXIM, OPIC, TDA, USTR, Multilateral Orgs and Development Banks, FAO, G-8
		United Nations Development Program (UNDP)	D&CP, IO&P	IO	EPA, DOL, DOJ, Treasury, DOC, USDA, TDA, Multilateral Development Banks
		Private Sector Capacity	DA, ESF, FSA, SEED	PPC	Multilateral Orgs/Development Banks, FAO, G8, EU
	Trade and Investment	Create Open and Dynamic World, Regional and National Markets	DA, D&CP, ESF	EB, PPC, EGAT	USTR, Treasury, DOC, DOT, USDA, TDA, WTO, OECD, NGOs
		Support for U.S. Businesses	D&CP	EB, PPC, AFR	USTR, Treasury, DOC, DOT, USDA, TDA, WTO, OECD, NGOs
	Secure and Stable Markets	Secure Energy Supplies	D&CP	EB, EGAT	DOE, IEA, foreign governments, NSC
		Stable Financial Markets	D&CP	EB	Treasury, Multilateral and Reg'l Devl Banks
	Food Security and Agricultural Development	Agriculture-led Income Opportunities Expanded	DA, PL480, CIO	EGAT, AFR	USDA, NGOs, FAO, WB

IV. PERFORMANCE SUMMARY (STATE AND USAID)

The chart below summarizes the performance ratings for Department of State and USAID results for the Economic Prosperity and Security strategic goal.

STRATEGIC GOAL RESULTS ACHIEVED FOR FY 2006



RATINGS DISTRIBUTION

Significantly Above Target	1
Above Target	1
On Target	8
Below Target	2
Significantly Below Target	0
Total Number of Ratings	**12**

V. PERFORMANCE ANALYSIS

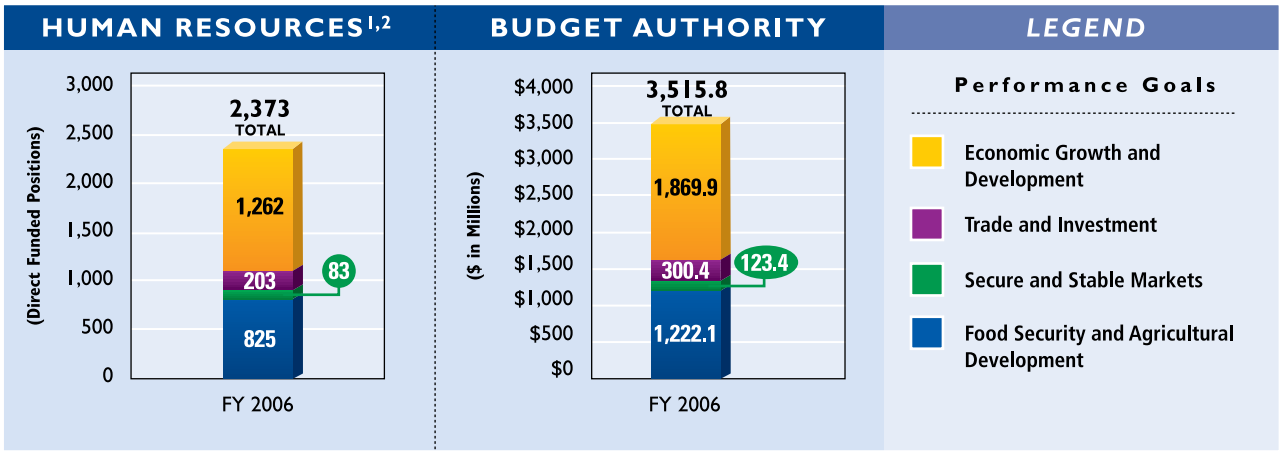
PERFORMANCE TRENDS. There are a number of positive trends in this strategic goal area. For example, USAID extension assistance has reached more than one million farmers, a tenfold increase over the 2003 baseline, and USAID programs disbursed more than six million microfinance loans, a fivefold increase over the 2003 baseline.

HIGH-LEVEL RESULTS. There has been significant progress toward economic growth and development through firm-level assistance, support to financial institutions, development of targeted sectors, and use of UN resolutions, programs and activities. These interventions have had a demonstrable impact on incomes, economic stability, food security, and private sector development. In addition, trade and investment have increased dramatically in areas where State and USAID have active programs.

RESULTS SIGNIFICANTLY ABOVE OR SIGNIFICANTLY BELOW TARGET. USAID significantly exceeded targets in the number of agricultural technologies made available for transfer through USAID programs. The total increased by 240% over the FY 2005 result.

KEY INITIATIVES AND PROGRAMS. The Department and USAID received more than $2.6 billion in Economic Support Funds. More than $200 million in FY 2006 funds was earmarked to USAID for trade capacity building and Congress also authorized USAID to spend up to $21 million for loan guarantees in support of micro and small enterprise programs.

VI. RESOURCES INVESTED BY USAID

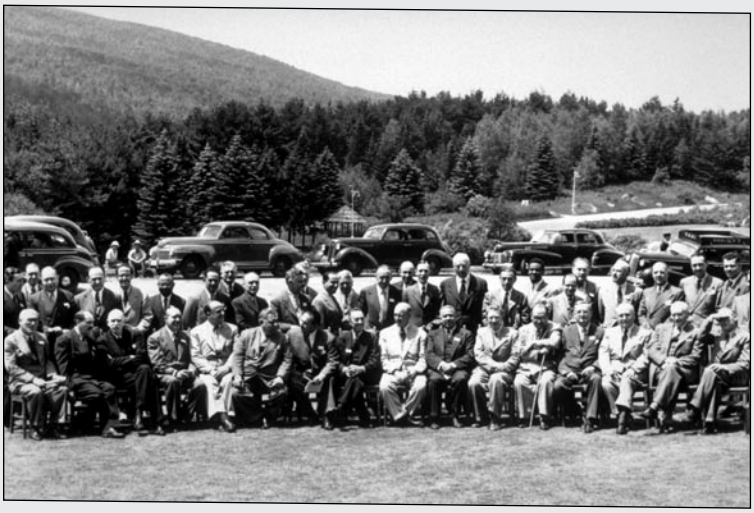


1 USAID human resource figures reflect all full-time direct funded employees including civil service, foreign service, foreign service nationals, personal services contractors, and other USG employment categories. Institutional contractor staff are not included.

2 Data on FY 2006 human resource levels by Strategic and Performance Goals were not collected. These figures were estimated using FY 2005 human resources data prorated against the FY 2006 Statement of Net Cost.

A Look to History: Economic Prosperity and Security

In July 1944, representatives of non-Axis governments met at Bretton Woods, New Hampshire to discuss the future of the international economy and postwar reconstruction. This meeting set the terms for an international economic system, known as the Bretton Woods System, that would allow for economic growth and liberalized trade. The conference also adopted the Articles of Agreement for the International Bank for Reconstruction and Development, later known as the World Bank, and the International Monetary Fund. The World Bank would oversee funds to rebuild postwar Europe and to develop newly emerging countries in Africa, Asia, and Latin America. The International Monetary Fund focused on the stabilization of the currencies of those nations suffering from high trade deficits and other internal economic problems.



Delegates to the Bretton Woods Conference, representing 44 nations, pose for an official photo, July 1944.

PHOTO: AP/WIDE WORLD

VII. PERFORMANCE RESULTS

For each initiative/program that supports accomplishment of this strategic goal, the most critical FY 2006 performance indicators and targets are shown below.

ANNUAL PERFORMANCE GOAL 1

Institutions, Laws, and Policies Foster Private Sector-led Economic Growth, Macroeconomic Stability, and Poverty Reduction.

I/P: GROWTH AND DEVELOPMENT STRATEGIES

INDICATOR: Progress of Rural Economic Opportunity Expansion in Afghanistan

Outcome

JUSTIFICATION: This indicator measures USAID's efforts to create jobs and strengthen overall rural growth programs throughout the country.

FY 2006 PERFORMANCE	Target	■ 10% increase over the cumulative number of farmers (FY 2005 result) served by extension through USAID assistance. ■ 10% increase over the cumulative number of microfinance loans (FY 2005 result) disbursed to farmers.
	Results	■ 25% increase over the cumulative number of farmers (FY 2005 result) served by extension through USAID assistance (cumulative total = 1,015,769). ■ <1% increase over the cumulative number of microfinance loans (FY 2005 result) disbursed to farmers (cumulative total = 28,136).
	Rating	**On Target**
	Impact	As a result of USAID programs, Afghanistan is making significant progress in strengthening its rural economy. This has spurred overall economic growth, created jobs, increased incomes, raised standards of living, and reduced poverty.
PERFORMANCE DATA	Data Source	Preliminary result data from USAID Afghanistan mission.
	Data Quality (Verification)	The Agency's performance data are verified using Data Quality Assessments (DQA), and must meet five data quality standards of validity, integrity, precision, reliability and timeliness. The methodology used for conducting the DQAs must be well documented by each operating unit. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf).
PAST PERFORMANCE	2005	■ 815,769 (cumulative) farmers served by extension through USAID assistance, a 44% increase over FY 2004. ■ 28,118 (cumulative) microfinance loans disbursed to farmers, a 235% increase over the FY 2004 baseline.
	2004	■ 567,806 (cumulative) farmers served by extension through USAID assistance, a 468% increase over the FY 2003 baseline. ■ Baseline: 8,400 (cumulative) microfinance loans disbursed totaling $1.26 million.
	2003	**Baseline:** ■ 100,000 (cumulative) farmers served by extension through USAID assistance.

I/P: INTERNATIONAL ORGANIZATIONS AND ECONOMIC DEVELOPMENT POLICY AND OPERATIONAL ACTIVITIES

INDICATOR: Incorporation of Millennium Challenge Account Principles into UN Resolutions, Programs, and Activities

Outcome

JUSTIFICATION: This indicator was chosen because the language in UN economic development resolutions reflects prevailing policy norms. The types of UN programs and the nature of recipients' requests for assistance will demonstrate the degree of acceptance of MCA principles.

FY 2006 PERFORMANCE	Target	■ U.S.-inspired Economic Freedom Caucus at UN fosters consultation among like-minded nations on economic and development issues in the UN General Assembly and Economic and Social Council. ■ UN resolutions adopted clearly affirming the value of good governance, economic freedom, free and open trade, and competitive markets to development throughout the world. ■ Active program of UN workshops encourages sound economic, aid, and investment policies conducive to market-led economic growth and poverty reduction. ■ UN agencies, funds, and programs mainstream initiatives to follow up on the recommendations of the UN Commission on the Private Sector and Development.
	Results	UN Development Program has followed up on recommendations of the UN Commission on the Private Sector and Development, including working with major corporations to establish partnerships with small business. Like-minded nations have succeeded in gaining some support for the principles of economic freedom, though the Economic Freedom Caucus has been hindered by a prolonged and contentious debate in the General Assembly on the respective roles and responsibilities of developed and developing countries.
	Rating	**On Target**
	Impact	Many UN Members recognize that good governance, rule of law, and economic freedom play a crucial role in economic development, although there is still some resistance, especially to the idea that the Millennium Challenge Account principles could serve as a guide for designing UN initiatives.
PERFORMANCE DATA	Data Source	United Nations reports and publications.
	Data Quality (Verification)	Content of UN reports is reviewed by Department staff in Washington and New York for accuracy. Contents of resolutions are publicly available.
PAST PERFORMANCE	2005	During 2005, the United States sponsored 6 events and participated in 6 others on the MCA, entrepreneurship and poverty reduction, economic freedom, commercial law reform, regulatory reform, women's property rights, good governance, and other topics at the 60th General Assembly. Language on economic freedom and Millennium Challenge Account principles was incorporated in the UN General Assembly, the UN Economic and Social Council and UN Commission on the Status of Women resolutions. The September 2005 UN Summit Outcome Document reaffirmed the recommendations for policy at the national level on fighting corruption and improving the investment climate for private business.
	2004	UN adopted a Ministerial Declaration on Least Developed Countries that laid the foundation for economic freedom language in other UN resolutions, including language on improving the enabling environment for the private sector; promoting the efficiency of markets; and developing financial sectors within transparent regulatory and legal systems.
	2003	■ Discussions on UN economic development resources and Monterrey follow-up focused less on developed country obligations towards developing countries and more on developing country responsibilities for their own development, highlighting good governance, economic freedom, and investing in people as means to maximize effective use of resources. ■ UN funds and programs introduced new programs, within their mandates, focused on improving governance, economic policy formulations, sustainable development, public-private partnerships, making health and education systems more accessible, all within framework of enhanced climate to attract private investment and development assistance, including MCA.

I/P: UNITED NATIONS DEVELOPMENT PROGRAM (UNDP)		
	INDICATOR: Percentage of Countries Receiving UN Development Program (UNDP) Support Where Annual Targets Were Fully Achieved	
	Outcome	
JUSTIFICATION: This indicator was chosen because it provides a measure of progress toward achieving goals related to public administration, anti-corruption, conflict prevention, and peace building.		
FY 2006 PERFORMANCE	**Target**	■ Public Administration and Anti-Corruption: 68%. ■ Conflict Prevention and Peace Building: 67%.
	Results	Final 2006 results are not yet available, although UN progress reports indicate steady progress toward the target. UNDP collects data at the end of the calendar year and will publish final results in 2007.
	Rating	**On Target**
	Impact	UNDP contributes toward the Department's goal of fostering and strengthening stability, development, and economic growth throughout the world, for example, in developing a country's ability to engage in successful public administration reform and anti-corruption efforts.
PERFORMANCE DATA	**Data Source**	UNDP progress and accountability reports submitted to the Department of State.
	Data Quality (Verification)	The reliability of some reported data has been questioned. The Department of State continues to assist UNDP to improve consistency and reliability of data, and reporting methodology.
PAST PERFORMANCE	**2005**	■ Public Administration and Anti-Corruption: 95%. ■ Conflict Prevention and Peace Building: 95%.
	2004	■ Public Administration and Anti-Corruption: 93%. ■ Conflict Prevention and Peace Building: 90%.
	2003	■ Public Administration and Anti-Corruption: 78%. ■ Conflict Prevention and Peace Building: 66%.

A Water Revolution Fuels Industry

In Tirupur, a city in the south Indian state of Tamil Nadu, USAID is providing a $25 million loan guarantee to support a partnership among the Government of Tamil Nadu, a garment exporters association, and an industrial financing service to establish an integrated water distribution system to industry. Since August 2005, 120 million liters per day of high quality water are available to industry at a reasonable price. Tirupur's garment industry is creating jobs to meet surging global demand. Exports are expected to grow 30 percent in 2006 and projected to reach $2 billion by 2010. Unemployment in Tirupur is rare, and wages are well above Indian averages. Without water delivery, exports would have grown just 10 percent. Tirupur residents are receiving high-quality drinking water every day, instead of waiting up to 10 days for poor quality water, or paying private vendors high prices for water. Many houses will get direct connections for the first time, freeing up time for work and school, and helping prevent disease. With help from USAID, Tirupur has energized water infrastructure finance by showing that private-public partnerships can deliver the goods. Thanks partly to this success, over 30 partnerships similar to Tirupur are in the pipeline throughout India.

The Control Room at the Water Intake Center in Tirupur, southern India. PHOTO: USAID/DON GREENBERG.

I/P: PRIVATE SECTOR CAPACITY		
	INDICATOR: Enterprise Level Competitiveness	
	Output	
JUSTIFICATION: Providing loans and other types of assistance to strengthen enterprise competitiveness and productivity promotes economic expansion and poverty reduction.		
FY 2006 PERFORMANCE	**Target**	■ 4,422,386 loans provided as a result of USAID assistance. ■ $3,400,000,000 in loans provided as a result of USAID assistance.
	Results	■ 6,682,820 loans provided as a result of USAID assistance, 51% above the FY 2006 target. ■ $4,826,395,165 in loans provided as a result of USAID assistance, 42% above the FY 2006 target.
	Rating	**Above Target**
	Impact	Firms in developing countries typically lack access to credit for expansion through the formal financial system. Providing credit directly or mobilizing bank financing for such firms is critical to achieving economic growth and associated job creation.
PERFORMANCE DATA	**Data Source**	Preliminary result data from USAID operating units.
	Data Quality (Verification)	The Agency's performance data are verified using Data Quality Assessments (DQA), and must meet five data quality standards of validity, integrity, precision, reliability and timeliness. The methodology used for conducting the DQAs must be well documented by each operating unit. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf).
PAST PERFORMANCE	**2005**	■ 4,020,351 loans provided as a result of USAID assistance, a 79% increase over FY 2004. ■ $3,054,122,019 in loans provided as a result of USAID assistance, a 278% increase over FY 2004.
	2004	■ 2,247,926 loans provided as a result of USAID assistance, a 68% increase over the FY 2003 baseline. ■ $809,037,380 in loans provided as a result of USAID assistance, a 123% increase over the FY 2003 baseline.
	2003	**Baselines:** ■ 1,338,864 loans provided as a result of USAID assistance. ■ $363,054,541 in loans provided as a result of USAID assistance.

Building Vocational Skills in Darfur

In South Darfur, USAID is working to reduce women's exposure to risk when they venture outside of the camp to gather firewood by supporting classes that will give these women the skills to earn income as seamstresses and allow their families to purchase firewood in local markets. The classes range from two months for basic vocational sewing to four months for skills to maintain and fix sewing machines. Since February 2006, USAID has trained more than 200 women in sewing, maintaining sewing machines, and developing plans for establishing small tailoring businesses. A separate USAID grant provided 30 young men in Krinding camp in West Darfur with two months of vocational training to teach them to produce traditional leather shoes to sell in local markets. The grant provided trainers' stipends, materials, and enough funds to rehabilitate a training center with local materials.

Sewing courses in Kalma camp teach displaced women how to earn income as seamstresses. PHOTO: BAKETA ORGANIZATION.

ANNUAL PERFORMANCE GOAL 2

Increased Trade and Investment Achieved through Market-opening International Agreements and Further Integration of Developing Countries into the Trading System.

I/P: CREATE OPEN AND DYNAMIC WORLD, REGIONAL AND NATIONAL MARKETS

INDICATOR: Status of Negotiations on Open Markets for Services, Trade, and Investment

Outcome

JUSTIFICATION: These agreements expand the international framework to create a dynamic, free and open trade system, which contributes directly to the prosperity of the United States.

FY 2006 PERFORMANCE	**Target**	■ World Trade Organization (WTO) Doha round and Free Trade of the Americas negotiations completed. ■ Andean Countries Free Trade Agreement (FTA) and South African Customs Union (SACU) implemented. ■ Two FTAs concluded. ■ Central American Free Trade Agreement (CAFTA), Dominican Republic, Morocco and Australia FTAs enter into force. ■ Three new Bilateral Investment Treaties (BITs) concluded.
	Results	■ WTO and FTAA negotiations were not completed. ■ Implementation of Andean Countries Free Trade Agreement progressing; South African Customs Union postponed. ■ Two FTAs concluded. Oman FTA ratified. Korea and Malaysia FTAs launched. CAFTA, Bahrain and Morocco FTAs entered into force. The Australia FTA went into force in January 2005 (see below). ■ Three new BITs concluded.
	Rating	**Below Target**
	Impact	Although the suspension of the Doha Round will hinder U.S. efforts to open markets, excellent progress was achieved on liberalizing trade and opening markets through free trade agreements and bilateral investment treaties. Trade Promotion Authority is scheduled to expire in mid-2007, so the Department will make every effort to restart the Doha Round in FY 2007.
	Reason for Shortfall	The WTO Doha Round was suspended due to lack of agreement on major issues. The United States prioritized expanded agricultural market access, the EU tried to link agricultural subsidy and tariff reductions to cross-sector reciprocal improvements in market access for manufactured goods and services, and developing countries sought the elimination of agricultural subsidies and industrial tariffs.
	Steps to Improve	At the December 2005 WTO ministerial in Hong Kong, WTO members were able to set 2013 as the date to end agricultural export subsidies and agree to a number of important development initiatives. Expanded market access, particularly in agriculture, is key to a final agreement. In Hong Kong, the U.S. announced a doubling of annual trade-related assistance from $1.34 billion in 2005 to $2.7 billion by 2010. The U.S. is the largest single-country donor of trade capacity building assistance, which helps countries build the necessary legal, administrative, and physical infrastructure to participate fully in the market openings that will be created by a successful conclusion of the Doha Round.
PERFORMANCE DATA	**Data Source**	Information from Department of State and U.S. Trade Representative (USTR) negotiators.
	Data Quality (Verification)	Data on the status of the Doha Round is publicly available and widely reported. Details are available through WTO and USTR. Information is vetted by trade and investment officers at the Department of State and is publicly available.

Continued on next page

I/P: CREATE OPEN AND DYNAMIC WORLD, REGIONAL AND NATIONAL MARKETS *(continued)*

INDICATOR: Status of Negotiations on Open Markets for Services, Trade, and Investment *(continued)*

PAST PERFORMANCE	2005	Doha Round progressing with members actively engaged in negotiations. Negotiations with Pakistan underway; initial consultations held with Saudi Arabia and Algeria. Negotiations continued on free trade agreements with Andean countries, Oman, and United Arab Emirates. Central American-Dominican Republic FTA and Bahrain enactment expected. Australia FTA entered into force January 2005. Morocco FTA entry into force expected. U.S. and EU regulatory agencies work to share information and harmonize regulatory systems.
	2004	■ Successful WTO Doha Round framework agreement July 2004. ■ One BIT, with Uruguay, concluded by October 2004. ■ Concluded 4 FTAs (Australia, Bahrain, Morocco, Central America). ■ Free Trade Agreement of the Americas negotiations continued. ■ Launched FTA negations with Thailand, countries of the Andean region, and Panama.
	2003	■ Two FTAs (Chile, Singapore) concluded. ■ WTO and FTAA negotiations continued. ■ FTA negotiations began with CAFTA, Morocco, SACU, and Australia.

INDICATOR: Number of Countries Allowing Commercial Use of Agricultural Biotechnology and Global Acreage of Biotech Crops under Cultivation

Output

JUSTIFICATION: Countries that commercialize biotechnology-derived crops are most likely to permit entry of biotechnology-derived products from other countries.

FY 2006 PERFORMANCE	Target	■ Three more countries commercialize agricultural biotechnology. ■ Acreage of agricultural biotechnology crops increases 12 percent.
	Results	In CY 2005, four additional countries planted biotech crops. Portugal and France resumed planting of biotech corn in 2005, while the Czech Republic planted it for the first time; this brings the total of EU countries commercializing biotech corn to five. In Iran, biotech rice was grown in 2005 by several hundred farmers, who initiated commercialization and produced seed supplies for full commercialization in 2006. Based upon full year data for CY 2005, agricultural biotech acreage was trending at a 15-20% rate of growth in the first 3 months of FY 2006.
	Rating	**On Target**
	Impact	Global acreage continues to grow at a tremendous rate. More than 90 percent of farmers benefiting from biotech crops now reside in the developing world.
PERFORMANCE DATA	Data Source	Statistics gathered by the International Service for the Acquisition of Ag-biotech Applications, the internationally recognized source for information on the commercialization of crops derived through modern biotechnology.
	Data Quality (Verification)	Information is publicly available, gathered through primary data collection, and cross-referenced by economics officers with other sources for accuracy.
PAST PERFORMANCE	2005	Based upon full year data for CY 2004, ag biotech acreage was trending at a 15-20% rate of growth in the first 3 months of FY 2005. China nears commercialization of biotech rice variety. French farmers plant biotech corn in relatively large quantities for the first time. The Spanish interministerial biotechnology commission approved Roundup Ready biotech corn seed for cultivation in Spain.
	2004	■ Australia approved commercialization of transgenic canola, Malaysia and Thailand took initial steps toward commercializing agricultural biotechnology. ■ Growth grate for CY 2004 was 20% which includes first quarter of FY 2005.
	2003	■ The Philippines commercialized agriculture-biotech, and Brazil approved the sale of agriculture-biotech. ■ Biotech acreage continued to expand.

I/P: CREATE OPEN AND DYNAMIC WORLD, REGIONAL AND NATIONAL MARKETS *(continued)*

	INDICATOR: Progress in WTO accession in USAID-Assisted Countries	
	Output	
JUSTIFICATION: Participation and membership in the WTO indicates a commitment to trade and its economic benefits and an active engagement with other countries regarding trade agreements and integration.		
FY 2006 PERFORMANCE	**Target**	15 USAID-assisted countries in some level of WTO accession prior to full membership.
	Results	10 USAID-assisted countries at some level of WTO accession prior to full membership.
	Rating	**Below Target**
	Impact	WTO accession means access to markets is more open and predictable, developing country commercial law regimes are aligned with international norms, the international rule of law is expanded, transparency and economic governance is improved, and opportunities for corruption are reduced.
	Reason for Shortfall	The explanation for this program's shortfall is pending and will be obtained once the final FY 2006 results are reported.
	Steps to Improve	The necessary steps for this program's improvement are pending and will be obtained once the final FY 2006 results are reported.
PERFORMANCE DATA	**Data Source**	Preliminary result data from USAID operating units.
	Data Quality (Verification)	The Agency's performance data are verified using Data Quality Assessments (DQA), and must meet five data quality standards of validity, integrity, precision, reliability and timeliness. The methodology used for conducting the DQAs must be well documented by each operating unit. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf).
PAST PERFORMANCE	**2005**	14 USAID-assisted countries at some level of WTO accession prior to full membership.
	2004	29 USAID-assisted countries at some level of WTO accession prior to full membership.
	2003	**Baseline:** 28 USAID-assisted countries at some level of WTO accession prior to full membership.

A Vietnamese basket vendor walks along a street of electronics shops in downtown Hanoi, Vietnam, January 2006, as U.S. trade officials arrived for talks on Vietnam's accession to the World Trade Organization.

PHOTO: AP/WIDE WORLD

I/P: SUPPORT FOR U.S. BUSINESSES		
	INDICATOR: Number of Companies for Whom Advocacy Services Were Provided; Number of Commercial Advocacy Successes in Helping U.S. Companies Win Foreign Tenders; Enforce Contract Agreements; Gain Fair Treatment; and/or Enter New Foreign Markets	
	Output	
JUSTIFICATION: This indicator measures the direct support provided to U.S. business in exporting goods and services as well as managing overseas investments.		
FY 2006 PERFORMANCE	**Target**	■ Advocacy services provided for 195 companies. ■ 95 advocacy success stories.
	Results	For the first 8 months of FY 2006, provided advocacy services for 274 companies and generated 44 advocacy success stories.
	Rating	**On Target**
	Impact	Advocacy support ensures transparency and fair play so that U.S. companies can compete on a level playing field.
PERFORMANCE DATA	**Data Source**	Information from U.S. businesses, the Bureau of Economic, Energy, and Business Affairs Advocacy Databases, and Department of Commerce Advocacy Center Databases.
	Data Quality (Verification)	Reliability and completeness of performance data is ensured through primary collection of data and extensive cross-referencing by economics officers with other sources where necessary.
PAST PERFORMANCE	**2005**	■ Advocacy services provided for 386 companies. ■ 44 advocacy success stories.
	2004	■ Advocacy services provided for 152 companies. ■ 48 advocacy success stories
	2003	■ Advocacy services provided for 125 companies. ■ 45 advocacy success stories.

ANNUAL PERFORMANCE GOAL 3
Secure and Stable Financial and Energy Markets.

I/P: SECURE ENERGY SUPPLIES		
	INDICATOR: World Emergency Oil Stocks	
	Output	
JUSTIFICATION: Oil is the major energy import for the U.S. and an adequate supply is key for the U.S. and global economies. Increasing world oil stocks increases ability to withstand possible oil shocks.		
FY 2006 PERFORMANCE	**Target**	International Energy Agency (IEA) and non-IEA Emergency oil stocks at or above FY 2005 stock levels equivalent to 114 days of imports.
	Results	115 days of import coverage.
	Rating	**On Target**
	Impact	Healthy oil stock allowed for a robust response to oil supply disruptions caused by Hurricane Katrina, calming markets ensuring continued supplies of oil.
PERFORMANCE DATA	**Data Source**	International Energy Agency data.
	Data Quality (Verification)	International Energy Agency data are publicly available and reviewed annually by economics officers with the Department of State's Bureau of Economic and Business Affairs.
PAST PERFORMANCE	**2005**	International Energy Agency members held stocks of 114 days of imports, prior to emergency release of stocks to counter supply disruptions of Hurricane Katrina.
	2004	IEA members held stocks of 113 days of imports.
	2003	IEA stocks were 116 days of imports. China (a non-IEA member) actively engaged with the IEA, APEC, and the United States to create emergency oil stock reserves and has formulated a plan for holding significant stocks.

I/P: SECURE ENERGY SUPPLIES *(continued)*

INDICATOR: Energy Sector Management Capacity

Output

JUSTIFICATION: This indicator examines whether countries are capable of managing the energy sector to achieve greater energy efficiency.

FY 2006 PERFORMANCE	**Target**	■ 357 energy institutions with improved capacity to reform and manage their sector. ■ 95 energy policy reforms (e.g. decrees, policies, laws, technical standards etc.) drafted as a result of USAID programs. ■ 58 energy policy reforms adopted as a result of USAID programs. ■ 15 energy policy reforms implemented as a result of USAID programs.
	Results	■ 357 energy institutions with improved capacity to reform and manage their sector. ■ 74 energy policy reforms drafted as a result of USAID programs. ■ 29 energy policy reforms adopted as a result of USAID programs. ■ 31 energy policy reforms implemented as a result of USAID programs.
	Rating	**On Target**
	Impact	Sound energy policies and efficient, capable energy institutions are crucial structural elements for development.
PERFORMANCE DATA	**Data Source**	Preliminary result data from USAID operating units.
	Data Quality (Verification)	The Agency's performance data are verified using Data Quality Assessments (DQA), and must meet five data quality standards of validity, integrity, precision, reliability and timeliness. The methodology used for conducting the DQAs must be well documented by each operating unit. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf).
PAST PERFORMANCE	**2005**	■ Energy institutions with improved capacity to reform and manage their sector: 337. ■ Energy policy reforms drafted as a result of USAID programs: 87. ■ Energy policy reforms adopted as a result of USAID programs: 53. ■ Energy policy reforms implemented as a result of USAID programs: 11. The indicator was changed effective 2005 in order to more specifically measure impact, as the previous wording of "interventions" was judged to be too general. This explains the decrease in numbers between the 2004 baseline and 2005.
	2004	**Baseline:** ■ Energy institutions with improved capacity to reform and manage their sector: 216. ■ New energy policy interventions accomplished as a result of USAID programs: 183.
	2003	N/A.

I/P: STABLE FINANCIAL MARKETS

INDICATOR: Percentage of Debt Crisis Countries on International Monetary Fund (IMF) Programs Successfully Reforming

Outcome

JUSTIFICATION: Successful completion of reform programs is key to nations achieving long-term financial stability.

FY 2006 PERFORMANCE	**Target**	60% of countries facing financial crisis that have sought and received Paris Club sponsored debt relief are successfully implementing economic reforms that will promote long-term financial stability.
	Results	A total of 84% of countries receiving help from the United States and the international community to overcome financial crises are successfully implementing economic reforms that promote long-term financial stability. As of September 30, 2006, 69 countries facing financial crises had active Paris Club agreements. Of these, 36 countries were successfully implementing an IMF-sponsored reform program and an additional 22 countries had completed their reform programs. A total of 11 countries had abandoned their IMF program and were not pursuing sound macroeconomic policies. This result can be explained, in part, by the benign global economic environment that has helped to improve macroeconomic performance, reducing the risk of financial crises and generally making it easier to comply with IMF program goals.
	Rating	**On Target**
	Impact	U.S. Government debt relief program has provided effective leverage to encourage countries in financial crisis to adopt solid fiscal and monetary policies that have resulted in individual country and international financial stability.
PERFORMANCE DATA	**Data Source**	International Monetary Fund and Paris Club.
	Data Quality (Verification)	Information is publicly available and is validated by economics officers with the Department of State's Bureau of Economic and Business Affairs. Results are based on the percentage of countries which have a) active agreements with the "Paris Club" of major creditor nations, and b) an active International Monetary Fund economic reform program or have successfully graduated from one.
PAST PERFORMANCE	**2005**	83% of countries facing financial crisis that sought and received Paris Club sponsored debt relief are effectively following or have successfully completed an IMF program. (Based on IMF and Paris Club status as of September 30, 2005).
	2004	78% of 69 countries with an active Paris Club agreement were successfully reforming.
	2003	74% of 73 countries with an active Paris Club agreement were successfully reforming.

ANNUAL PERFORMANCE GOAL 4

Enhanced Food Security and Agricultural Development.

I/P: AGRICULTURE-LED INCOME OPPORTUNITIES EXPANDED

INDICATOR: Level of Agricultural Sector Capacity

Output

JUSTIFICATION: This indicator measures agricultural productivity through a variety of technologies and efficiencies, which are crucial for ensuring a stable and adequate food supply and sufficient earning potential from agricultural activities.

FY 2006 PERFORMANCE	Target	505 agricultural technologies made available for transfer through USAID programs.
	Results	1,718 agricultural technologies made available for transfer through USAID programs.
	Rating	**Significantly Above Target**
	Impact	The transfer of agricultural technologies and assistance to producers increases crop production which in turn enhances economic development and reduces food insecurities.
PERFORMANCE DATA	Data Source	Preliminary result data from USAID operating units.
	Data Quality (Verification)	The Agency's performance data are verified using Data Quality Assessments (DQA), and must meet five data quality standards of validity, integrity, precision, reliability and timeliness. The methodology used for conducting the DQAs must be well documented by each operating unit. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf).
PAST PERFORMANCE	2005	511 agricultural technologies made available for transfer through USAID programs.
	2004	172 agricultural technologies made available for transfer through USAID programs.
	2003	N/A.

A grandmother from Loralai District, Balochistan, Pakistan, is proud of her first-ever vegetable seedlings. Thanks to a USAID-funded program run together with the U.N. Food and Agriculture Organization, more than 500 women in three districts are learning how to maintain gardens and preserve and process their yield.

PHOTO: USAID/KAUKAB JHUMRA SMITH

STRATEGIC GOAL 6: SOCIAL AND ENVIRONMENTAL ISSUES

Improve Health, Education, Environment, and Other Conditions for the Global Population

I. PUBLIC BENEFIT

Disease, poverty, displacement, irregular migration, lack of education, and environmental degradation destroy lives, ravage societies, destabilize regions, and cheat future generations of prosperity. By supporting over ten Presidential Initiatives and numerous programs that integrate economic growth with social development and environmental stewardship, the Department and USAID are extending the basic values American citizens hold dear: prosperity, sustainable management of natural resources, good health, and knowledge-based society.

Ambassador Randall Tobias applauds first lady Laura Bush after a June 2006 speech to announce a presidential initiative to control malaria in Africa.

PHOTO: AP/WIDE WORLD

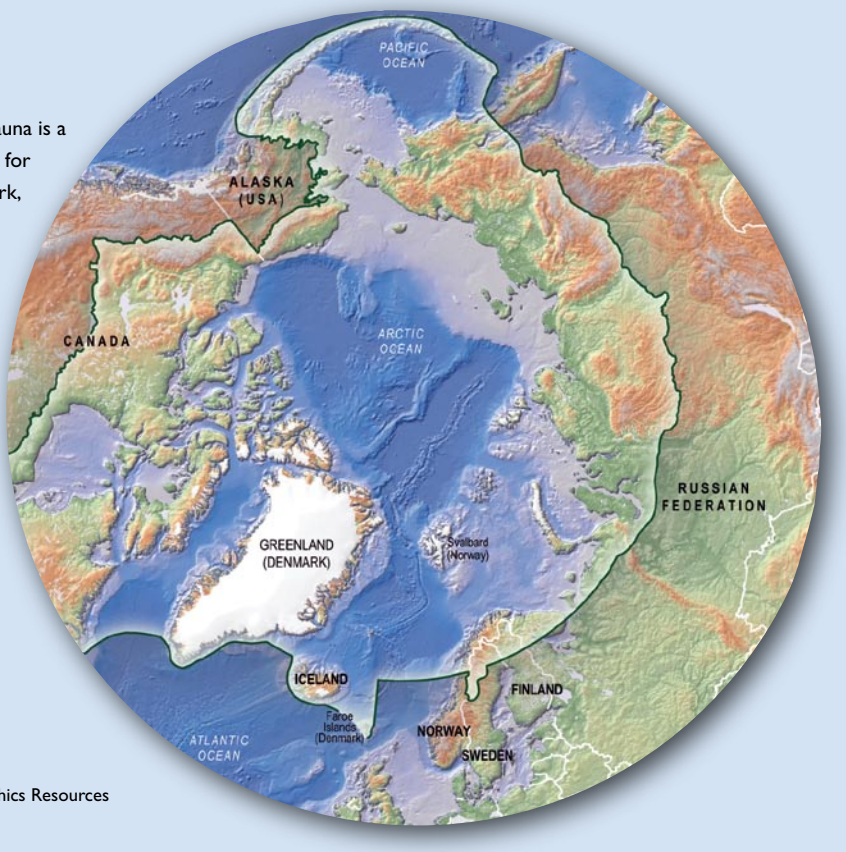
U.S. investments have stimulated the rapid expansion of HIV/AIDS treatment, prevention, and care in high-priority countries, along with improved quality of life for affected persons. More couples are able to decide the number and spacing of their children and have access to skilled childbirth care. More children are being immunized and survive common childhood illnesses. Access to effective prevention and treatment for malaria and tuberculosis has expanded, as has international engagement to address Avian Influenza, eradicate polio, improve health systems, and understand chronic disease. Through regional dialogues and protection and assistance to vulnerable migrants, the Department and USAID promote effective and humane international migration policies and systems.

Nearly 24% of adults in the developing world are non-literate. Investments in basic education are critical to provide millions with the literacy and numeracy skills needed to live productively in today's world. Improved higher education promotes stable, skilled work forces, economic betterment, and an informed society that demands and participates constructively in democratic institutions.

Sound governance of natural resources not only protects the planet, it is a key attribute of democratic governance and sustainable growth. Conservation of biodiverse ecosystems provides income, sustainable livelihoods and a healthy foundation for human well-being. By promoting access to clean drinking water and clean, modern energy, by sustainably managing fisheries, forests, and other flora and fauna, by keeping dangerous chemicals and other pollutants out of terrestrial and marine environments, by increasing resilience to climate variability and change, and by improving the environmental capacity of trade partners, the U.S. is promoting economic prosperity in sustainable harmony with nature. By building broad partnerships among U.S. Government agencies, foreign governments, international organizations, and the private sector, all of these initiatives reduce the strains on society that lead to conflict and even terrorism, while inculcating democratic values of participatory decision-making, rule of law, and transparency.

ARCTIC CONSERVATION AREA TOPOGRAPHIC MAP

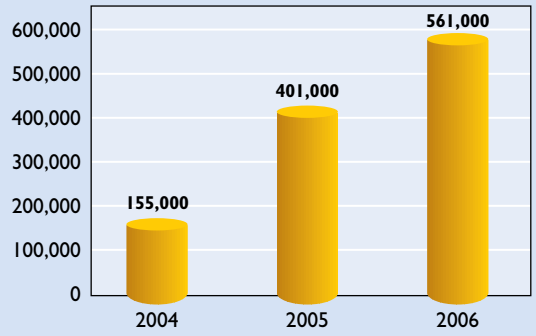
The Conservation of Arctic Flora and Fauna is a working group under the Arctic Council for the countries of the U.S., Russia, Denmark, Canada, Sweden, Iceland, Norway and Finland and indigenous peoples. Monitoring, assessment, protected areas and conservation strategies are all tasks under this working group. The area that the working primarily addresses is presented in the map below.



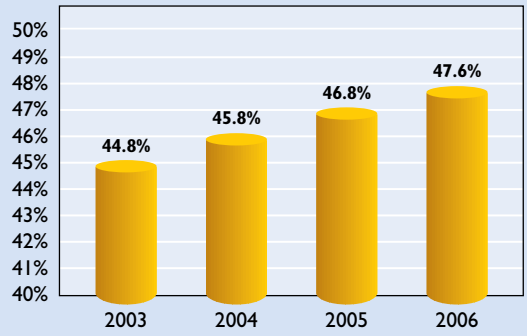
Source: UNEP/GRID-Arendal Library of Graphics Resources

II. SELECTED PERFORMANCE TRENDS

Number of People Receiving HIV/AIDS Treatment in 15 Focus Countries



Percent of Live Births Attended by Skilled Birth Attendants



III. STRATEGIC CONTEXT

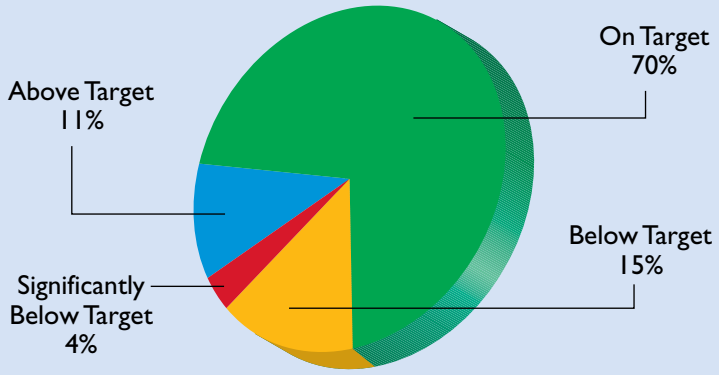
Shown below are the performance goals, initiatives/programs, and the resources, bureaus and partners that contribute to accomplishment of the Social and Environmental Issues strategic goal. Acronyms are defined in the glossary at the back of this publication.

Strategic Goal	Performance Goal (Short Title)	Initiative/ Program	Major Resources	Lead Bureau(s)	External Partners
Social and Environmental Issues	Global Health	HIV/AIDS	GHAI, CS&H, ESF, FSA, SEED, FMF, PL480 Title II	S/GAC, GH	HHS, DoD, DOL, Commerce, Peace Corps, NSC, UNAIDS, WHO, UNICEF, Global Fund to Fight AIDS, TB, and Malaria, host country governments, private sector entities
		Infectious Diseases	CIO, CS&H, D&CP, ESF, GAI, IO&P	OES, IO, S/GAC, G/AIAG, GH	UNICEF, HHS, CDC, UN, WHO, private sector entities
		Maternal and Reproductive Health	CIO, CS&H, D&CP, IO&P	PRM, GH	UNICEF, HHS, UN, WHO, private sector entities
		Child Health	CIO, D&CP, IO&P, CS&H	GH	UNICEF, HHS, UN, WHO, private sector entities
	Environmental Protection	Institutionalizing Sustainable Development	D&CP, ESF	OES, PPC	EPA, USDA, NOAA, DOE, Smithsonian Institution, civil society and private sector entities
		Coastal and Marine Resources	D&CP, ESF, IO&P	OES, EGAT	NOAA, USFWS, EPA, NSF, NRC, NASA, DoD, USTR, USCG, NGOs, International Organizations, and International Coral Reef Initiative Partners
		Conservation of Biological Diversity, Protected Areas, Forests, and Other Natural Resources	D&CP, ESF, DA	AF, OES, WHA, EGAT, AFR	USDA, Treasury Department, USDA-Forest Service, NGOs, International Organizations
		Global Climate Change	D&CP, IO&P, ESF	OES, STAS, EGAT	DOE, EPA, CEQ, CEA, NOAA, NASA, Treasury, USDA, NSF, DOC, DOI, DOT, DoD
	Access to Quality Education	Improved Access to Quality Education	D&CP, DA	EGAT, AFR	World Bank, UNESCO, OPIN
	Migration Policies and Systems	Effective and Humane Migration Policies and Systems	ERMA, MRA	PRM	IOM, DHS

IV. PERFORMANCE SUMMARY (STATE AND USAID)

The chart below summarizes the performance ratings for Department of State and USAID results for the Social and Environmental Issues strategic goal.

STRATEGIC GOAL RESULTS ACHIEVED FOR FY 2006



RATINGS DISTRIBUTION

Significantly Above Target	0
Above Target	3
On Target	19
Below Target	4
Significantly Below Target	1
Total Number of Ratings	**27**

V. PERFORMANCE ANALYSIS

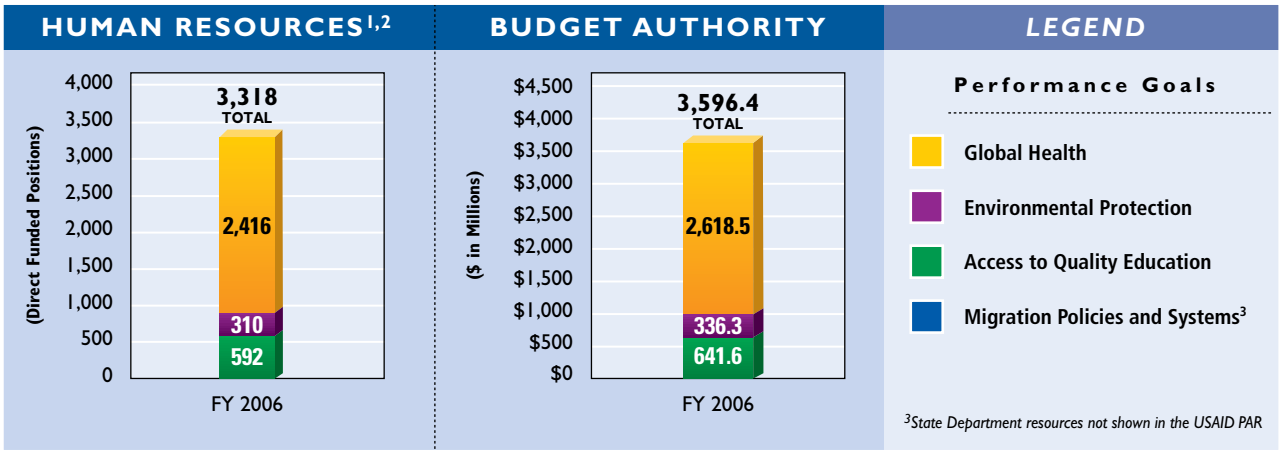
PERFORMANCE TRENDS. Performance under the President's Emergency Program for AIDS Relief (PEPFAR) continued the favorable trend to prevent the spread of AIDS in particularly vulnerable countries and treat those afflicted with the illness. The percentage of the world's population with access to tuberculosis care and treatment continued its steady multiyear upward trend. There was also sustained progress toward more effective implementation of treaties and agreements on natural resources management.

HIGH-LEVEL RESULTS. The Department and USAID continued making progress toward PEPFAR's five-year goals of supporting treatment for 2 million people infected with HIV, prevention of 7 million new HIV infections, and care for 10 million people infected and affected by HIV/AIDS, including orphans and vulnerable children. Sustained commitment to working bilaterally and with multilateral organizations strengthened cooperation on international environmental issues such as marine species management and biodiversity conservation.

RESULTS SIGNIFICANTLY ABOVE OR SIGNIFICANTLY BELOW TARGET. The effectiveness of USAID-sponsored higher education and workforce development programs was evaluated using preliminary data, and was significantly below target. USAID will review this indicator when final performance data is received.

KEY INITIATIVES AND PROGRAMS. In FY 2006, the Department and USAID continued to demonstrate leadership and commitment to the U.S. Government's social and environmental goals. For example, $1.58 billion was programmed for child survival and health initiatives, $2.5 billion was set aside for HIV/AIDS prevention and treatment programs, $365 million was allocated for basic education activities, and $200 million was made available for drinking water supply projects, including $50 million for programs in Africa.

VI. RESOURCES INVESTED BY USAID



1 USAID human resource figures reflect all full-time direct funded employees including civil service, foreign service, foreign service nationals, personal services contractors, and other USG employment categories. Institutional contractor staff are not included.

2 Data on FY 2006 human resource levels by Strategic and Performance Goals were not collected. These figures were estimated using FY 2005 human resources data prorated against the FY 2006 Statement of Net Cost.

The Director of Saudi Arabia's government-run HIV program explains the regional impact of Egypt's program at a USAID-sponsored workshop in Cairo, Egypt. A workshop participant remarked that she could return "home and implement the action plan drafted during the workshop."

PHOTO: FHI/DOAA ORABY

VII. PERFORMANCE RESULTS

For each initiative/program that supports accomplishment of this strategic goal, the most critical FY 2006 performance indicators and targets are shown below.

ANNUAL PERFORMANCE GOAL 1

Improved Global Health, Including Child, Maternal, and Reproductive Health, and the Reduction of Abortion and Disease, Especially Hiv/aids, Malaria, and Tuberculosis.

I/P: HIV/AIDS		
	INDICATOR: Number of People Receiving HIV/AIDS Treatment in the 15 Focus Countries of the President's Emergency Plan for AIDS Relief	
	PART Output	
JUSTIFICATION: The Emergency Plan targets $10 billion in funding for HIV/AIDS prevention, care, and treatment in 15 of the most affected countries: Botswana, Cote d'Ivoire, Ethiopia, Guyana, Haiti, Kenya, Mozambique, Namibia, Nigeria, Rwanda, South Africa, Tanzania, Uganda, Vietnam, and Zambia. One of the core goals of the Emergency Plan is to support treatment for 2 million people.		
FY 2006 PERFORMANCE	**Target**	665,000 individuals receiving HIV/AIDS treatment across the 15 focus countries.
	Results	As of March 31, 2006, the Emergency Plan supported anti-retroviral treatment for 561,000 men, women, and children. Of those treated, 61 percent were female. This mid-year result represents 84% of the goal of treating 665,000 individuals by October 2006. End-of-FY 2006 data will be available with the release of the Third Annual Report to Congress on the Emergency Plan, on or around January 31, 2007.
	Rating	**On Target**
	Impact	HIV/AIDS, with its implications for security, economic stability, and overall development, is one of the biggest threats facing nations today. Providing treatment to persons living with HIV/AIDS dramatically increasing their well-being and thereby helps address these threats. Lives are extended, families are held intact, productivity of working age persons continues, and nations move forward with development.
PERFORMANCE DATA	**Data Source**	■ Annual and semi-annual progress reports from each of the focus countries reporting numbers of people receiving treatment in each country. ■ Annual reports by UNAIDS and the WHO identifying numbers of people receiving treatment.
	Data Quality (Verification)	The Office of the Global AIDS Coordinator reviews and evaluates the accuracy and quality of results submitted through the progress reports.
PAST PERFORMANCE	**2005**	401,000 individuals received HIV/AIDS treatment across the 15 focus countries.
	2004	155,000 individuals received HIV/AIDS treatment across the 15 focus countries.
	2003	The President's Emergency Plan for AIDS Relief was announced in January 2003; the U.S. Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2003, consolidating all U.S. Government HIV/AIDS programs under the Office of the Global AIDS Coordinator, was signed into law in May.

I/P: HIV/AIDS *(continued)*

INDICATOR: Estimated Number of HIV Infections Prevented in the 15 Focus Countries of the President's Emergency Plan for AIDS Relief

PART Outcome

JUSTIFICATION: Slowing the rate of new HIV infections is the most difficult challenge in the fight against HIV/AIDS, but it is critical to winning the fight. One of the core goals of the Emergency Plan is to support prevention of 7 million new infections.

FY 2006 PERFORMANCE	**Target**	An estimated 1.9 million HIV infections prevented across the 15 focus countries.
	Results	The Census Bureau model that will allow estimation of cases averted (other than infant infections) is expected to be available in late 2006. With respect to prevention of mother-to-child transmission through March 31, 2006, the Emergency Plan supported services for women during more than 4.5 million pregnancies, antiretroviral prophylaxis for women during 342,200 pregnancies, and prevented an estimated 65,100 infant HIV infections.
	Rating	**On Target**
	Impact	Prevention is the only long-term, sustainable solution to turn the tide against HIV/AIDS. It decreases the burden of the disease on individuals, families, and nations.
PERFORMANCE DATA	**Data Source**	■ Annual and semi-annual progress reports from each of the focus countries will report results for numbers of persons receiving prevention services and the number of infections prevented. ■ Country bi-annual reports from UNAIDS reporting prevalence rates. ■ Country demographic health surveys reporting HIV/AIDS prevalence rates.
	Data Quality (Verification)	The Office of the Global AIDS Coordinator reviews and evaluates the accuracy and quality of results submitted through the progress reports.
PAST PERFORMANCE	**2005**	A total of 42,802,800 individuals were reached with prevention activities, including 24,862,000 individuals reached by community outreach promoting HIV/AIDS prevention through abstinence and/or being faithful and 17,941,100 individuals reached by community outreach programs that promote other prevention strategies.
	2004	Funds obligated to provide HIV prevention services to 47.8 million people across the 15 focus countries, with an estimated 1.3 million infections prevented.
	2003	The President's Emergency Plan for AIDS Relief was announced January 2003; the U.S. Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2003, consolidating all U.S. Government HIV/AIDS programs under the Office of the Global AIDS Coordinator, was signed into law in May.

I/P: HIV/AIDS *(continued)*		
INDICATOR: Number of People Receiving HIV/AIDS Care and Support Services in the 15 Focus Countries of the President's Emergency Plan for AIDS Relief		
PART Output		
JUSTIFICATION: Care and support services for people infected and affected by HIV/AIDS, including orphans and vulnerable children, can mitigate the consequences of HIV/AIDS by restoring health and productivity and ensuring that orphans and vulnerable children have access to essential services such as health and education. One of the core goals of the Emergency Plan is to support care for 10 million people infected and affected by HIV/AIDS.		
FY 2006 PERFORMANCE	**Target**	4.3 million people infected and affected by HIV/AIDS receiving HIV/AIDS care and support services across the 15 focus countries.
	Results	As of March 2006, the Emergency Plan supported care for nearly 3 million individuals, including care for more than 1,323,000 orphans and vulnerable children. This mid-year result represents 89% of the goal of caring for 4,300,000 individuals by October 2006.
	Rating	**On Target**
	Impact	Care services, including for orphans and vulnerable children, mitigate the severe pain and debilitating symptoms caused by HIV/AIDS as well as its social and economic consequences.
PERFORMANCE DATA	**Data Source**	Annual and semi-annual progress reports from each of the focus countries reporting numbers of people receiving care and support in each country.
	Data Quality (Verification)	The Office of the Global AIDS Coordinator reviews and evaluates the accuracy and quality of results submitted through progress reports.
PAST PERFORMANCE	**2005**	HIV/AIDS care and support services provided to 2,986,200 people infected and affected by HIV/AIDS across the 15 focus countries.
	2004	HIV/AIDS care and support services provided to 1,727,100 people infected and affected by HIV/AIDS across the 15 focus countries.
	2003	The President's Emergency Plan for AIDS Relief was announced January 2003; the U.S. Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2003, consolidating all U.S. Government HIV/AIDS programs under the Office of the Global AIDS Coordinator, was signed into law in May.

HIV/AIDS Treatment and Assistance in South Africa

Nompumelelo, a 27-year-old resident of South Africa, initially kept her HIV-positive status a secret from her family and friends. "It was a very big shock when I discovered I was positive," she said. She worried about the health of her three-year-old son, Elihle. "I went to get him tested. ... I was devastated when he was also positive." Nompumelelo received medical aid that allowed Elihle to start taking antiretroviral drugs immediately. Unfortunately, there was not enough money to pay for her treatment as well. In January 2004, a test revealed that she desperately needed to start antiretroviral treatment. Nompumelelo did not believe she had any options, until a friend told her about McCord Hospital's Sinikithemba Clinic in Durban. Sinikithemba is a Zulu word meaning "place of hope," and the clinic has lived up to its name. With support from the U.S. President's Emergency Plan for AIDS Relief, the Elizabeth Glaser Pediatric AIDS Foundation works with the clinic to provide antiretroviral treatment to adults and children living with HIV/AIDS, including Nompumelelo and Elihle.

With support from the President's Emergency Plan for AIDS Relief, a mother and son receive antiretroviral treatment at Sinikithemba Clinic in Durban, South Africa. PHOTO: AP/WIDE WORLD

I/P: INFECTIOUS DISEASES

INDICATOR: Tuberculosis Treatment Success Rate (18 Countries)

Output

JUSTIFICATION: Tuberculosis Treatment Success Rate is defined as the proportion of patients who complete their entire course of treatment. The above indicator reflects the Tuberculosis Treatment Success Rate by countries receiving assistance from USAID.

FY 2006 PERFORMANCE	**Target**	Tuberculosis Treatment Success Rate (for 2006): ■ No countries with less than 50%. ■ 13 countries with 50-84%. ■ 5 countries with 85% or more.
	Results	Tuberculosis Treatment Success Rate (for 2006): ■ No countries with less than 50%. ■ 12 countries with 50-84%. ■ 6 countries with 85% or more.
	Rating	**On Target**
	Impact	USAID assistance directly contributes to important advances in the control of tuberculosis through directly observed treatment short-course strategy.
PERFORMANCE DATA	**Data Source**	WHO Reports, Global Tuberculosis Control, Geneva.
	Data Quality (Verification)	The Agency's performance data are verified using Data Quality Assessments (DQA), and must meet five data quality standards of validity, integrity, precision, reliability and timeliness. The methodology used for conducting the DQAs must be well documented by each operating unit. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf).
PAST PERFORMANCE	**2005**	Tuberculosis Treatment Success Rate (for 2005): ■ No countries with less than 50%. ■ 14 countries with 50-84%. ■ 4 countries with 85% or more.
	2004	Tuberculosis Treatment Success Rate (for 2004): ■ No countries with less than 50%. ■ 15 countries with 50-84%. ■ 3 countries with 85% or more.
	2003	**Baseline:** Tuberculosis Treatment Success Rate (for 2000): ■ No countries with less than 50%. ■ 14 countries with 50-84%. ■ 4 countries with 85% or more.

I/P: INFECTIOUS DISEASES *(continued)*		
	INDICATOR: Case Detection Rate for Tuberculosis (18 Countries)	
	Output	
JUSTIFICATION: The proportion of annual new smear-positive notifications divided by the estimated annual new smear-positive cases (incidence). The above indicator reflects the Tuberculosis Case Detection Rate by countries receiving assistance from USAID.		
FY 2006 PERFORMANCE	**Target**	Case Detection Rate: ■ 8 countries with less than 40% ■ 9 countries with 40-69% ■ 1 country with 70% or more.
	Results	Case Detection Rate: ■ 5 countries with less than 40% ■ 10 countries with 40-69% ■ 3 countries with 70% or more.
	Rating	**Above Target**
	Impact	USAID assistance directly contributes to important advances in the control of tuberculosis through the directly observed treatment short term strategy.
PERFORMANCE DATA	**Data Source**	WHO Reports, Global Tuberculosis Control, Geneva. This indicator only tracks 18 of USAID's 19 Tier 1 countries for which progress can be monitored consistently over time (Ukraine does not have the validated data for this indicator).
	Data Quality (Verification)	Verification and validation of the Agency's performance data are accomplished by periodic reviews, certifications and audits, including Data Quality Assessments and PART assessments, as well as annual certification of operating units' strategic objectives and their relationship to the Agency's strategic goals. Data validation and verification are also supported by extensive automated systems and external expert analyses.
PAST PERFORMANCE	**2005**	Case Detection Rate: ■ 8 countries with less than 40% ■ 9 countries with 40-69% ■ 1 country with 70% or more.
	2004	Case Detection Rate: ■ 9 countries with less than 40% ■ 8 countries with 40-69% ■ 1 country with 70% or more.
	2003	Case Detection Rate: ■ 9 countries with less than 40% ■ 8 countries with 40-69% ■ 0 countries with 70% or more.

I/P: INFECTIOUS DISEASES *(continued)*

INDICATOR: Percentage of Households in Malaria Endemic Areas with at Least One Insecticide Treated Net

Output

JUSTIFICATION: This indicator measures the proportion of households with at least one insecticide-treated net in 17 USAID/malaria-supported countries. Insecticide-treated mosquito nets, if used properly, are one of the best ways to prevent mosquitoes from biting and infecting individuals with malaria.

FY 2006 PERFORMANCE	**Target**	Insecticide Treated Net Coverage Rate: 35%.
	Results	Insecticide Treated Net Coverage Rate: 29% of households in 18 USAID/malaria-supported countries had at least one insecticide-treated net. These results are for FY 2005. Please see "Reason for Shortfall" below.
	Rating	**Below Target**
	Impact	Insecticide Treated Nets are an important component of an overall strategy to control malaria, especially for children, which results in a 20 percent decrease in deaths.
	Reason for Shortfall	2005 coverage data, much of which was collected in 2003 and 2004, are the only data available at this time. Therefore, these data do not completely reflect the FY 2006 investments that USAID has made with funding from the President's Malaria Initiative as well as investments made in FY 2005 prior to the Presidential Initiative.
	Steps to Improve	USAID expects an increase in malaria monitoring and evaluation activities which will enable the Agency to report more up to date information on 2006 coverage data in the future.
PERFORMANCE DATA	**Data Source**	Preliminary result data from USAID's Global Health Bureau.
	Data Quality (Verification)	The Agency's performance data are verified using Data Quality Assessments (DQA), and must meet five data quality standards of validity, integrity, precision, reliability and timeliness. The methodology used for conducting the DQAs must be well documented by each operating unit. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf).
PAST PERFORMANCE	**2005**	Insecticide Treated Net Coverage Rate: 29%
	2004	Insecticide Treated Net Coverage Rate: 2%.
	2003	N/A.

Better Nets Trap Malarial Mosquitoes

USAID is assisting in the production of long-lasting insecticide-treated bed nets to provide better protection against malaria, an alternative to the commonly used nets that are designed to repel or kill mosquitoes for only six months. In Nairobi, Kenya, USAID brought together major African net manufacturers, owners of Long-Lasting Insecticide Nets (LLIN) technology, and groups supporting the technology's expansion. The manufacturers were excited about the technology's importance and potential, and are working with USAID to seek ways to incorporate it into production. Several manufacturers will invest in new equipment and staff training, and some have even joined the World Health Organization's Roll Back Malaria Project. Making LLIN technology widely available will bring tremendous benefits to manufacturers, their employees, and, most importantly, to millions of Africans who will be spared the devastating effects of malaria.

This manufacturer in Kenya now has access to technology to make Long-Lasting Insecticide Nets. PHOTO: NETMARK

I/P: INFECTIOUS DISEASES *(continued)*

INDICATOR: Capacity of WHO's Global Infectious Disease Network to Respond to Disease Outbreaks

Outcome

JUSTIFICATION: This indicator tracks the progress of the World Health Organization (WHO) International Health Regulations (IHRs), an important measure of WHO and global abilities to respond to public health emergencies of international concern.

FY 2006 PERFORMANCE	**Target**	States Parties submit any reservations to the International Health Regulations, seek to conform national legislative and administrative arrangements, and begin core capacity development in surveillance, preparedness, and response. Adoption at the May 2006 World Health Assembly of a resolution urging voluntary early implementation.
	Results	In May 2006, the World Health Assembly passed a resolution urging voluntary early implementation of the International Health Regulations. U.S. preparations are nearly complete for the submission of a reservation that clarifies that the U.S. will implement the International Health Regulations in a manner consistent with U.S. principles of federalism.
	Rating	**On Target**
	Impact	Upon entry-into-force in June 2007, States Parties will be obligated to report, and respond to public health emergencies of international concern, including mandatory reporting of smallpox, polio, Severe Acute Respiratory Syndrome, and human cases of the H5N1 strain of avian influenza or any other novel subtype of influenza. The regulations provide the legal framework for strengthening detection, sharing urgent public health and epidemiological information on an outbreak that could have global impact or cross international borders and for joint action to contain and mitigate its impact. WHO maintains an effective, proactive Global Outbreak Alert and Response Network, and can tap into a pool of human and technical resources for the rapid identification, confirmation of, and response to outbreaks.
PERFORMANCE DATA	**Data Source**	WHO, Department of Health and Human Services (Centers for Disease Control and Prevention), other governments, media or informal sources.
	Data Quality (Verification)	International Health Regulations and other relevant documents are subject to public review on the WHO website (www.who.int/en).
PAST PERFORMANCE	**2005**	Negotiations were completed and the final text was approved at the 58th World Health Assembly in May 2005. Countries also committed to take action to voluntarily comply with the regulations prior to their entry-into-force in 2007.
	2004	Completed technical review of the revised regulations at global, regional, and sub-regional levels. A revised draft was submitted to Member States for review and consideration at the Intergovernmental Working Group in November 2004.
	2003	WHO strengthened its activities related to global and national-level disease surveillance and undertook major efforts with governments in limiting and controlling Severe Acute Respiratory Syndrome.

I/P: INFECTIOUS DISEASES *(continued)*

INDICATOR: Effectiveness of Surveillance and Response Capacities Worldwide

Output

JUSTIFICATION: Disease surveillance is a key part of improving global health by better identifying, tracking, and communicating about disease outbreaks.

FY 2006 PERFORMANCE	**Target**	■ Support preparedness response plans for key diseases and bioterrorist events in two selected countries and begin work on building an international platform for information sharing. ■ Carry out regional meetings to encourage information sharing and collaborative planning among countries to ensure that information can be acted upon expeditiously. ■ African regional rapid response teams established to conduct epidemiological investigations on infectious diseases of public health importance.
	Results	■ The U.S. has actively supported development of avian and pandemic influenza preparedness plans in 53 countries including in Turkey, Vietnam, Indonesia, Cambodia, Laos, and Nigeria. ■ The U.S. launched the International Partnership for Avian and Pandemic Influenza to share information, identify/discuss critical policy issues, and jointly develop a plan of action for coordinating national activities for pandemic preparedness. ■ The U.S., with Switzerland, co-sponsored a bioterrorism tabletop exercise for senior leaders from a broad range of international organizations emphasizing the importance of non-traditional partnerships across diverse sectors including law enforcement, health, military, humanitarian response, defense, transportation, and security. ■ The U.S. launched the Security and Prosperity Partnership with Canada and Mexico, in part to enhance critical infrastructure protection and implement a common approach to biosecurity and emergency response. ■ The U.S. – supported regional Global Disease Detection Response Center in Kenya is fully operational and provides comprehensive disease surveillance and response activities for Africa, including a Field Epidemiology and Training Program and International Emerging Infections Program. It continues to be critical to the ongoing investigation and response to the outbreak of avian influenza in Nigeria.
	Rating	■ **On Target**
	Impact	The U.S. has humanitarian, security, and economic interests in helping countries deal with infectious disease outbreaks. If there is insufficient capacity and resolve in key developing countries, infectious disease outbreaks could spread and directly affect the health and safety of Americans at home and abroad, could aggravate social and political instability nationally and/or regionally, and could have substantial national, regional, and/or global economic impact.
PERFORMANCE DATA	**Data Source**	■ Reports from posts and countries on preparedness response plans. ■ Reports from regional meetings addressing information sharing about biosurveillance.
	Data Quality (Verification)	Reports are sourced from technical staff at the Department of Health and Human Services directly responsible for global disease detection and response provided results information.
PAST PERFORMANCE	**2005**	■ Kenya, Thailand, Guatemala, Egypt, and China served as regional centers for disease surveillance, confirmation, and response. ■ A Memorandum of Understanding between the U.S. and China established a formal framework for an International Emerging Infections Program.
	2004	Because preparedness response planning, information gathering and regional response capacity are very limited in much of the world, the Department has initiated assessment of USG capacity for international disease surveillance and compile list of resources and contacts and initiated an interagency process to discuss possibilities to improve surveillance and response. The Department also incorporated surveillance and response into planning for relevant diseases.
	2003	N/A.

I/P: MATERNAL AND REPRODUCTIVE HEALTH		
	INDICATOR: Percent of Live Births Attended by Skilled Birth Attendants	
	Output	
JUSTIFICATION: In many countries most births occur at home. Prompt recognition of complications, initiation of treatment, and referral by a skilled birth attendant can be life saving.		
FY 2006 PERFORMANCE	**Target**	Percent of Live Births Attended by Skilled Birth Attendants: 46.8%.
	Results	Percent of Live Births Attended by Skilled Birth Attendants: 47.6%.
	Rating	**On Target**
	Impact	Attendance at labor and delivery by a trained person with the skills to recognize the first signs of complications, initiate treatment, and facilitate referral is a key component of safe motherhood programs. Given that measuring maternal mortality trends is not possible on an annual basis, attendance by a skilled birth attendant is the best proxy indicator for determining maternal mortality trends.
PERFORMANCE DATA	**Data Source**	Demographic and Health Surveys data and Centers for Disease Control/Reproductive Health Surveys data as compiled by USAID's Global Health Bureau.
	Data Quality (Verification)	The Agency's performance data are verified using Data Quality Assessments (DQA), and must meet five data quality standards of validity, integrity, precision, reliability and timeliness. The methodology used for conducting the DQAs must be well documented by each operating unit. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf).
PAST PERFORMANCE	**2005**	Percent of Births Attended by Skilled Birth Attendants: 46.8%.
	2004	Percent of Births Attended by Skilled Birth Attendants: 45.8%.
	2003	Percent of Live Births Attended by Skilled Birth Attendants: 44.8%.

Philippines Health Secretary Francisco Duque, left, Ambassador Kristie Kenney, center, and USAID acting Mission Director Francis Donovan at the signing of a bilateral agreement to improve public health service in the Philippines, September 2006. AP/WIDE WORLD

I/P: MATERNAL AND REPRODUCTIVE HEALTH *(continued)*

INDICATOR: Modern Contraceptive Prevalence Rate (Global)

Output

JUSTIFICATION: Contraceptive Prevalence Rate: Percentage of in-union women of reproductive age (age 15-49) using, or whose partner is using, a modern method of contraception at the time of the survey. Expected progress is a one percentage point annual increase.

FY 2006 PERFORMANCE	Target	Modern Contraceptive Prevalence Rate: 37.9%.
	Results	Modern Contraceptive Prevalence Rate: 37.9%.
	Rating	**On Target**
	Impact	Use of modern contraception is a principal proximate determinant of fertility. As contraceptive use increases, fertility trends decrease as do abortion rates.
PERFORMANCE DATA	Data Source	Demographic and Health Surveys (DHS) data and Reproductive Health Surveys (RHS) data as compiled by USAID's Global Health Bureau. Data based on 27 USAID assisted countries with DHS or RHS data.
	Data Quality (Verification)	The Agency's performance data are verified using Data Quality Assessments (DQA), and must meet five data quality standards of validity, integrity, precision, reliability and timeliness. The methodology used for conducting the DQAs must be well documented by each operating unit. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf).
PAST PERFORMANCE	2005	Modern Contraceptive Prevalence Rate: 36.9%.
	2004	Modern Contraceptive Prevalence Rate: 35.9%.
	2003	Modern Contraceptive Prevalence Rate: 34.9%.

I/P: MATERNAL AND REPRODUCTIVE HEALTH *(continued)*

INDICATOR: Percent of Births Spaced Three or More Years Apart

Output

JUSTIFICATION: The proportion of all birth intervals (open and closed) that are 36 months or longer. Longer birth intervals are associated with better health outcomes for both mothers and infants.

FY 2006 PERFORMANCE	Target	Percent of Births Spaced Three or More Years Apart: 47.2%.
	Results	Percent of Births Spaced Three or More Years Apart: 47.6%.
	Rating	**On Target**
	Impact	Longer birth intervals are associated with better health outcomes for both mothers and infants.
PERFORMANCE DATA	Data Source	Demographic and Health Surveys (DHS) data and Reproductive Health Surveys (RHS) data as compiled by USAID's Global Health Bureau. Data based on 27 USAID assisted countries with DHS or RHS data.
	Data Quality (Verification)	The Agency's performance data are verified using Data Quality Assessments (DQA), and must meet five data quality standards of validity, integrity, precision, reliability and timeliness. The methodology used for conducting the DQAs must be well documented by each operating unit. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf).

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I/P: MATERNAL AND REPRODUCTIVE HEALTH *(continued)*		
INDICATOR: Percent of Births Spaced Three or More Years Apart *(continued)*		
PAST PERFORMANCE	2005	Percent of Births Spaced Three or More Years Apart: 46.8%.
	2004	Percent of Births Spaced Three or More Years Apart: 45.8%.
	2003	Percent of Births Spaced Three or More Years Apart: 45.1%.

	INDICATOR: Percent of First Births to Mothers Under Age 18	
	Output	
JUSTIFICATION: The proportion of women who had a first birth below age 18 among women aged 15-24 at the time of the survey. Young maternal age is associated with worse health outcomes for mothers and infants.		
FY 2006 PERFORMANCE	Target	Percent of First Births to Mothers Under Age 18: 24.1%.
	Results	Percent of First Births to Mothers Under Age 18: 24.3%.
	Rating	**On Target**
	Impact	Young maternal age is associated with poorer health outcomes for mothers and infants.
PERFORMANCE DATA	Data Source	Demographic and Health Survey (DHS) and Reproductive Health Survey (RHS) data compiled by USAID's Global Health Bureau. Data based on 26 USAID assisted countries with DHS or RHS data.
	Data Quality (Verification)	The Agency's performance data are verified using Data Quality Assessments (DQA), and must meet five data quality standards of validity, integrity, precision, reliability and timeliness. The methodology used for conducting the DQAs must be well documented by each operating unit. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf).
PAST PERFORMANCE	2005	Percent of First Births to Mothers Under Age 18: 24.5%.
	2004	Percent of First Births to Mothers Under Age 18: 24.6%.
	2003	Percent of First Births to Mothers Under Age 18: 24.8%.

A recent graduate of a USAID-sponsored health care training program showcases a poster detailing patients' rights and obligations in the Dominican Republic.

PHOTO: USAID/STEPHANIE MOLINA

I/P: CHILD HEALTH		
	INDICATOR: Under Age Five Mortality Rate	
	Outcome	
JUSTIFICATION: This is the basic indicator of child survival trends, and is the subject of the International (Millennium) Development Goals being tracked by most developing countries and international organizations.		
FY 2006 PERFORMANCE	**Target**	Under Age Five Mortality Rate: 88/1,000.
	Results	Under Age Five Mortality Rate: 87/1,000.
	Rating	**On Target**
	Impact	Survival of children under age five is one of the most important indicators of a population's overall well being. Continued progress in child survival, although slow, indicates the success of investment by USAID, host countries, and other partners in direct interventions in child health, such as immunization and improved nutrition, combined with the effects of poverty alleviation, education (especially for women and girls), increased food security, and other development interventions.
PERFORMANCE DATA	**Data Source**	UNICEF progress reports on child health.
	Data Quality (Verification)	The Agency's performance data are verified using Data Quality Assessments (DQA), and must meet five data quality standards of validity, integrity, precision, reliability and timeliness. The methodology used for conducting the DQAs must be well documented by each operating unit. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf).
PAST PERFORMANCE	**2005**	Under Age Five Mortality Rate: 89/1,000.
	2004	Under Age Five Mortality Rate: 91/1,000.
	2003	Under Age Five Mortality Rate: 94/1,000.

A boy in the village of Upper Mittikot in northwestern Pakistan carries the 20-liter containers USAID provided to help families store drinking water safely.

PHOTO: USAID/KAUKAB JHUMRA SMITH.

I/P: CHILD HEALTH *(continued)*

INDICATOR: Neonatal Mortality Rate

Outcome

JUSTIFICATION: Neonatal mortality is now the largest component of infant mortality in many countries, but requires program approaches beyond those that reduce mortality in older infants and children under the age five. Therefore, it needs to be measured separately and specifically.

FY 2006 PERFORMANCE	**Target**	Neonatal Mortality Rate: 32/1,000.
	Results	Neonatal Mortality Rate: 34/1,000.
	Rating	**Below Target**
	Impact	Neonatal mortality contributes to more than one-third of child deaths. Yet little has been done to improve newborn care and neonatal mortality trends have stagnated. With the USAID-supported publications of the Lancet neonatal series and the World Health Report in 2005, there is now a global momentum to strengthen newborn care interventions which, when scaled up, can reduce neonatal mortality even where health systems are weak. This new global awareness has recently stimulated many government and USAID Missions to develop new neonatal programs. However, the impact of these new programs on newborn mortality is not yet able to be seen in global averages.
	Reason for Shortfall	Global neonatal mortality trends have stagnated because, until very recently, health programs did not focus specifically on providing care during the newborn period. Seventy-five percent of newborns die within the first week of life but, given scarce evidence on simple interventions that could reduce neonatal mortality, there persists a perception that newborn interventions are high-tech and costly.
	Steps to Improve	Neonatal interventions are now integrated in maternal and child health programs in almost all USAID programs in the Asia Near East region; in Africa, about seven countries plan to introduce newborn interventions this year; and in the Latin America and Caribbean region, USAID has developed a regional newborn strategy to strengthen ongoing efforts. The impact of newborn programs in reducing mortality can be seen in selected countries; but it is too early to see an impact in global averages.
PERFORMANCE DATA	**Data Source**	Demographic and Health Surveys data as compiled by USAID's Global Health Bureau.
	Data Quality (Verification)	The Agency's performance data are verified using Data Quality Assessments (DQA), and must meet five data quality standards of validity, integrity, precision, reliability and timeliness. The methodology used for conducting the DQAs must be well documented by each operating unit. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf).
PAST PERFORMANCE	**2005**	Neonatal Mortality Rate: 34/1,000.
	2004	Neonatal Mortality Rate: 35/1,000.
	2003	Neonatal Mortality Rate: 36/1,000.

I/P: CHILD HEALTH *(continued)*

INDICATOR: Underweight for Children Under Age Five

Outcome

JUSTIFICATION: This is a basic indicator of child nutritional status, which is the best reflection of the impact of health and other program investments in improving health and development among living children. As such, it fundamentally complements measurements of reduction of child deaths.

FY 2006 PERFORMANCE	**Target**	Underweight for Children Under Age Five: 33.0%.
	Results	Underweight for Children Under Age Five: 33.6%.
	Rating	**On Target**
	Impact	The proportion of young children beneath the normal range of weight for their age is a basic indicator of child nutritional status. USAID combines promotion of breastfeeding—a vital source of nutrition and protection against diseases—with improved young child feeding and prevention of the malnourishing effects of child illness.
PERFORMANCE DATA	**Data Source**	UNICEF progress reports on child health.
	Data Quality (Verification)	The Agency's performance data are verified using Data Quality Assessments (DQA), and must meet five data quality standards of validity, integrity, precision, reliability and timeliness. The methodology used for conducting the DQAs must be well documented by each operating unit. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf).
PAST PERFORMANCE	**2005**	Underweight for Children Under Age Five: 34.3%.
	2004	Underweight for Children Under Age Five: 35.0%.
	2003	Underweight for Children Under Age Five: 35.7%.

A volunteer weighs babies at the Maternal and Child Health clinic in the village of Bumari, The Gambia.

PHOTO: PHOTOSHARE/JADE JUHL

I/P: CHILD HEALTH *(continued)*		
	INDICATOR: Percentage of Children with DPT3 Coverage	
	Output	
JUSTIFICATION: This is the internationally accepted indicator for coverage of child immunization – one of the most fundamental child health interventions – through regular immunization programs (as opposed to special campaigns, which can affect coverage of other vaccines like polio without improving the overall immunization status of children).		
FY 2006 PERFORMANCE	**Target**	Percentage of Children with DPT3 Coverage: 61.4%.
	Results	Percentage of Children with DPT3 Coverage: 61.1%.
	Rating	**On Target**
	Impact	Immunization is one of the most fundamental and cost-effective child health interventions. In developing countries, immunization saves millions of children from the health-impairing and often life-threatening effects of diseases like measles, whooping cough, tetanus, and polio.
PERFORMANCE DATA	**Data Source**	UNICEF & WHO reports.
	Data Quality (Verification)	The Agency's performance data are verified using Data Quality Assessments (DQA), and must meet five data quality standards of validity, integrity, precision, reliability and timeliness. The methodology used for conducting the DQAs must be well documented by each operating unit. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf).
PAST PERFORMANCE	**2005**	Percentage of Children with DPT3 Coverage: 60.4%.
	2004	Percentage of Children with DPT3 Coverage: 59.7%.
	2003	Percentage of Children with DPT3 Coverage: 58.9%.

A child receives a DPT injection during an immunization campaign for refugees at the Thai-Burma border.

PHOTO: PHOTOSHARE/ FPLM/JSI /PAULA NERSESIAN

I/P: CHILD HEALTH *(continued)*

INDICATOR: Percent of Children Aged 0-4 with Diarrhea Who Received Oral Rehydration Therapy

Output

JUSTIFICATION: Oral Rehydration Therapy is one of the basic treatment interventions related to child survival in developing countries and was developed largely through U.S.-supported research.

FY 2006 PERFORMANCE	**Target**	59%.
	Results	57.1%.
	Rating	**Below Target**
	Impact	Since the development of Oral Rehydration Therapy through USAID-supported research in the 1970s, this simple treatment has saved millions of child deaths from the dehydrating effects of the diarrheal illnesses that are common in poor countries.
	Reason for Shortfall	The target was simply too ambitious: from 2005 to 2006, the rate of increase of Oral Rehydration Therapy use continued at a steady, but slow, rate of about 0.5% per year. This rate is slower than in the late 1990s and early 2000s, in part because of competition for limited health program resources and resulting slower trends or even declines in some large countries. While USAID expected that remedial actions would begin to take effect in 2006, this has not yet happened.
	Steps to Improve	Remedial actions underway include revitalized promotion of Oral Rehydration Therapy through the introduction of new technologies, including an improved formulation of oral rehydration salts as well as zinc treatment to shorten illness. USAID is also beginning to work with several of the countries that experienced declining rates to identify strategies to improve those rates. With CDC, USAID is carrying out research to identify determinants of non-use of Oral Rehydration Therapy among mothers in urban and rural Kenya. These efforts, combined with influencing UNICEF, WHO, and other investors to refocus attention on the issue, should begin to accelerate progress. However, a more realistic target in the near term is a 1% per year increase.
PERFORMANCE DATA	**Data Source**	Demographic and Health Surveys data as compiled by USAID's Global Health Bureau.
	Data Quality (Verification)	Verification and validation of the Agency's performance data are accomplished by periodic reviews, certifications and audits, including Data Quality Assessments and PART assessments, as well as annual certification of operating units' strategic objectives and their relationship to the Agency's strategic goals. Data validation and verification are also supported by extensive automated systems and external expert analyses.
PAST PERFORMANCE	**2005**	56.5%.
	2004	56%.
	2003	55.4%.

ANNUAL PERFORMANCE GOAL 2

Partnerships, Initiatives, and Implemented International Treaties and Agreements that Protect the Environment and Promote Efficient Energy Use and Resource Management.

I/P: INSTITUTIONALIZING SUSTAINABLE DEVELOPMENT		
	INDICATOR: Number of People in Target Areas With Access to Adequate Safe Water Supply and/or Sanitation That Meets Sustainability Standards	
	Output	
JUSTIFICATION: Safe, sustainable supplies of water and sanitation have many environmental and health benefits, such as preserving natural resources and reducing infectious disease rates.		
FY 2006 PERFORMANCE	**Target**	■ 11,738,654 people in target areas with improved access to adequate safe water supply. ■ 14,193,418 people in target areas with access to sanitation that meets sustainability standards.
	Results	■ 18,441,762 people in target areas with improved access to adequate safe water supply, 57% above the FY 2006 target. ■ 13,531,629 people in target areas with access to sanitation that meets sustainability standards, 5% below the FY 2006 target.
	Rating	**On Target**
	Impact	Results will accelerate and expand international efforts to achieve the UN Millennium Development Goals and implement the Johannesburg Plan of Implementation, including halving by 2015 the proportion of people who are unable to reach or afford safe drinking water.
PERFORMANCE DATA	**Data Source**	Preliminary result data from USAID operating units. Results for FY 2006 do not include information from the Online Presidential Initiative Network, which has been phased out.
	Data Quality (Verification)	The Agency's performance data are verified using Data Quality Assessments (DQA), and must meet five data quality standards of validity, integrity, precision, reliability and timeliness. The methodology used for conducting the DQAs must be well documented by each operating unit. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf).
PAST PERFORMANCE	**2005**	■ 24,167,302 people in target areas with improved access to adequate safe water supply, a 124% increase over FY 2004. ■ 26,720,257 people in target areas with access to sanitation that meets sustainability standards, a 141% increase over the FY 2004 baseline.
	2004	■ 10,810,722 people in target areas with improved access to adequate safe water supply, a 254% increase from FY 2003. ■ **Baseline:** 11,104,271 people in target areas with access to sanitation that meets sustainability standards. This measure serves as a baseline.
	2003	■ 3,050,635 people in target areas with improved access to adequate safe water supply and/or sanitation that meets sustainability standards.

I/P: INSTITUTIONALIZING SUSTAINABLE DEVELOPMENT *(continued)*		
	INDICATOR: Number of People with Adequate Access to Modern Energy Services	
	Output	
JUSTIFICATION: Access to energy supplies and services promotes natural resource conservation, improves standards of living, and enhances economic opportunity, fostering increased sustainable development overall.		
FY 2006 PERFORMANCE	**Target**	50,000,000 people with access to modern energy services.
	Results	54,834,504 people with access to modern energy services, a 10% increase over the FY 2006 target.
	Rating	**Above Target**
	Impact	Expanded access to modern energy services has contributed to improved health care, promoted micro-enterprise development, and improved agricultural productivity in twenty-four USAID-assisted countries.
PERFORMANCE DATA	**Data Source**	Preliminary data from USAID operating units.
	Data Quality (Verification)	The Agency's performance data are verified using Data Quality Assessments (DQA), and must meet five data quality standards of validity, integrity, precision, reliability and timeliness. The methodology used for conducting the DQAs must be well documented by each operating unit. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf).
PAST PERFORMANCE	**2005**	48,772,600 people with access to modern energy services, a 848% increase from FY 2004.
	2004	5,140,411 people with access to modern energy services, a 7.9% increase from the FY 2003 baseline.
	2003	**Baseline:** 4,765,923 people with access to modern energy services.

Building Access to Safe Drinking Water

USAID works with 16 communities and about 12,000 beneficiaries in the district of Panjakent, supporting projects that focus on drinking water, irrigation, drainage systems, small bridges, and electric systems. In addition to funding important improvements, USAID helps villages create community organizations and develop capacity to address pressing social and economic issues. Through these activities, the project helps reduce tensions between villages, ethnic groups, and governing bodies in an area where competition for resources could potentially lead to conflict. In FY 2006, USAID supported installation of a water supply system to install more than 2.5 kilometers of pipeline and 15 water fountains in the village of Navobod in Panjakent District, in Tajikistan's Sughd Province. This infrastructure will provide access to safe drinking water to over 1,000 residents. A safe water system was also installed in the village of Jangal, serving more than 800 residents. Previously, the nearest sources of drinking water for these communities were natural springs, located far from the villages in this poor, remote area of Tajikistan. To bring safe drinking water to the villages, USAID's project cooperated with local communities. The villages donated labor and meals for workers, helped communicate with authorities, and committed to contribute to the system's maintenance and operations costs.

A Navobod villager collects water from a USAID-funded pump located steps away from his home. PHOTO: MERCY CORPS

I/P: COASTAL AND MARINE RESOURCES

INDICATOR: Implementation of Measures to Conserve and Protect Vulnerable Marine Species

Output

JUSTIFICATION: U.S. interest in promoting sound management of living marine resources requires the development and verifiable enforcement of agreed international standards. Oceans and fisheries are critical for global food security and for sustaining economic prosperity, particularly in developing countries. Effective conservation of living marine resources must be broader than single-stock management and reflect the complexity of the ecosystem as a whole.

FY 2006 PERFORMANCE	**Target**	■ Western and Central Pacific Fisheries Commission adopts initial set of conservation and management measures. ■ With science-based input from the United Nations Food and Agriculture Organization, the Convention on International Trade in Endangered Species continues to list marine fish species that meet its criteria. ■ International Whaling Commission scientific committee reviews status of bowhead and gray whale stocks to set new catch limit recommendations.
	Results	■ First conservation and management measures for Pacific tuna fisheries adopted in December 2005. ■ Proposals prepared to list additional marine species for the next Conference of the Parties in June 2007. ■ Strengthening current co-operation with other relevant organizations to ensure conservation and management of marine living resources in the Convention area in a manner consistent with international law. ■ The Scientific Committee work on status review for bowhead and gray whales will deliver catch limit recommendations in 2007.
	Rating	**On Target**
	Impact	■ Measures adopted form a basis for management of valuable Pacific yellowfin and bigeye tuna fisheries and slow the decline of these stocks. ■ Controls allow better tracking of non-commercially traded marine species, particularly vulnerable sharks. ■ Global implementation of simple changes to fishing gear or fishing patterns, largely developed in the United States, result in significant reductions in the number of endangered sea turtles killed in longline fisheries. ■ Estimated illegal taking of toothfish decreased and seabird bycatch within the convention area also continued to decrease. ■ The scientific integrity and diligence in bowhead and gray whale stock assessments should eliminate any credible scientific arguments against approving the 2008-2012 aboriginal subsistence quotas in 2007.
PERFORMANCE DATA	**Data Source**	Department of State.
	Data Quality (Verification)	Reliable data come from meeting reports of the listed organizations, as verified by U.S. delegates, and from Department reports on related activities.

Continued on next page

I/P: COASTAL AND MARINE RESOURCES *(continued)*		
INDICATOR: Implementation of Measures to Conserve and Protect Vulnerable Marine Species *(continued)*		
PAST PERFORMANCE	**2005**	■ New listings or additional protections for several marine species, including great white sharks. ■ U.S. proposals led regional fisheries bodies to support broader implementation of measures to reduce turtle bycatch in longline fisheries. ■ Resolution passed criticizing the Japanese research whaling program and requesting it be stopped immediately or replaced by non-lethal data collection.
	2004	■ Additional States signed and effectively implemented the Indian Ocean Sea Turtle memorandum of understanding. ■ U.S. continued to press for new and refined measures to reduce bycatch, including within regional fisheries bodies. ■ U.S. and Taiwan encouraged responsible fishing practices and control capacity, as defined by the Code of Conduct for Responsible Fisheries.
	2003	■ Several vulnerable marine species listed. Proposals rejected to downlist whale species and to allow trade in whale products. ■ U.S. provided assistance to help developing States implement the Indian Ocean Sea Turtle memorandum of understanding and its associated Conservation and Management Plan. ■ Renewed U.S. aboriginal bowhead and gray whale quota. Iceland began "scientific" whaling program.

	INDICATOR: Implementation of Marine Protected Areas	
	Outcome	
JUSTIFICATION: The Johannesburg Plan of Implementation advocates the use of marine protected areas as a tool for conserving marine biodiversity.		
FY 2006 PERFORMANCE	**Target**	U.S. contributes, through international fora, to strengthen networks of marine protected areas by 2012, consistent with international law and based on scientific information.
	Results	In the UN General Assembly, the U.S. worked multilaterally and succeeded in including references to networks of marine protected areas. In the South Pacific Regional Environment Program the U.S. supported a plan, which was approved, to initiate the development of a regional framework to support the establishment of marine protected areas in the region.
	Rating	**On Target**
	Impact	International fora have adopted plans that contribute to networks of marine protected areas.
PERFORMANCE DATA	**Data Source**	Bureau of Oceans and International Environmental and Scientific Affairs.
	Data Quality (Verification)	Reliable data come from meeting reports as verified by U.S. delegates.
PAST PERFORMANCE	**2005**	At the UN General Assembly, the U.S. worked to incorporate appropriate references to networks of marine protected areas in the annual Oceans resolution. The U.S. contributed to management plans that were developed for marine protected areas of several Pacific small island developing states.
	2004	Recommendations adopted to conserve biological diversity in protected areas and other innovative approaches for conservation and sustainable use of marine and coastal biodiversity.
	2003	Special Protected Areas and Wildlife in the Wider Caribbean Protocol ratified.

I/P: COASTAL AND MARINE RESOURCES *(continued)*

INDICATOR: Extent to Which Depleted Stocks of Living Marine Resources Rebuild to Healthy Levels Through Coordinated, Science-Based Management

Outcome

JUSTIFICATION: This indicator addresses the core function of the International Fisheries Commissions: to facilitate international cooperation to maintain or rebuild populations of shared fish stocks and other living marine resources. The Johannesburg Declaration includes a goal of progress towards recovery of depleted stocks of living marine resources by 2015.

FY 2006 PERFORMANCE	**Target**	■ Northwest Atlantic yellowtail flounder stocks fully rebuilt. ■ International Pacific Halibut Commission implements revised management measures for Pacific halibut based on results of multi-year assessment program.
	Results	The 2006 assessment by the Scientific Council of the Northwest Atlantic Fisheries Organization confirms that the once-depleted Grand Banks yellowtail flounder stock is fully rebuilt. The multi-year Pacific halibut assessment, and subsequent management changes, were delayed.
	Rating	**Below Target**
	Impact	The recovery of this stock, which was once so depleted it was subject to a ban on all directed fishing, reinforces the importance of science-based, precautionary management to rebuild valuable fish stocks. Sustainable harvests of yellowtail flounder continue to increase and now constitute one of the few healthy fisheries in the Northwest Atlantic. Delays in completing the multi-annual assessment make scientific assessments of the condition of the Pacific Halibut stock more uncertain and delay anticipated changes in the fishing allocations between the United States and Canada.
	Reason for Shortfall	Three years of funding shortfalls to the Pacific Halibut Commission forced a delay in the completion of the full assessment and rendered earlier survey work unusable.
	Steps to Improve	Secure sufficient funding to the International Pacific Halibut Commission to permit the necessary surveys and data-gathering to complete the assessment.
PERFORMANCE DATA	**Data Source**	Bureau of Oceans, International Environmental and Scientific Affairs will track, based on information from Commissions and the Food and Agriculture Organization.
	Data Quality (Verification)	Data on current stock conditions represents the best available science. Information on scientific assessments is gathered from the annual reports of the respective fisheries commissions as verified by U.S. delegates.
PAST PERFORMANCE	**2005**	■ The International Commission for the Conservation of Atlantic Tunas deferred agreement on long-term recovery measures for Atlantic marlin until a new scientific stock assessment is conducted in 2006. ■ New sharing arrangements for Pacific chum salmon negotiated through the Pacific Salmon Commission. ■ Management measures implemented to halt decline of vulnerable North Atlantic skate stocks.
	2004	■ Multi-year management strategy implemented for Eastern Tropical Pacific tuna stocks. ■ Bowhead whale stocks increase 3.4 percent towards non-endangered levels. ■ North Atlantic swordfish stocks fully rebuilt.
	2003	**Baseline:** Rebuilding plans in place setting long-term recovery measures for North Atlantic swordfish and Western Atlantic bluefin tuna.

I/P: CONSERVATION OF BIOLOGICAL DIVERSITY, PROTECTED AREAS, FORESTS, AND OTHER NATURAL RESOURCES

INDICATOR: Number of Hectares under Increased Conservation and Improved Management

Output

JUSTIFICATION: Biodiversity conservation and sound natural resource management promote improved quality of life and well-being.

FY 2006 PERFORMANCE	Target	■ 57,075,632 hectares under improved management (biodiverse landscapes, forests, watersheds, agricultural, and natural landscapes). ■ 22,677,926 hectares under increased conservation and sustainable management of forest ecosystems.
	Results	■ 69,467,880 hectares under improved management (biodiverse landscapes, forests, watersheds, agricultural, and natural landscapes), or 22% above the FY 2006 target. ■ 19,690,815 hectares under increased conservation and sustainable management of forest ecosystems, or 13% below the FY 2006 target.
	Rating	**On Target**
	Impact	Protecting valuable genetic resources and ecosystems, and expanding enterprise and employment opportunities from the sustainable production of natural products and environmental services, contribute to equitable natural resources governance, and mitigate conflict over resources.
PERFORMANCE DATA	Data Source	Preliminary result data from USAID operating units.
	Data Quality (Verification)	The Agency's performance data are verified using Data Quality Assessments (DQA), and must meet five data quality standards of validity, integrity, precision, reliability and timeliness. The methodology used for conducting the DQAs must be well documented by each operating unit. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf).
PAST PERFORMANCE	2005	■ 59,568,508 hectares under improved management (biodiverse landscapes, forests, watersheds, agricultural and natural landscapes), a 114% increase from the FY 2004 baseline. ■ 199,433,269 hectares under increased conservation and sustainable management of forest ecosystems, a 944% increase from the FY 2004 baseline.
	2004	**Baseline:** ■ 51,834,573 hectares under improved management (biodiverse landscapes, forests, watersheds, agricultural, and natural landscapes). ■ 19,101,701 hectares under increased conservation and sustainable management of forest ecosystems.
	2003	N/A.

Wetlands Conservation Pays Off in Bangladesh

BEFORE – Wetlands in Hail Haor, Bangladesh in 1999. Over the last 150 years, approximately 50 percent of dry season wetlands have disappeared, resulting in lower fish production. Environmental changes, such as flood embankments and large silt deposits, have reduced the area and quality of Bangladesh's water bodies.

AFTER – Wetlands in Hail Haor, Bangladesh in 2006. As a result of USAID support and assistance, this site has been restored to improve the flow of water and yields of fish.

PHOTO: UNOPS (BEFORE)
PHOTO: USAID (AFTER)

I/P: GLOBAL CLIMATE CHANGE

INDICATOR: Multilateral Climate Change Science and Clean Energy Technology Partnerships and Initiatives

Outcome

JUSTIFICATION: Project execution and cooperation will help reduce the costs of low-carbon technologies, improve understanding of global climate change, and encourage adaptation, thus moving the international community toward greenhouse gas concentration stabilization at a level that would prevent dangerous interference with the climate system.

FY 2006 PERFORMANCE	Target	■ Implement the Ten-Year Plan for the Global Earth Observation System of Systems, designed to enhance and sustain environmental observation capabilities. ■ Advance multilateral climate change science and technology partnership project-based activities through the Methane-to-Markets Partnership, the International Partnership for the Hydrogen Economy, the Earth Observation initiative, the Carbon Sequestration Leadership Forum, and development assistance programs, in cooperation with developed and developing countries.
	Results	Ten-Year Plan established and under implementation. Global environmental observation capabilities strengthened. A number of innovative projects were launched in FY 2006, including those under the Methane-to-Markets Partnership and the International Partnership for the Hydrogen Economy.
	Rating	**On Target**
	Impact	Mitigation of greenhouse gas emissions, strengthened relations with key developing country partners, and advancement of climate change science and technology.
PERFORMANCE DATA	Data Source	Decisions and reports of the UN Framework Convention on Climate Change. Internal and external reviews of activities under bilateral, regional, and multilateral programs and partnerships.
	Data Quality (Verification)	Data are gathered by scientific experts, verified by USAID and Department of State program managers, and are published in widely-disseminated reports.
PAST PERFORMANCE	2005	Launched the Ten-Year Plan and identified environmental observation capabilities to be strengthened. U.S. played a leadership role in the Methane-to-Markets Partnership, the International Partnership for the Hydrogen Economy, and the Carbon Sequestration Leadership Forum.
	2004	■ Advanced the Global Climate Observing System through voluntary funding, capacity building, and technical support. ■ Developed project-based activities under the Carbon Sequestration Leadership Forum and the International Partnership for the Hydrogen Economy.
	2003	■ Launched new ministerial-level international initiatives on Earth observation, carbon capture and storage, and the hydrogen economy. U.S. hosts first Earth Observation Summit to encourage development and financial support for an integrated, sustained Earth observation system. ■ USAID implemented climate-related activities with a total budget of $207 million, in 55 bilateral country missions, regional programs, and central offices. 4 million metric tons of CO_2 equivalent emissions were avoided and 27 million hectares/year were involved in activities that promote carbon storage and/or protect carbon sinks.

ANNUAL PERFORMANCE GOAL 3

Broader Access to Quality Education with Emphasis on Primary School Completion

I/P: IMPROVED ACCESS TO QUALITY EDUCATION

INDICATOR: Number of Learners Completing Basic Education in Programs Sponsored by USAID

Output

JUSTIFICATION: This global, aggregated, output indicator measures changes in education programs.

FY 2006 PERFORMANCE	**Target**	■ 25,636,732 students enrolled in primary school. ■ 2,429,813 students completing primary school. ■ 82,000 adult learners completing basic education.
	Results	■ 27,637,263 students enrolled in primary school. ■ FY 2006 preliminary result data for the number of students completing primary school are not yet available. ■ FY 2006 preliminary result data for the number of adult learners completing basic education are not yet available.
	Rating	**On Target**
	Impact	Quality improvements include better curriculum that promotes critical thinking and problem solving, instruction and teacher training; more favorable student-teacher ratios; more equitable gender balance and heightened gender sensitivity; greater relevance of curriculum to societal needs; and/or other systemic improvements.
PERFORMANCE DATA	**Data Source**	Preliminary result data from USAID operating units.
	Data Quality (Verification)	The Agency's performance data are verified using Data Quality Assessments (DQA), and must meet five data quality standards of validity, integrity, precision, reliability and timeliness. The methodology used for conducting the DQAs must be well documented by each operating unit. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf).
PAST PERFORMANCE	**2005**	■ 23,233,676 students enrolled in primary school, a 9% increase from FY 2004. ■ 1,572,853 students completed primary school, a 10% decrease from FY 2004. ■ 143,502 adult learners completed basic education, a 70% increase from FY 2004.
	2004	■ 21,279,734 students enrolled in primary school, a 4.6% decrease from the FY 2003 baseline. ■ 1,751,298 students completed primary school, a 2.7% decrease from the FY 2003 baseline. ■ 84,494 adult learners completed basic education, a 17% decrease from the FY 2004 baseline.
	2003	**Baselines:** ■ 22,317,204 children enrolled in primary education programs. ■ 1,799,066 children completed primary school. ■ 101,756 adult learners completed basic education.

I/P: IMPROVED ACCESS TO QUALITY EDUCATION *(continued)*

INDICATOR: Capabilities in Higher Education and Workforce Development Programs Sponsored by USAID

Output

JUSTIFICATION: This indicator addresses USAID's efforts in higher education and workforce development.

FY 2006 PERFORMANCE	**Target**	■ 640 host country institutions increase management and technical capacity through partnership programs. ■ 320 higher education institutional programs, policies and curricula adapted to the needs of sustainable development. ■ 120,507 persons trained through workforce development programs.
	Results	■ FY 2006 preliminary result data for the number of host country institutions increasing management and technical capacity through partnership programs are not yet available. ■ FY 2006 preliminary result data for the number of higher education institutional programs, policies and curricula adapted to the needs of sustainable development are not yet available. ■ 77,830 persons trained through workforce development programs.
	Rating	**Significantly Below Target**
	Impact	USAID's higher education partnerships have promoted sustainable development in the following sectors: agriculture, agribusiness, animal science, community development, democracy and governance, public policy, law, journalism, economic growth and trade, education, environment, natural resources management, distance education, Internet and communication technology, population, health, nutrition, and workforce and entrepreneurial development.
	Reason for Shortfall	The explanation for this program's shortfall is pending and will be obtained once the final FY 2006 results are reported.
	Steps to Improve	The necessary steps for this program's improvement are pending and will be obtained once the final FY 2006 results are reported.
PERFORMANCE DATA	**Data Source**	Preliminary result data from USAID operating units.
	Data Quality (Verification)	The Agency's performance data are verified using Data Quality Assessments (DQA), and must meet five data quality standards of validity, integrity, precision, reliability and timeliness. The methodology used for conducting the DQAs must be well documented by each operating unit. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf).

Continued on next page

I/P: IMPROVED ACCESS TO QUALITY EDUCATION *(continued)*		
INDICATOR: Capabilities in Higher Education and Workforce Development Programs Sponsored by USAID ***(continued)***		
PAST PERFORMANCE	**2005**	■ 666 host country institutions gain increased management capacity through partnership programs, a 21% increase from FY 2004. ■ 264 higher education institutional programs, policies, and curricula adapted to the needs of sustainable development, a 20% increase from FY 2004. ■ 98,671 persons trained through workforce development programs, a 26% increase from the FY 2004 baseline.
	2004	■ 550 host country institutions gain increased management capacity through partnership programs, a 4% increase from the FY 2003 baseline. ■ 220 higher education institutional programs, policies and curricula adapted to the needs of sustainable development, a 6% increase from the FY 2003 baseline. ■ Baseline: 78,289 persons trained through workforce development programs.
	2003	**Baselines:** ■ 528 host country institutions gain increased management capacity through partnership programs. ■ 207 higher education institutional programs, policies and curricula adapted to the needs of sustainable development.

ANNUAL PERFORMANCE GOAL 4

Effective and Humane International Migration Policies and Systems.

I/P: EFFECTIVE AND HUMANE MIGRATION POLICIES AND SYSTEMS		
	INDICATOR: Percentage of Initiatives Agreed Upon at Regional Migration Dialogues That Are Implemented Worldwide	
	Output	
JUSTIFICATION: The number of activities implemented measures governments' political and financial commitment to the success of these dialogues.		
FY 2006 PERFORMANCE	**Target**	70% of activities agreed to in the dialogues are implemented worldwide.
	Results	■ At least 85% activities agreed to by Regional Conference on Migration in North and Central America member states have been implemented or are in the process of implementation in FY 2006. ■ 90% of the activities agreed upon by members of the Intergovernmental Consultations on Asylum, Refugee and Migration Policies have been implemented or are in the process of implementation.
	Rating	**Above Target**
	Impact	An increased number of governments committed to pursuing regional migration dialogues helps pave the way for humane and effective migration regimes for the 150 million migrants in the world today.
PERFORMANCE DATA	**Data Source**	The Department's Bureau of Population, Refugees, and Migration is the only U.S. Government entity to track the activities implemented under the migration dialogues.
	Data Quality (Verification)	The Bureau of Population, Refugees, and Migration participates in migration dialogues, and tracks the implementation of follow-on activities.

Continued on next page

I/P: EFFECTIVE AND HUMANE MIGRATION POLICIES AND SYSTEMS *(continued)*		
INDICATOR: Percentage of Initiatives Agreed Upon at Regional Migration Dialogues That Are Implemented Worldwide *(continued)*		
PAST PERFORMANCE	**2005**	Approximately 88% of activities agreed to were implemented.
	2004	■ Over 90% of the activities agreed upon by members of the Intergovernmental Consultations on Asylum, Refugee and Migration Policies in Europe, North America and Australia were implemented. ■ Over 75% of the activities agreed by Regional Conference on Migration in North and Central America member states were implemented. ■ Shorter-term activities were conducted in a reasonable timeframe, while implementation of longer-term initiatives was underway.
	2003	■ Approximately 75% of the activities agreed upon were implemented. ■ Shorter-term activities were completed, while implementation of longer-term initiatives was underway. ■ 50% of the activities agreed to in the dialogues were implemented.

Internally displaced persons in remote areas such as the Riyad settlement in Sudan rely upon USAID relief supplies to survive. PHOTO: USAID

STRATEGIC GOAL 7: HUMANITARIAN RESPONSE

Minimize the Human Costs of Displacement, Conflicts, and Natural Disasters

I. PUBLIC BENEFIT

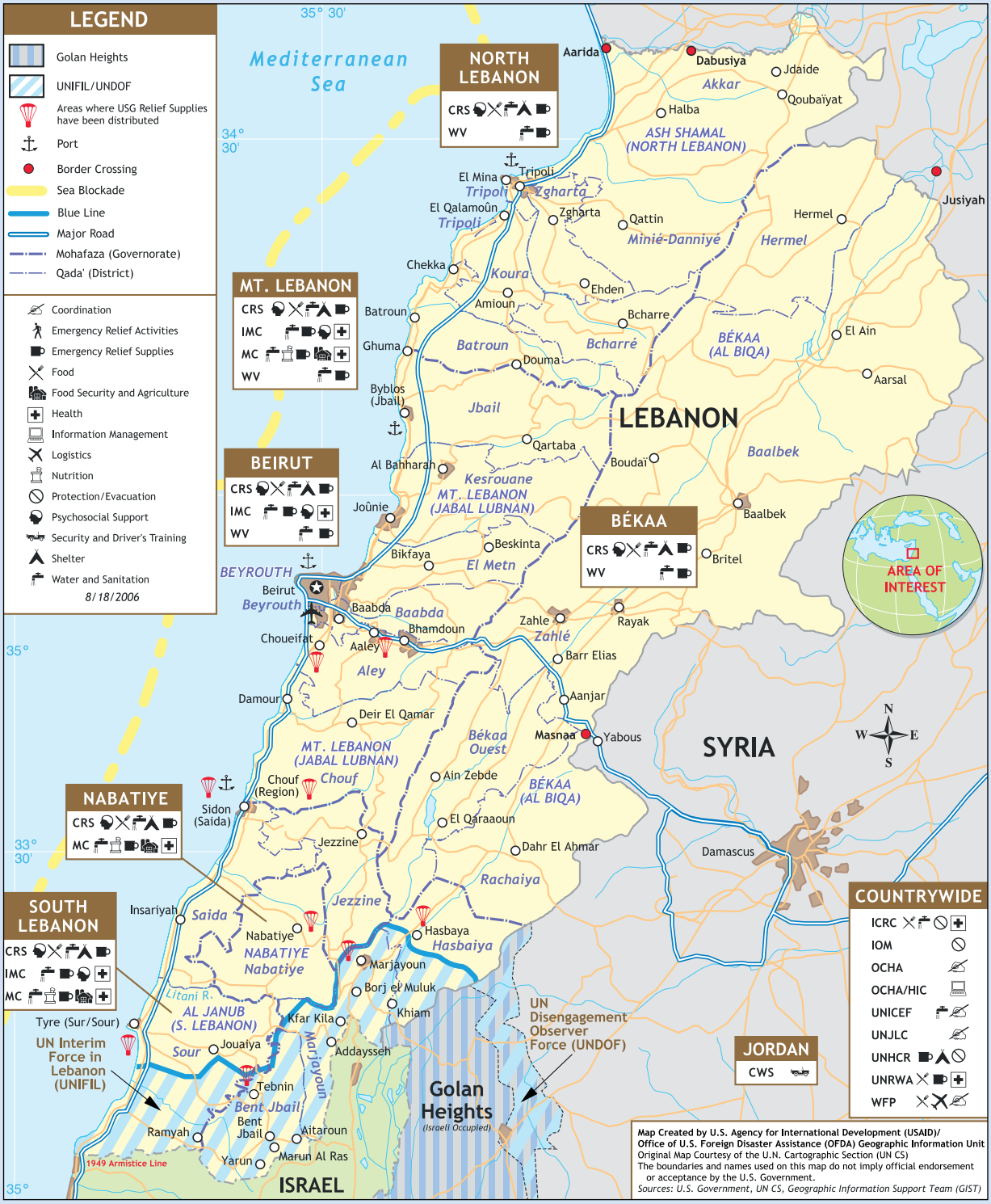
The United States' commitment to humanitarian response demonstrates America's compassion for victims of armed conflict, natural disasters, landmines, forced migration, human rights violations, widespread health and food insecurity, and other threats. The strength of this commitment derives from both our common humanity and our responsibility as a global leader. The U.S. Government's response to natural and human-made disasters complements efforts to promote democracy and human rights. In addition to saving lives and alleviating human suffering, humanitarian programs support the objectives of the U.S. National Security Strategy by addressing crises with potential regional or global implications, fostering peace and stability, and promoting sustainable development and infrastructure revitalization.

USAID educational advisors in Pakistan hand a school uniform to a survivor of the October 2005 earthquake. The student is heading to school for the first time ever.

PHOTO: USAID/SUZANNE ROSS.

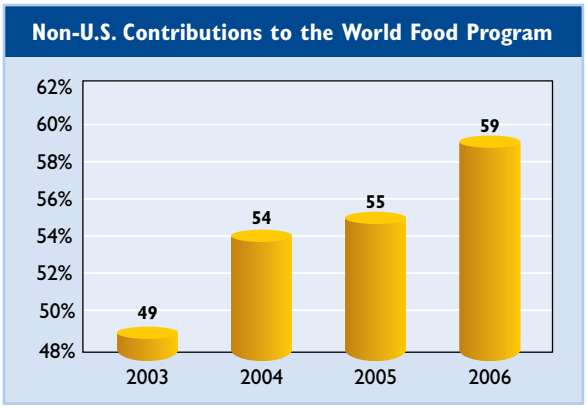
The U.S. is the leader in international efforts to prevent and respond to humanitarian crises. Through the Department and USAID, the USG provides substantial resources and guidance to international and nongovernmental organizations for worldwide humanitarian programs, with objectives to increase access to protection, promote burden-sharing, and coordinate funding and implementation strategies. The Department and USAID engage in multilateral responses to humanitarian crises and prioritize the regular monitoring and evaluation of humanitarian programs to ensure that the needs of refugees, internally displaced persons (IDPs), and other victims of conflict and natural disasters are met. Financial support for demining activities makes areas safe for the return of refugees and IDPs. The Department's management and support of overseas refugee admissions programs provide an important durable solution for refugees and serves as the leading model for other resettlement countries. USG leadership and support during disasters and complex humanitarian emergencies also provide a positive standard for the international donor community and hope for a better future to people suffering as a result of natural or human-made disasters.

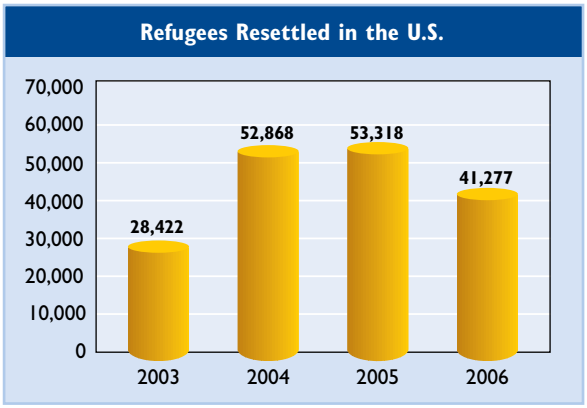
USG HUMANITARIAN ASSISTANCE TO LEBANON



Map Created by U.S. Agency for International Development (USAID)/ Office of U.S. Foreign Disaster Assistance (OFDA) Geographic Information Unit
Original Map Courtesy of the U.N. Cartographic Section (UN CS)
The boundaries and names used on this map do not imply official endorsement or acceptance by the U.S. Government.
Sources: U.S. Government, UN CS, Geographic Information Support Team (GIST)

II. SELECTED PERFORMANCE TRENDS





III. STRATEGIC CONTEXT

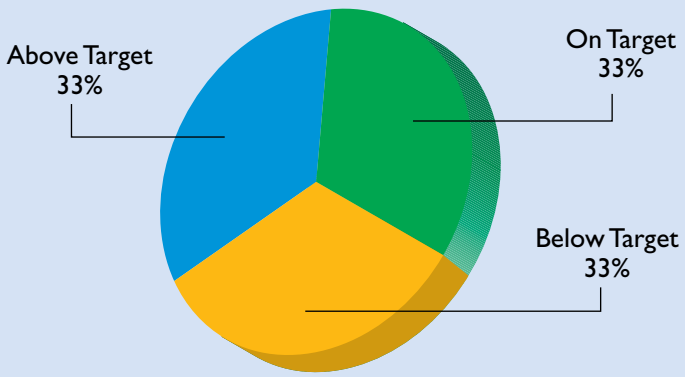
Shown below are the performance goals, initiatives/programs, and the resources, bureaus and partners that contribute to accomplishment of the Humanitarian Response strategic goal. Acronyms are defined in the glossary at the back of this publication.

Strategic Goal	Performance Goal (Short Title)	Initiative/ Program	Major Resources	Lead Bureau(s)	External Partners
Humanitarian Response	Protection and Assistance for Refugees and Other Victims	Humanitarian Assistance	DA, ERMA, IDFA, MRA, TI, Title II	PRM, DCHA	UN agencies, HHS, other international and nongovernmental organizations
		Refugee Admissions to the U.S.	ERMA, MRA	PRM	DHS, HHS, UNHCR, IOM, NGOs
		Humanitarian Mine Action	NADR	PM, DCHA	DoD, NGOs, the UN and other international organizations and donor states
		World Food Program Donor Base	DA, D&CP, ERMA, IO&P, MRA, Title II	IO, PRM, DCHA	WFP, other WFP donors
	Disaster Prevention/ Response via Capacity Building	Capacity Building	DA, IDFA, Title II	DCHA	Famine Early Warning System, NOAA, USFS, USGS, Fairfax County Fire & Rescue Department, international and nongovernmental organizations

IV. PERFORMANCE SUMMARY (STATE AND USAID)

The chart below summarizes the performance ratings for Department of State and USAID results for the Humanitarian Response strategic goal.

STRATEGIC GOAL RESULTS ACHIEVED FOR FY 2006



RATINGS DISTRIBUTION

Significantly Above Target	0
Above Target	3
On Target	3
Below Target	3
Significantly Below Target	0
Total Number of Ratings	**9**

V. PERFORMANCE ANALYSIS

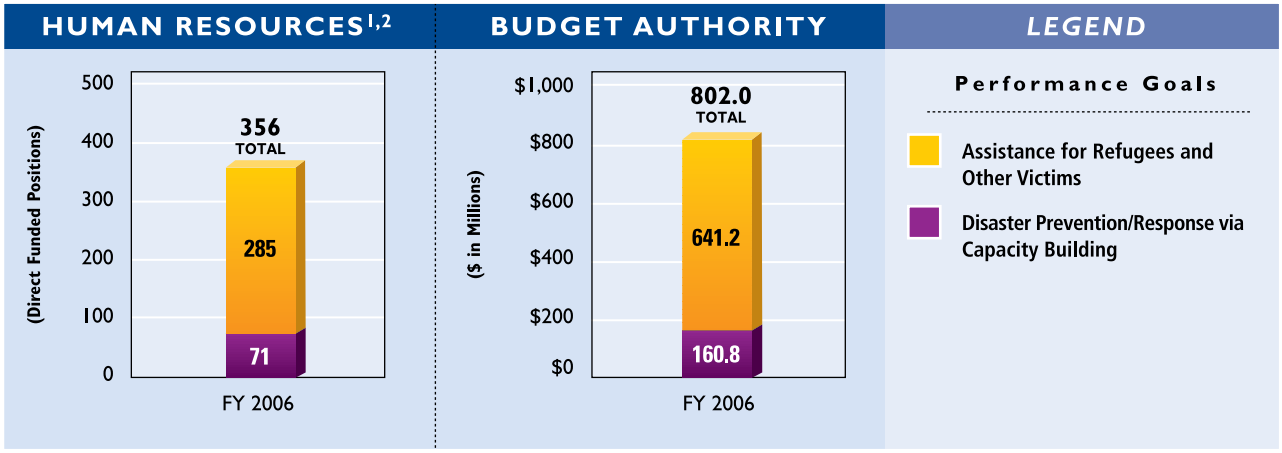
PERFORMANCE TRENDS. Three significant trends under the Humanitarian Response Strategic Goal are worthy of note. First, U.S. humanitarian assistance programs are achieving and sustaining progress on protecting the nutritional status and humanitarian needs of refugees, victims of conflict and Internally Displaced Persons, especially young children. Second, the international donor community is taking on a larger share of total contributions to the World Food Program as a result of USG efforts to promote burden sharing among our international partners. Third, U.S. mine action programs are providing the training and assistance countries need to become self-sufficient in carrying out demining activities that clear land of dangerous mines, alleviate suffering and restore confidence in public safety.

HIGH-LEVEL RESULTS. The Department and USAID made demonstrable progress toward high-level outcomes such as carrying out humanitarian demining operations, monitoring the nutritional status of vulnerable children, and increasing capacity of partner nations to detect and respond to natural or human-made disasters.

RESULTS SIGNIFICANTLY ABOVE OR SIGNIFICANTLY BELOW TARGET. There were no results rated significantly above or significantly below target under this Strategic Goal.

KEY INITIATIVES AND PROGRAMS. Significant FY 2006 investments to address the human costs of displacement, conflict, and natural disasters include $365 million for international disaster relief, rehabilitation, and reconstruction assistance and $791 million to develop effective responses to protracted refugee situations, including integration of refugees into local schools, resource conservation projects, and other projects designed to diminish conflict between refugee hosting communities and refugees.

VI. RESOURCES INVESTED BY USAID



1 USAID human resource figures reflect all full-time direct funded employees including civil service, foreign service, foreign service nationals, personal services contractors, and other USG employment categories. Institutional contractor staff are not included.

2 Data on FY 2006 human resource levels by Strategic and Performance Goals were not collected. These figures were estimated using FY 2005 human resources data prorated against the FY 2006 Statement of Net Cost.

Families receive food donated by USAID after a February 2006 avalanche struck the district of Jirgital, Tajikistan.

PHOTO CREDIT: MERCY CORPS.

VII. PERFORMANCE RESULTS

For each initiative/program that supports accomplishment of this strategic goal, the most critical FY 2006 performance indicators and targets are shown below.

ANNUAL PERFORMANCE GOAL 1

Effective Protection, Assistance, and Durable Solutions for Refugees, Internally Displaced Persons, and Conflict Victims.

I/P: HUMANITARIAN ASSISTANCE

INDICATOR: Crude Mortality Rates (CMR) – Threshold

Outcome

JUSTIFICATION: The crude mortality rate is the mortality rate from all causes of death for a population. The CMR is an accepted indicator of the extent to which the international community is meeting minimum standards of care and the overall effectiveness and performance of the international relief system. This indicator is used to measure emergency assistance among controlled populations, such as refugee camps.

FY 2006 PERFORMANCE	Target	■ In complex humanitarian crises, CMR does not exceed regional emergency thresholds in 95% of targeted sites. ■ Support efforts to improve data collection, e.g., expand pilot data collection effort to other countries and partner organizations, and to take other measures to address any problems of excess mortality.
	Results	■ Criteria developed by Sphere established regional CMR thresholds for emergency response based on long-term CMR data in these areas. CMR did not exceed regional emergency thresholds in targeted refugee sites where data were available. ■ The online interface of the Complex Emergencies Database (CE-DAT) has been greatly improved and data on mortality, nutritional status, and vaccination coverage has been expanded, benefiting both the USG and the international humanitarian community.
	Rating	**Above Target**
	Impact	The Department's contributions to international humanitarian efforts save refugee lives.
PERFORMANCE DATA	Data Source	Centre for Research on the Epidemiology of Disasters; UN Nutrition Information in Crisis Situations; UN High Commissioner for Refugees (UNHCR), International Committee of the Red Cross (ICRC), Centers for Disease Control and Prevention; reports from international and nongovernmental organizations.
	Data Quality (Verification)	The Department actively monitors Crude Mortality Rates reported by UNHCR, ICRC, and other international and non-governmental organizations. Refugee coordinators and program specialists monitor performance in the field and through regular consultations with partners in Washington and Geneva. CE-DAT provides accessible, high quality data on CMR in an increasing number of countries, as well as information regarding the methodology, accuracy and reliability of the data reported.
PAST PERFORMANCE	2005	■ Where data were available, CMR did not exceed regional emergency thresholds in over 98% of targeted refugee sites. ■ In FY 2005, CMR was reported above the regional emergency threshold in four sites (three in Chad and one in Kenya) out of over 225 refugee camps and settlements worldwide. There was a decline in CMR among Sudanese refugees from Darfur, although the mortality rate remained an issue of concern in selected sites in Chad.
	2004	In June 2004, CMR exceeded 2/10,000 people per day among Sudanese refugees in Chad. With the Department's support, the Centre for Research on the Epidemiology of Disasters created the Complex Emergencies Database to track data on CMR and nutritional status.
	2003	Where data were available, crude mortality rates did not exceed 1/10,000 people per day in refugee crises. Efforts to expand pilot data collection were delayed; the Department's implementing partner did not reach the pilot stage of the project, but finalized guidelines and methodology for CMR surveys.

I/P: HUMANITARIAN ASSISTANCE *(continued)*

INDICATOR: Crude Mortality Rate (Death) - Trend

Outcome

JUSTIFICATION: The Crude Mortality (Death) Rate (CMR) is the most vital public health indicator of the severity of a humanitarian crisis. The CMR is an accepted indicator of the extent to which the international community is meeting minimum standards of care and the overall effectiveness and performance of the international relief system. This indicator is used to measure emergency assistance among dispersed populations.

FY 2006 PERFORMANCE	**Target**	In complex humanitarian crises, USAID will ensure that 65% of sites are monitored and that the CMR declines or remains stable in two-thirds (2/3) of monitored sites for all USAID funded projects.
	Results	In complex humanitarian crises, USAID monitored 18.4% of sites. CMR declined or remained stable in two-thirds (2/3) of monitored sites.
	Rating	**Below Target**
	Impact	The impact of USAID's assistance is difficult to measure because not all implementing partners have a systematic methodology to collect and report on performance data.
	Reason for Shortfall	■ NGO implementing partners need training to collect CMR data.
	Steps to Improve	■ Train NGOs implementing partners to collect CMR data. ■ Systematize NGO reporting of survey data to USAID, the Complex Emergencies Database (CE-DAT)and the Center for Research on the Epidemiology of Disasters (CRED). ■ In coordination with CRED, establish an independent expert group to verify data reliability and validity.
PERFORMANCE DATA	**Data Source**	■ The primary data source is surveys undertaken by NGO implementing partners with health programs. ■ NGO survey data are compiled by the Center for Research on the Epidemiology of Disasters and integrated to the global CE-DAT data set, along with survey data from UN agencies, international organizations and other partners. used for global trend analysis and monitoring.
	Data Quality (Verification)	CRED screens survey data for reliability and validity of data used for the CE-DAT database and for reporting.
PAST PERFORMANCE	**2005**	CMR remained stable in two-thirds of monitored areas. 41 sites were surveyed in 15 countries. Data available from 21 emergency sites showed that CMR declined from FY 2004 to FY 2005 in 68% of sites and increased in 31% of sites. SMART Methodology Version 1 was developed and officially rolled out at the interagency meeting hosted by UNICEF. This provides guidance on how to collect CDR – a first step toward improving data reliability.
	2004	CE-DAT officially launched as an online, publicly accessible data source for mortality, morbidity, and nutrition information.
	2003	The Department of State funded CE-DAT to compile data on CMR, nutrition, and other indicators. Pre-conflict baseline data were collected and established for 89 mortality survey populations in 26 countries.

I/P: HUMANITARIAN ASSISTANCE *(continued)*

INDICATOR: Nutritional Status of Children Under 5 Years of Age – Threshold

Outcome

JUSTIFICATION: Nutritional status is a basic indicator for assessing the severity of crisis, together with Crude Mortality Rate. In emergencies, weight loss among children 6-59 months is used as a proxy indicator for the general health and well-being of the entire community. This indicator is used to measure emergency assistance among controlled populations, such as refugee camps.

FY 2006 PERFORMANCE	**Target**	In targeted sites, less than 10% of children under five suffer from global acute malnutrition.
	Results	Global Acute Malnutrition (GAM) is the term used to include all malnourished children whether they have moderate wasting, severe wasting or edema, or some combination of these conditions. It is defined as weight-for-height ratios that are less than or equal to two standard deviations below the mean (Z score of less than -2) or less than 80% median weight-for-height, and the presence of nutritional edema. ■ In 98% of refugee camps and settlements (221 of at least 225 worldwide), less than 10% of children under five suffered from global acute malnutrition. ■ GAM rates exceeded 10% in two camps in Bangladesh (Nayapara, Kutupalong), one in Uganda (Kyaka II), and one in Nigeria (Oru). In two camps in Chad (Oure Cassoni, Am Nabak), GAM rates temporarily rose above acceptable levels, but were quickly reduced with appropriate interventions. ■ The Government of Burma signed a long-delayed agreement with UNHCR on improvement of the camps. The Department also provided the World Food Program with an additional $250,000 in FY 2006 to provide much needed food assistance to refugees in Bangladesh. ■ The Department is working with UNHCR and other international and nongovernmental organizations to ensure that less than 10% of children under age five suffer from global acute malnutrition in refugee camps in Nigeria and Uganda.
	Rating	**On Target**
	Impact	Elevated rates of GAM directly contribute to increased rates of morbidity and mortality in children under five years of age. Malnutrition may also threaten refugee protection in terms of camp security, vulnerability to exploitation, and in extreme cases, involuntary return.
PERFORMANCE DATA	**Data Source**	Complex Emergencies Database (CE-DAT) established by the Centre for Research on the Epidemiology of Disasters (CRED); UN Standing Committee on Nutrition/ Nutrition Information in Crisis Situations (NICS); Centers for Disease Control and Prevention; reports from international and nongovernmental organizations.
	Data Quality (Verification)	CE-DAT provides information regarding the methodology, accuracy and reliability of the data reported. The Bureau of Population, Refugees and Migration routinely monitors the nutrition surveillance and feeding programs of international and non-governmental organizations through refugee coordinators in the field and specialists based in Washington and Geneva.
PAST PERFORMANCE	**2005**	In 94% of refugee camps and settlements (211 of at least 225 worldwide), less than 10% of children under five suffered from global acute malnutrition. During FY 2005, GAM rates exceeded 10% in two sites in Bangladesh, six sites in Chad, three sites in Ethiopia, and three sites in Kenya.
	2004	In June 2004, 36-39% of children under age five suffered from global acute malnutrition among Sudanese refugees in Chad. The Department and USAID continued supporting new tools and measures to improve data collection and reporting on nutritional status.
	2003	**Baseline:** In humanitarian crises where Department funds were provided, at least 90% of children under five had weight-for-height ratios that were greater than or equal to two standard deviations below the mean, or greater than 80% median weight-for-height, and an absence of nutritional edema.

I/P: HUMANITARIAN ASSISTANCE *(continued)*

INDICATOR: Nutritional Status of Children Under 5 Years of Age - Trend

Outcome

JUSTIFICATION: Nutritional status is a basic indicator for assessing the severity of crisis, together with Crude Mortality Rate. In emergencies, weight loss among children 6-59 months is used as a proxy indicator for the general health and well-being of the entire community. This indicator is used to measure emergency assistance among dispersed populations.

FY 2006 PERFORMANCE	**Target**	In complex humanitarian crises, USAID will ensure 30% of sites are monitored, and nutritional status improves or remains stable in two-thirds of the monitored sites, for all of its funded projects.
	Results	In complex humanitarian crises, USAID ensured that 34.7% of sites were monitored and nutritional status remained stable in 82% of the monitored sites and improved in 18% of sites.
	Rating	**Above Target**
	Impact	Global Acute Malnutrition (GAM) rates are stable or improving in the majority of USAID funded sites being monitored.
PERFORMANCE DATA	**Data Source**	The primary data source is surveys undertaken by NGO implementing partners with health/nutrition programs. NGO survey data are compiled by the United Nations Standing Committee on Nutrition (UN SCN) and integrated to the global database, along with survey data from the UN, international organizations and other partners. Data are used for global trend analysis and monitoring.
	Data Quality (Verification)	The UN SCN screens survey data for reliability and validity. USAID recommends establishing an independent expert group to further this work in coordination with the UN SCN.
PAST PERFORMANCE	**2005**	Nutritional status improved or remained stable in two-thirds of monitored sites. 163 emergency sites were surveyed in 23 countries. Data available from 40 emergency sites showed that nutritional status improved in 13% of sites from FY 2004 to FY 2005 and remained stable in 85% of sites. Nutritional status deteriorated in 2% of sites.
	2004	198 emergency sites surveyed in 22 countries (16 in Africa, four in Asia, one in Middle East, and one in South America).
	2003	Nutrition data compiled for 67% of selected conflict sites with Crude Mortality Rate data, mostly in the Africa region and countries with protracted emergencies, and Iraq and Afghanistan.

Ambassador Tony Hall, former U.S. representative to the World Food Program, in Kenya, February, 2006.

PHOTO: DEPARTMENT OF STATE

I/P: HUMANITARIAN ASSISTANCE *(continued)*		
	INDICATOR: Number of Beneficiaries Assisted by USAID Title II Emergency Food Aid	
	Output	
JUSTIFICATION: This indicator captures the total level of beneficiaries assisted by USAID Title II Emergency Food Aid.		
FY 2006 PERFORMANCE	**Target**	66,927,121 beneficiaries expected to receive Title II Emergency Food Aid.
	Results	62,911,494 beneficiaries received Title II Emergency Food Aid.
	Rating	**Below Target**
	Impact	USAID assistance provides a wide range of life-saving and preparedness services to millions of beneficiaries each year.
	Reason for Shortfall	Title II emergency activities faced increased costs, as well as a difficult security and operational environment, in FY 2006.
	Steps to Improve	The necessary steps for this program's improvement are pending and will be obtained once final FY 2006 results are reported.
PERFORMANCE DATA	**Data Source**	Preliminary result data from USAID operating units; implementing partner reports.
	Data Quality (Verification)	The Agency's performance data are verified using data Quality Assessments (DQA), and must meet five data quality standards of validity, integrity, precision, reliability and timeliness. The methodology used for conducting the DQAs must be well documented by each operating unit. (For details, refer to USAID's Automated Directive System, Chapter 203.3.5, www.usaid.gov/policy/ads/200/203.pdf).
PAST PERFORMANCE	**2005**	44,018,945 beneficiaries, a 24% increase from FY 2004.
	2004	36,476,685 beneficiaries, a 12% decrease from the FY 2003 baseline.
	2003	**Baseline:** 46,692,847 beneficiaries.

A USAID official checks the humanitarian supplies delivered by the U.S. to the port of Beirut, July 2006. USAID commodities dispatched around 20,000 blankets, 1,000 tarps and seven emergency medical kits in Lebanon. PHOTO: AP/WIDE WORLD

I/P: REFUGEE ADMISSIONS TO THE U.S.

INDICATOR: Refugees Resettled in the U.S., as a Percentage of the Ceiling

PART Output

JUSTIFICATION: This indicator measures the effectiveness of the refugee admissions program overall and provides some insight into the Department's performance in managing the process.

FY 2006 PERFORMANCE	Target	100% of the allocated ceiling of 50,000 refugees.
	Results	69%; 41,277 refugees were resettled in the U.S. out of the allocated ceiling of 60,000 refugees.
	Rating	**Below Target**
	Impact	Refugees and their families achieved a durable solution and started new lives in communities across the United States, although the number of refugees resettled in the U.S. fell below the annual allocated ceiling.
	Reason for Shortfall	Results for FY 2006 were below target as a result of: (1) delays due to material support issues; and (2) funding levels sufficient for only 54,000 refugees.
	Steps to Improve	The Department will continue to engage USG stakeholders on the importance of resolving material support issues.
PERFORMANCE DATA	Data Source	The Department of State's Refugee Processing Center collects data on refugees admitted to the U.S.
	Data Quality (Verification)	The Department's Refugee Processing Center collects, records, and analyzes data on refugee admissions to the United States using the Worldwide Refugee Admissions Processing System.
PAST PERFORMANCE	2005	108%; 53,318 refugees were resettled in the U.S. of the allocated ceiling of 50,000 refugees.
	2004	106%; 52,868 refugees were resettled in the U.S. of the allocated ceiling of 50,000 refugees.
	2003	Out of a ceiling of 70,000 refugees, 28,422 (41%) were resettled.

Two Karen boys stand inside a temporary home at Tham Hin Refugee Camp in Ratchaburi Province, south of Bangkok, Thailand. Some 2,700 Myanmar refugees who fled persecution and now live in a border camp are to depart for the United States by the end of 2006.

PHOTO: AP/WIDE WORLD

I/P: HUMANITARIAN MINE ACTION		
	INDICATOR: Number of Countries Meeting Target of Self-Sufficiency or Reaching Final Bilateral Program Objectives	
	PART Output	
JUSTIFICATION: Department of State oversees bilateral humanitarian mine action programs worldwide which include strategic planning, capacity development, mine action training, victims' assistance and mine risk education. This indicator captures the total number of countries that have graduated from receiving U.S. assistance to self-sufficiency.		
FY 2006 PERFORMANCE	**Target**	17 countries.
	Results	17 countries.
	Rating	**On Target**
	Impact	U.S. Government training and assistance have provided the foundation for seventeen countries to achieve self-sufficiency to carry out humanitarian demining programs in their countries. By clearing land and infrastructure of dangerous mines, countries are able to increase food production, safely return refugees and Internally Displaced Persons, reopen key transportation corridors and restore a sense of public safety.
PERFORMANCE DATA	**Data Source**	Department of State reporting from nation-partners, implementing partners, and U.S. embassies of successful completion of host-nation strategic and national objectives.
	Data Quality (Verification)	The Department overseas humanitarian mine action programs and works with national partners and implementing partners to track and verify levels of self-sufficiency.
PAST PERFORMANCE	**2005**	17.
	2004	17.
	2003	12.

Members of the U.S. military deliver humanitarian relief supplies in Pakistan. The U.S. military and Pakistani military worked together to coordinate the delivery of humanitarian assistance following the devastating October 2005 South Asian earthquake.

PHOTO: USAID/NGOC CLARK

I/P: WORLD FOOD PROGRAM DONOR BASE

INDICATOR: Percentage of Non-USG Contributions to UN World Food Program

Output

JUSTIFICATION: The UN World Food Program (WFP) is a generally well-run organization, but its effectiveness can be compromised by over-reliance on USG contributions. More contributors and greater contributions from existing contributors are needed to keep WFP's crisis response capacity at its current level.

FY 2006 PERFORMANCE	Target	WFP has sufficient funds to meet priority needs, with contributions from many donor countries and the private sector. Non-USG contributions are 55% of total contributions.
	Results	WFP continues to actively solicit contributions from new donors including from the private sector. WFP works on a calendar year basis. As of September 15, 2006, WFP had received $1.9 billion in contributions for CY 2006, of which $793 million was from the United States. Non-U.S. Government contributions amounted to 59% of total contributions.
	Rating	**Above Target**
	Impact	Contributions to WFP enable it to provide both emergency and development food aid to people in need.
PERFORMANCE DATA	Data Source	UN World Food Program.
	Data Quality (Verification)	The Department tracks and verifies performance data provided through WFP's accounting.
PAST PERFORMANCE	2005	Four new donors participated—Azerbaijan, Liechtenstein, Namibia, and Trinidad and Tobago—and WFP had received $2.08 billion in contributions, of which $934 million were from the United States. Non-U.S. Government contributions were 55% of total contributions.
	2004	As of October 2004, there were seven new donors to WFP—Madagascar, Guatemala, Ecuador, United Arab Emirates, Iran, Pakistan, and Zimbabwe—and WFP had received $1.562 billion in contributions, of which $718 million were from the United States. Non-USG contributions were 54% of total contributions.
	2003	As of September 2003, WFP had nine new donors—Cameroon, El Salvador, Greece, Kuwait, Malta, Marshall Islands, Qatar, Russia, and Vietnam—and non-USG contributions to WFP totaled $877 million, an increase of less than 1% over 2002 contributions.

ANNUAL PERFORMANCE GOAL 2

Improved Capacity Of Host Countries And The International Community To Reduce Vulnerabilities To Disasters And Anticipate And Respond To Humanitarian Emergencies.

I/P: CAPACITY BUILDING

	INDICATOR: Number of Crisis-Prone Countries That Have Systems to Warn about Shocks and Their Effects on Food Availability	
	Output	
JUSTIFICATION: This indicator tracks local capacity in USAID-assisted countries to anticipate and respond appropriately to potential and current disasters.		
FY 2006 PERFORMANCE	**Target**	16 USAID-assisted, crisis prone countries have systems to warn of shocks.
	Results	20 USAID-assisted, crisis prone countries have systems to warn of shocks. An increase in the total number of crisis prone countries caused a net decrease in the percentage of countries that have systems to warn of shocks.
	Rating	**On Target**
	Impact	An increased number of USAID-assisted countries have established local capacity to anticipate and respond appropriately to disasters.
PERFORMANCE DATA	**Data Source**	Famine Early Warning System Network (FEWSNET) monitoring reports.
	Data Quality (Verification)	The Agency's performance data are verified using data Quality Assessments (DQA), and must meet five data quality standards of validity, integrity, precision, reliability and timeliness. The methodology used for conducting DQAs must be well documented by each operating unit. (For details, refer to USAID's Automated Directive System, Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf).
PAST PERFORMANCE	**2005**	Fourteen USAID-assisted, crisis prone countries have systems to warn of shocks.
	2004	First year of data collection. Nine USAID-assisted, crisis prone countries have systems to warn of shocks.
	2003	N/A.

Villages Improve Disaster Response

With USAID's assistance, residents of the tiny island of Tobago in the southern Caribbean are working to improve the ability of remote communities to respond to natural disasters themselves. Through this initiative, local Community Emergency Response Teams (CERT) are helping isolated communities deal with a range of emergency situations like tornados, hurricanes, and heavy storms. Based locally and with state-of-the-art training, the teams can respond in half the time of traditional response services, which are located far from the island's most remote towns. The program has built a strong reputation at home and abroad. In fact, disaster response officials throughout the Caribbean are discussing the possibility of replicating the program in their own countries. As a result of this training, Tobagonians will be better equipped to deal with natural disasters like Hurricane Ivan, which in 2004 caused landslides that destroyed homes, farms, and livelihoods and left entire communities isolated.

A member of a Community Emergency Response Team takes a call in the Scarborough response center in Tobago.

PHOTO: USAID/DENISE LAWRENCE.

STRATEGIC OBJECTIVE #3:

STRENGTHEN DIPLOMATIC AND PROGRAM CAPABILITIES

The fulfillment of the joint State-USAID mission and the achievement of our policy goals are inextricably linked to a foundation of sound management and organizational excellence required by the President's Management Agenda. The Department and USAID are committed to maintaining a well-qualified workforce, supported by modern infrastructure that provides the tools to achieve our diplomatic and development goals worldwide. Building this foundation will require significant investments in people, systems, and facilities.

STRATEGIC GOAL 8: MANAGEMENT AND ORGANIZATIONAL EXCELLENCE

Ensure a High Quality Workforce Supported by Modern and Secure Infrastructure and Operational Capacities

I. PUBLIC BENEFIT

The Department of State and USAID continue to pursue human resource initiatives aimed at building, deploying, and sustaining a knowledgeable, diverse, and high-performing workforce. For example, State and USAID maintain and develop robust training programs with emphasis on skills that can help achieve transformational diplomacy and development, such as advanced foreign language proficiency, public diplomacy, and leadership and management preparedness. Both agencies have also made a concerted effort to use commercial best practices to deploy secure, modern office automation platforms, secure global networks (unclassified, classified, and the Internet), a centrally managed information technology infrastructure, a modern messaging/archiving/knowledge management system, streamlined administrative systems, and a customer-focused portal.

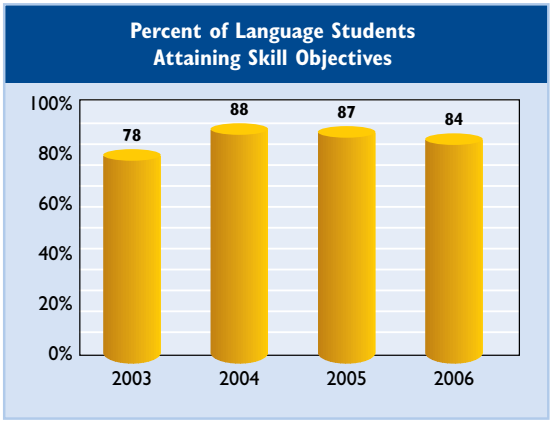
USAID Administrator Ambassador Randall Tobias meets with USAID mission staff in Iraq. PHOTO: USAID/LEE MCBREARTY

In support of the Secretary's vision for Transformational Diplomacy, the Department of State has identified a set of six priority crosscutting areas, for which it has developed an action plan with measurable milestones and metrics for tracking progress: (1) Build on our success under the President's Management Agenda by getting to green and staying there; (2) Remove some support functions from danger posts to regional and central support centers at medium and large posts; (3) Strengthen open yet secure U.S. borders by maximizing legitimate travel to the U.S. while denying

entry to those who would do the United States harm; (4) Improve training opportunities and curricula for employees; (5) Improve the quality of life for employees whether domestic or abroad; and (6) Use technology to produce accurate information that supports decision makers and make that information available anytime, anywhere. The Department continues to maintain and develop skills that can help achieve transformational diplomacy and development, such as advanced foreign language proficiency, public diplomacy, and leadership and management preparedness.

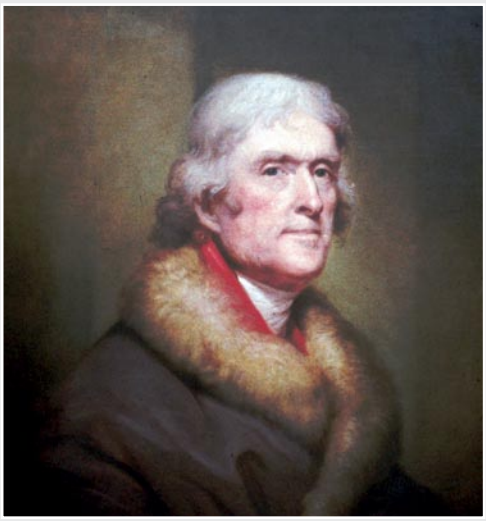
The Department of State and USAID established joint management centers at some overseas locations in FY 2006. The consolidation has resulted in cost savings and, by allowing cross-bidding across management positions in State and USAID, has increased understanding and information sharing between the agencies. In addition, integrated budgeting, planning, and performance measurement processes, together with effective financial management and demonstrated financial accountability, are enhancing the management and performance of State and USAID, which will help ensure that resources are well managed and judiciously used. The American people will be able to see how well programs perform, and the costs they incur for that performance.

II. SELECTED PERFORMANCE TRENDS



A Look to History: Management and Organizational Excellence

When Thomas Jefferson became the first Secretary of State in 1790, his small staff included a chief clerk, three other clerks, a translator, and one messenger. In an era before the telephone, e-mail, or fax, the Department of State communicated largely in writing. Clerks and officials wrote notes and letters to each other, and for the record, whether the other party was down the corridor, across the street, or across town. These notes and letters, including requests for meetings or action, were largely carried by the messenger. The Department of State hired more messengers as it grew larger. However, the written records of the U.S. Government and other institutions dropped considerably by the late 1920s and early 1930s, as the telephone gradually came into use and the number of messengers declined.



Thomas Jefferson, shown in a circa 1805 painting by artist Rembrandt Peale. PHOTO: AP/WIDE WORLD.

III. STRATEGIC CONTEXT

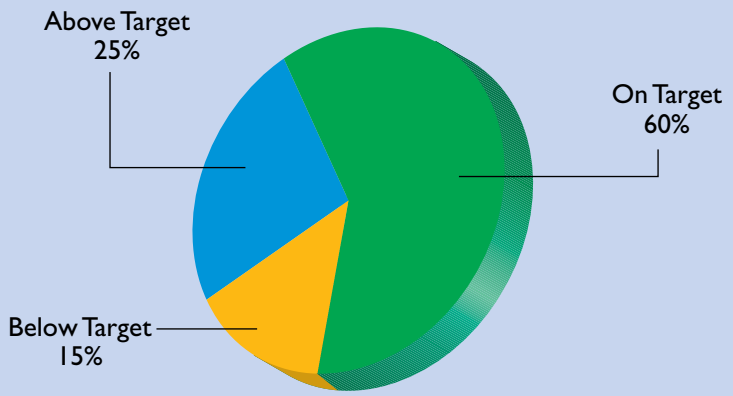
Shown below are the performance goals, initiatives/programs, and the resources, bureaus and partners that contribute to accomplishment of the Management and Organizational Excellence strategic goal. Acronyms are defined in the glossary at the back of this publication.

Strategic Goal	Performance Goal (Short Title)	Initiative/ Program	Major Resources	Lead Bureau(s)	External Partners
Management and Organizational Excellence	Human Resources and Training	Operational Readiness	D&CP, USAID Operating Expenses	FSI, HR, S/CRS, M	FCS, FAS, and other foreign affairs agencies
		Recruit and Hire Talented, Diverse Employees	D&CP, USAID Operating Expenses	HR, M	HBCU, HACU, OPM, Partnership for Public Service
		Career Development and Training	D&CP, USAID Operating Expenses	FSI, HR, M	FCS, FAS, and other foreign affairs agencies
		Americans Employed by UN System Organizations	D&CP, USAID Operating Expenses	IO	International organizations, other USG agencies
	Information Technology	Secure Global Network and Infrastructure	CIF, D&CP, ICASS, expedited passport fees, USAID Operating Expenses	IRM	Other USG Agencies at overseas posts
		Modern, Worldwide, Integrated Messaging	CIF, D&CP, USAID Operating Expenses	IRM, PPC, M	Other USG Agencies at overseas posts
	Diplomatic Security	Diplomatic Security / Worldwide Security Upgrades	D&CP	DS	N/A
	Overseas and Domestic Facilities	Capital Security Construction Program	ESC&M	OBO	Other agencies
		New Office Building for U.S. Mission to United Nations	D&CP	A	GSA, USUN, IO
		Compound Security Program	ESC&M	OBO	Diplomatic Security, regional bureaus, other USG agencies, industry, GAO, OIG, and Congress
	Resource Management	Improved Financial Performance	D&CP, USAID Operating Expenses	RM, PPC, M	OMB, GAO, Treasury
	Administrative Services	Worldwide Logistics: Integrated Logistics Management System (ILMS)	D&CP, USAID Operating Expenses	A	Various USG agencies
		Competitive Sourcing	D&CP, USAID Operating Expenses	A, M	OMB

IV. PERFORMANCE SUMMARY (STATE AND USAID)

The chart below summarizes the performance ratings for Department of State and USAID results for the Management and Organizational Excellence strategic goal.

STRATEGIC GOAL RESULTS ACHIEVED FOR FY 2006



RATINGS DISTRIBUTION

Significantly Above Target	0
Above Target	5
On Target	12
Below Target	3
Significantly Below Target	0
Total Number of Ratings	**20**

V. PERFORMANCE ANALYSIS

PERFORMANCE TRENDS. Both agencies have made continuous improvements in human capital management, operational readiness, and information technology management. The Foreign Service Institute met or exceeded its goals for leadership training enrollment and the effectiveness of its language training programs and the Department continued to meet its goals for deploying Foreign Service generalists with the right language skills and slightly improved the diversity of new Foreign Service generalists hired in 2006.

HIGH-LEVEL RESULTS. Both State and USAID met or exceeded human resources goals in recruitment, placement, and skills development; both agencies developed and deployed information technology systems that were reliable, accessible, and accurate; and the Department made significant strides to build, maintain and upgrade secure facilities overseas.

RESULTS SIGNIFICANTLY ABOVE OR SIGNIFICANTLY BELOW TARGET. No results were evaluated significantly above or significantly below target.

KEY INITIATIVES AND PROGRAMS. Major FY 2006 investments in the people who manage foreign affairs, the facilities in which they work, and the systems that support diplomacy worldwide included: $598 million to preserve, maintain, repair, and plan for buildings owned or directly leased by the Department of State; $910 million for security-related construction and physical security and rehabilitation of U.S. embassies and consulates; $9.4 million for the protection of foreign missions and officials; and $128 million for the capital investment fund and the modernization of information technology systems and networks.

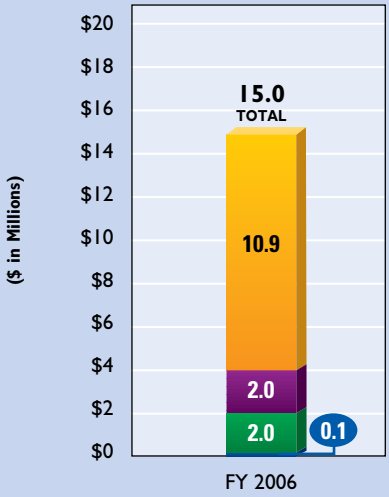
VI. RESOURCES INVESTED BY USAID

HUMAN RESOURCES[1,2]

(Direct Funded Positions)

The direct-funded human resource positions under the Management and Organizational Excellence Strategic Goal are distributed across the other strategic goals.

BUDGET AUTHORITY



LEGEND

Performance Goals

- Human Resources and Training
- Information Technology (IT)
- Diplomatic Security[3]
- Overseas and Domestic Facilities[4]
- Resource Management
- Administrative Services[5]

[3]State Department resources not shown in the USAID PAR

[4]Resources Invested under this Performance Goal are spread across the other performance goals in the management and organizational excellence strategic goal

[5]Additional Administrative Services are spread across the other performance goals in the management and organizational excellence strategic goal

1 USAID human resource figures reflect all full-time direct funded employees including civil service, foreign service, foreign service nationals, personal services contractors, and other USG employment categories. Institutional contractor staff are not included.

2 Data on FY 2006 human resource levels by Strategic and Performance Goals were not collected. These figures were estimated using FY 2005 human resources data prorated against the FY 2006 Statement of Net Cost.

USAID employees at the Emerging Leader Program, Federal Executive Institute, August 13-19, 2006.

PHOTO: USAID

VII. PERFORMANCE RESULTS

For each initiative/program that supports accomplishment of this strategic goal, the most critical FY 2006 performance indicators and targets are shown below.

ANNUAL PERFORMANCE GOAL 1
A High Performing, Well-trained, And Diverse Workforce Aligned With Mission Requirements.

I/P: OPERATIONAL READINESS		
	INDICATOR: Percentage of USAID Recruitment Goals Met	
	PART Output	
JUSTIFICATION: This measure shows how successful USAID is in filling positions that have been vacated through attrition or created to meet staffing requirements.		
FY 2006 PERFORMANCE	**Target**	95% of 210 positions.
	Results	100% of 210.
	Rating	**On Target**
	Impact	Success in recruitment is critical for USAID as a significant proportion of the workforce will be eligible for retirement over the next few years.
PERFORMANCE DATA	**Data Source**	USAID Office of Human Resources.
	Data Quality (Verification)	The Agency's performance data are verified using Data Quality Assessments (DQA), and must meet five data quality standards of validity, integrity, precision, reliability and timeliness. The methodology used for conducting the DQAs must be well documented by each operating unit. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf).
PAST PERFORMANCE	**2005**	123% of 210 positions.
	2004	99.5% of 212 positions.
	2003	**Baseline:** 100% of 151 positions.

I/P: RECRUIT AND HIRE TALENTED, DIVERSE EMPLOYEES		
	INDICATOR: Diversity of New Hires in the Foreign Service and Civil Service	
	Output	
JUSTIFICATION: Our goal is to hire, not just to recruit, diverse employees. We are working to develop an outcome measure based on the diversity of hiring as an important tool to measure the true outcome of various recruitment efforts.		
FY 2006 PERFORMANCE	**Target**	Increase diversity of applicants and hires in the Foreign Service; increase diversity of participants in student programs aimed at recruitment.
	Results	Racial and ethnic diversity is only one aspect of a more diverse workforce. 20 percent of Foreign Service Generalists and 22 percent of Foreign Service Specialists hired in 2006 were minorities. 32 percent of student program participants were minorities.
	Rating	**On Target**
	Impact	The Department is committed to attracting and promoting a diverse workforce that reflects the talent of the United States.
PERFORMANCE DATA	**Data Source**	Self reporting of race and national origin by new employees. This indicator is measured within the Bureau of Human Resources using hiring and recruitment data.
	Data Quality (Verification)	New hires are asked to self-identify their minority status. The number of participants declining to answer has been increasing. In FY2003, 11 percent of student program participants chose not to respond when asked to identify their race/ethnicity, whereas in FY2006, 22 percent chose not to respond.
PAST PERFORMANCE	**2005**	Racial and ethnic diversity is only one aspect of a more diverse workforce. 19 percent of Foreign Service Generalists and 22 percent of Foreign Service Specialists hired in 2005 were minorities. 35.7 percent of student program participants were minorities.
	2004	Racial and ethnic diversity is only one aspect of a more diverse workforce. 21 percent of Foreign Service Generalists and 25 percent of Foreign Service Specialists hired in 2004 were minorities. 38.5 percent of student program participants were minorities.
	2003	Racial and ethnic diversity is only one aspect of a more diverse workforce. 19 percent of Foreign Service Generalists and 28 percent of Foreign Service Specialists hired in 2003 were minorities. 36.4 percent of student program participants were minorities.

I/P: CAREER DEVELOPMENT AND TRAINING		
	INDICATOR: Mandatory Leadership Training Participation	
	Input	
JUSTIFICATION: Course enrollments best validate the number of employees completing mandatory leadership/management training.		
FY 2006 PERFORMANCE	**Target**	Mandatory Leadership/Management training for 99% percent (6,900) of eligible target audience (7,000).
	Results	Based on preliminary data, there are 8,775 completed enrollments in mandatory leadership training courses (about 113% of adjusted target).
	Rating	**Above Target**
	Impact	Leadership and management training promotes a leadership culture designed to improve the Department's management cadre and develop those who will eventually assume positions of leadership.
PERFORMANCE DATA	**Data Source**	Student Training Management System.
	Data Quality (Verification)	The indicator is based on course enrollments generated from the Department's corporate training database and are reliable. Fluctuation in database records may, at any given time, reflect enrollments numbers that slightly differ, though with little, if any, appreciable impact.
PAST PERFORMANCE	**2005**	Through FY 2005, there were more than 6,700 completed enrollments in mandatory leadership training courses (about 87% of adjusted target, or 13% ahead of original end-of-FY target of 74%).
	2004	64% of target audience has completed Mandatory leadership/management training, exceeding end-of-FY 49% target.
	2003	■ 36% of target audience completed Mandatory leadership/management training, exceeding 25% target. ■ Senior Executive Training Seminar course initiated.

I/P: CAREER DEVELOPMENT AND TRAINING *(continued)*

INDICATOR: Percentage of Employees Assigned to Language Designated Positions Who Meet the Requirement of the Position

Input

JUSTIFICATION: This is a useful indicator of how well the assignments process works to place people with needed skills. However, as the baseline changes due to increasing and varied requirements and due to the Career Development initiatives' emphasis on new language designated positions, the percentage may not increase. Finally, success is partially controlled by resources available for training and sufficient personnel to accommodate training while still meeting other mission requirements.

FY 2006 PERFORMANCE	**Target**	80% or better fully meet the requirements, contingent on receiving funding request for FY 2007 foreign language programs.
	Results	Preliminary data indicate that performance is on target for FY 2006. Complete results will be reported to Congress in February 2007.
	Rating	**On Target**
	Impact	Diplomatic efforts will be more successful as employees with the appropriate language skills are deployed overseas. The Department will better engage host governments, local populations, and allies when implementing programs, communicating policies, and advocating positions.
PERFORMANCE DATA	**Data Source**	This indicator is calculated by the Bureau of Human Resources, based on panel actions in the previous fiscal year (e.g. FY 2005 figures are based on FY 2004 panel actions). Actions for the current fiscal year are not available until the end of the fiscal year. This indicator is reported yearly to Congress as required by statute.
	Data Quality (Verification)	Confidence in the data is high: the data are reported electronically and stored in a database; post reports are solicited and verified by human resources professionals in Washington.
PAST PERFORMANCE	**2005**	In FY 2005, 82.34% fully met and 10.79 percent partially met requirements.
	2004	In FY 2004, 82.55% fully met and 9.89 percent partially met requirements.
	2003	In CY 2003, 83% fully met and 12 percent partially met requirements.

I/P: CAREER DEVELOPMENT AND TRAINING *(continued)*		
	INDICATOR: Percent of Language Students Attaining Skill Objectives From Training	
	Output	
JUSTIFICATION: The data are screened and provide the most accurate measure for tracking performance: the time spent in language training and resulting end-of-training test results.		
FY 2006 PERFORMANCE	**Target**	75% or better.
	Results	84%.
	Rating	**On Target**
	Impact	The Department will deploy staff with the right language skills and improve the effectiveness of programs and policies.
PERFORMANCE DATA	**Data Source**	Student Training Management System.
	Data Quality (Verification)	The indicator is based on test result scores maintained in the Department's corporate training database, and are reliable. Fluctuation in database records may, at any given time, reflect numbers that slightly differ, though with little, if any, appreciable impact.
PAST PERFORMANCE	**2005**	87%.
	2004	88%.
	2003	78%.

I/P: AMERICANS EMPLOYED BY UN SYSTEM ORGANIZATIONS

INDICATOR: Average Percentage of UN System Organizations' Workforce (Positions Subject to Geographical Distribution) That is American

Outcome

JUSTIFICATION: The annual targets and results are averages among international organizations where the United States is most inequitably employed or which attract a high level of interest. By tracking averages over a number of years, the Department will know whether or not it is increasing the percentage of Americans working in UN System organizations.

FY 2006 PERFORMANCE	Target	11.0%.
	Results	10.4%.
	Rating	**Below Target**
	Impact	The lack of progress in FY 2006 (CY 2005) necessitates a downward adjustment to our out-year targets. The number of Americans matters because they bring values, ideals, skills, and experience to the job that can help the efficiency and effectiveness of international organizations.
	Reason for Shortfall	On average, employment of Americans did not increase as fast as total employment in posts subject to geographical distribution in the targeted organizations.
	Steps to Improve	Department increased staffing dedicated to this initiative, is trying to identify new sources of candidates, is planning to do more targeted outreach, will increase the information on international organization employment on its website, and will begin the process of evaluating the feasibility of maintaining a roster of candidates and funding Junior Professional Officers.
PERFORMANCE DATA	Data Source	Data are derived from annual Department requests to posts/missions to obtain information directly from individual international organizations for forwarding to the Department for analysis.
	Data Quality (Verification)	The Department submits a report to Congress on this issue each year. U.S. missions accredited to international organizations gather from those organizations and report to Washington needed data to complete the report.
PAST PERFORMANCE	2005	10.7%.
	2004	CY 2003 Result: 11.5%.
	2003	CY 2002 Result: 11.6%.

ANNUAL PERFORMANCE GOAL 2

Modernized, Secure, and High Quality Information Technology Management and Infrastructure that Meet Critical Business Requirements.

I/P: SECURE GLOBAL NETWORK AND INFRASTRUCTURE		
	INDICATOR: Progress Toward Centralized, Secure, and Modern Global IT Infrastructure	
	Input	
JUSTIFICATION: The indicator directly measures the reliability, accessibility, and security of the Department's information technology infrastructure.		
FY 2006 PERFORMANCE	**Target**	■ Continue with the aggressive four-year life-cycle modernization program for OpenNet Plus and ClassNet. ■ Network availability to improve to 99.6%, and 40 additional virtual private networks at embassy tail circuits for a total of 300. Implementation plan for consolidating help desks, servers and desk tops completed. ■ Develop implementation plan for consolidation initiative. ■ Deploy 5,000 OpenNet Everywhere devices.
	Results	■ 174 additional domestic and overseas local area networks are modernized (101 OpenNet and 73 ClassNet). ■ Network availability is at an average rate of 99.6% or better achieved as result of exceeding the target total of 300 virtual private networks installed for embassy circuits. ■ Implementation plan for consolidation initiative completed. ■ 4,669 OpenNet Everywhere devices deployed for core and occasional teleworkers.
	Rating	**On Target**
	Impact	The elements (GITM, consolidation, mobile computing, and maintaining the secure global network) are critical to the Department's ability to provide a modernized, secure, and high quality infrastructure. Success of these elements will enable production of accurate information for decision makers and will make that information available anytime, anywhere in support of the foreign affairs mission.
PERFORMANCE DATA	**Data Source**	■ Capital planning and investment control indicates cost, schedule and performance. ■ E-Gov monthly cost workbook indicates schedule and cost variance. ■ Monthly Priority Projects Briefing Book for the Undersecretary for Management indicates completed vs. planned installations. ■ Weekly Production Control Meetings address cost and schedule performance. ■ Integrated Enterprise Management System computes network reliability. ■ Bi-weekly status reports on IT consolidation to the Chief Information Officer. ■ Weekly activity reports on mobile computing to the Deputy CIO for Operations.
	Data Quality (Verification)	On a monthly basis the E-Gov Program Office receives the most accurate and most current cost and schedule data for use in performing independent Earned Value Management calculations. The IT Consolidation effort and Mobile Computing are fairly new initiatives and Senior management assesses data submitted on a weekly basis. Data quality in the IT Consolidation plan was checked against industry standard information provided by recognized IT consulting firms, e.g. Gartner Group and others.

Continued on next page

I/P: SECURE GLOBAL NETWORK AND INFRASTRUCTURE *(continued)*

INDICATOR: Progress Toward Centralized, Secure, and Modern Global IT Infrastructure *(continued)*

PAST PERFORMANCE	2005	■ In second year of modernization program, completed 152 domestic and overseas OpenNet and ClassNet LAN modernizations that included 87 OpenNet and 76 ClassNet modernizations. ■ OpenNet Everywhere pilot test successfully completed. ■ Network availability increased to 99.5%. Installed a total of 261 virtual private networks for embassy circuits, thereby exceeding the target of 260 for FY 2005.
	2004	■ Began modernization program to refresh and maintain classified and unclassified computers and core networking equipment such as servers as switches. ■ Installed virtual private networks at 200 posts requiring this type of networking support. Network availability improved to an average of 99%.
	2003	■ OpenNet Plus project completed. More than 43,000 users representing all of the Department's knowledge workers had desktop Internet access. The Classified Computer Program was expanded to all 224 eligible overseas posts. ■ Installed 125 virtual private networks and network availability improved to 98%.

INDICATOR: Percentage of Mission Critical IT Systems Certified and Accredited

PART Output

JUSTIFICATION: This indicator reflects the degree to which USAID systems meet generally accepted standards for security in support of our goal of keeping information safe from compromise.

FY 2006 PERFORMANCE	Target	100%.
	Results	100%.
	Rating	**On Target**
	Impact	The 100% certification and accreditation of USAID's nine mission critical IT systems and applications will enable the Agency to perform its mission critical financial and inspection functions for development and humanitarian relief at reduced risk. The mission critical systems include the Agency's internal communications network, office-specific information systems of the Inspector General and the Office of Foreign Disaster Assistance , the New Management Systems Acquisition and Assistance Module, and the Phoenix and related financial systems.
PERFORMANCE DATA	Data Source	USAID Information Systems Security Officer (ISSO).
	Data Quality (Verification)	The Agency's performance data are verified using Data Quality Assessments (DQA), and must meet five data quality standards of validity, integrity, precision, reliability and timeliness. The methodology used for conducting the DQAs must be well documented by each operating unit. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf).
PAST PERFORMANCE	2005	100%.
	2004	100%.
	2003	N/A.

I/P: SECURE GLOBAL NETWORK AND INFRASTRUCTURE *(continued)*

INDICATOR: Percent of Information Security Vulnerabilities Per Information Technology Hardware Item

PART Output

JUSTIFICATION: This measure indicates how well USAID information stored on and processed through its IT systems is protected. USAID's goal is to continually reduce vulnerabilities through FY 2009.

FY 2006 PERFORMANCE	**Target**	Less than 25% of USAID systems have a vulnerability score of greater than 100 as measured by USAID's Information Systems Security Officer.
	Results	3.2% of USAID systems have a vulnerability score of greater than 100 (525/16,596).
	Rating	**Above Target**
	Impact	As a result of achieving low information security vulnerabilities per IT hardware item, the Agency operates in a more secure environment. This is important because it allows the Agency to carry out its day-to-day activities and accomplish its mission with minimal disruption.
PERFORMANCE DATA	**Data Source**	USAID Information Systems Security Officer.
	Data Quality (Verification)	The Agency's performance data are verified using Data Quality Assessments (DQA), and must meet five data quality standards of validity, integrity, precision, reliability and timeliness. The methodology used for conducting the DQAs must be well documented by each operating unit. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf).
PAST PERFORMANCE	**2005**	0.054% of USAID systems have a vulnerability score of greater than 100.
	2004	9% of USAID systems have a vulnerability score of greater than 100.
	2003	N/A.

I/P: MODERN, WORLDWIDE, INTEGRATED MESSAGING

INDICATOR: Modern Messaging, Dynamic Archiving, and Information Sharing

Output

JUSTIFICATION: This indicator is appropriate for assessing the Department's overall performance on the SMART project, which will implement a modern, simple and secure, messaging system.

FY 2006 PERFORMANCE	**Target**	■ Complete detailed management planning and re-baselining. ■ Conduct design work for all SMART components. ■ Establish development and testing laboratory. ■ Conduct development work for SMART quick-win functionality.
	Results	■ Department decision made to bring SMART in-house, resulting in a planning and baseline effort. ■ Design work initiated for all SMART components. ■ Management and control plans revised and updated. ■ Development and test laboratory established. ■ Development work conducted for SMART quick-win functionality.
	Rating	**On Target**
	Impact	SMART represents one of the Department's top priorities. Its success is critical to the ability to provide a modernized, secure, and high quality infrastructure that will enable production of accurate information for decision makers and will make that information available anytime, anywhere in support of the foreign affairs mission.
PERFORMANCE DATA	**Data Source**	■ Capital planning and investment control tracks cost, schedule and performance. ■ E-Gov monthly cost workbook tracks schedule and cost variance. ■ Monthly SMART steering committee meetings provide a status update to the Under Secretary for Management.
	Data Quality (Verification)	On a monthly basis the SMART program office provides the E-Gov Program Office with the most accurate and most current cost and schedule data available for use in performing independent earned value management calculations.
PAST PERFORMANCE	**2005**	A requirements review resulted in a validated list of derived systems requirements. Based on a number of usability tests and demonstrations, the decision was reached to move forward with a revised architecture that leverages the Department's existing modern email infrastructure for the transmission of formal command and control messaging traffic.
	2004	The contractor requested a three-week delay to investigate a hybrid solution, which led to the establishment of the phase 1A beta solution with an end date of 10/15/04. Design demonstration completed and secure processing facility installed.
	2003	The Secretary of State approved a new need-to-know policy; SMART prototype (proof-of concept) developed and evaluated; centralized approach approved; integrated acquisition team established.

ANNUAL PERFORMANCE GOAL 3
Personnel are Safe From Physical Harm and National Security Information is Safe From Compromise.

I/P: DIPLOMATIC SECURITY / WORLDWIDE SECURITY UPGRADES		
	INDICATOR: Installation of Technical Security Upgrade Equipment	
	PART Efficiency	
JUSTIFICATION: Technical security upgrade projects provide critical security countermeasures for U.S. diplomatic missions abroad. These upgrades include facility power and conduit infrastructure, as well as technical security equipment.		
FY 2006 PERFORMANCE	**Target**	Complete 35 upgrades as part of a cyclical replacement program.
	Results	35 upgrades were completed in FY 2006.
	Rating	**On Target**
	Impact	Improving technical security at overseas posts through on-time completion of projects contributes directly to the Department's goal of providing a safe and secure environment for U.S. personnel and property.
PERFORMANCE DATA	**Data Source**	Data are verified and compiled on a quarterly basis from both our program managers and with posts to ensure deliverables and installation.
	Data Quality (Verification)	Analytical assessments are conducted to determine replacement life cycles and add to replacement schedule.
PAST PERFORMANCE	**2005**	29 upgrade projects completed, including Frankfurt.
	2004	Technical security upgrades were completed at 142 posts, exceeding the initial target of 133.
	2003	Technical security upgrades completed at 111 out of 133 posts, i.e. embassies or consulates.

I/P: DIPLOMATIC SECURITY / WORLDWIDE SECURITY UPGRADES *(continued)*

INDICATOR: Deployment of Chemical Weapons/Biological Weapons Countermeasure Masks to Posts Abroad

PART Output

JUSTIFICATION: Chemical and biological weapons training and equipment serve to minimize casualties resulting from an attack on overseas personnel. This indicator directly measures the delivery of training and equipment.

FY 2006 PERFORMANCE	**Target**	Conduct weapons of mass destruction training at 85 out of 256 overseas posts. Begin to deploy countermeasures masks to 60 of 240 posts during the first year of a four-year phased equipment replacement cycle.
	Results	The Department exceeded the target of training 85 posts. A total of 100 posts (approximately 20,712 employees) received overseas training. The first phase of a four-year equipment replacement cycle will begin in FY 2007. A total of 23,400 replacement masks are in the final stages of a procurement cycle, which was delayed due to the completion of testing. Deployment and training on the replacement masks is expected to be completed in FY 2007.
	Rating	**Above Target**
	Impact	Weapons of mass destruction training directly supports the Department's goal of protection of personnel working overseas for the advancement of U.S. foreign policy.
PERFORMANCE DATA	**Data Source**	Data are verified through a training database and trip reports to ensure deliverables are met.
	Data Quality (Verification)	Training personnel on protective measures is essential in order to survive a chemical or biological attack. The program conducts assessments annually on how many locations require training to ensure adequate training and protection is provided.
PAST PERFORMANCE	**2005**	A total of 125 posts received training. Overseas training covered approximately 31,291 employees.
	2004	The Department completed an aggregate total of 207 posts out of 240. Overseas training covered approximately 33,155 employees.
	2003	77 of 240 posts provided with and trained in the use of countermeasure equipment, including 25,528 overseas personnel trained and 95 courses provided for security professionals being trained overseas.

ANNUAL PERFORMANCE GOAL 4
Safe, Secure and Functional Facilities Serving Domestic and Overseas Staff.

I/P: CAPITAL SECURITY CONSTRUCTION PROGRAM		
	INDICATOR: Number of New Sites Acquired for Capital Security Construction Projects in Accordance With the Long-Range Overseas Building Plan Schedule	
	PART Output	
JUSTIFICATION: The indicator was chosen as the most comprehensive in determining the actual acquisition of a building site that is essential before constructing a new embassy compound.		
FY 2006 PERFORMANCE	**Target**	Acquire seven new sites for capital security construction projects.
	Results	Eight new embassy compound sites were acquired in the fiscal year.
	Rating	**Above Target**
	Impact	Capital security construction programs proceeding on schedule and as planned provide secure, safe, and functional facilities to U.S. Government employees overseas.
PERFORMANCE DATA	**Data Source**	Real estate contracts and official settlement documents are maintained by the Department.
	Data Quality (Verification)	Data quality are excellent as results are determined through official settlement/closing records between the U.S. Government and the seller(s).
PAST PERFORMANCE	**2005**	10 new embassy compound sites were acquired in the fiscal year against a target of nine sites.
	2004	Eight new embassy compound sites were acquired during the fiscal year.
	2003	Six new sites were acquired for capital security construction projects.

I/P: CAPITAL SECURITY CONSTRUCTION PROGRAM *(continued)*

INDICATOR: Number of Capital Security Construction Projects Awarded In Accordance With Long-Range Overseas Building Plan

PART Output

JUSTIFICATION: The indicator represents an essential step in getting new capital security construction projects into construction. Once the projects are funded and the contracts awarded, other performance measures are used to track completion.

FY 2006 PERFORMANCE	**Target**	Award 13 new capital security construction projects.
	Results	10 new capital security construction projects were awarded during the fiscal year.
	Rating	**Below Target**
	Impact	Capital security program proceeding on schedule as planned provides secure, safe, and functional facilities for U.S. Government employees.
	Reason for Shortfall	The Beirut new embassy compound award timeline was delayed during the recent conflict to allow regional logistics to return to normal and provide a more reasonable procurement atmosphere at post-conflict risk conditions. Two transactions extended past the target deadline to undertake contract negotiations and procurement strategies to offset unexpectedly high inflation and risky political conditions. An additional planned award was deferred by Department re-prioritization to advance Karachi new consulate in the wake of a terrorist attack in March 2006.
	Steps to Improve	The Department plans to award all three capital security projects in 1st quarter FY 2007.
PERFORMANCE DATA	**Data Source**	Awarded contracts file maintained by the Bureau of Overseas Building Operations.
	Data Quality (Verification)	Data quality is excellent as fiscal year results are determined based on actual construction contracts having been signed between the U.S. Government and the contractor.
PAST PERFORMANCE	**2005**	13 capital security construction projects were awarded in the fiscal year in addition to the Baghdad new embassy compound project which was funded as a "non-security" type project.
	2004	Awarded 13 new capital construction projects (above target).
	2003	Awarded nine new capital security construction projects.

I/P: NEW OFFICE BUILDING FOR U.S. MISSION TO UNITED NATIONS

INDICATOR: U.S. Mission to the UN (USUN) New Construction

Output

JUSTIFICATION: Award of the construction contract, initiation of the construction effort and completion of that construction effort makes the New Office Building available for occupancy. This represents a fundamental portion of the effort to provide a secure, safe and functional workspace for the USUN staff as well as other Department of State activities located in New York City.

FY 2006 PERFORMANCE	**Target**	The New Office Building project is 25% complete according to the project timeline.
	Results	The project is on-schedule and is 25% complete (this represents the projected time from bid to occupancy). Specific accomplishments this year include foundation preparation, concrete placement for all the foundations and the floor and walls of the basement. The concrete placement of the first floor slab has been initiated and effort has started on the first floor concrete walls.
	Rating	**On Target**
	Impact	Future construction is expected to adhere to the revised 2006 schedule.
PERFORMANCE DATA	**Data Source**	General Services Administration and Department of State's USUN Building Project Manager.
	Data Quality (Verification)	The data represent verifiable design and construction milestones.
PAST PERFORMANCE	**2005**	■ Demolition of the Existing Office Building was completed on the revised contract completion date, April 2005. ■ The second phase of the two-phase solicitation for construction contractors was executed, and proposals were received January 2005.
	2004	■ The U.S. Mission relocated to the Interim Office Building and opened for business June 14, 2004. ■ The demolition contract for the Existing Office Building was awarded and notice to proceed was issued July 17, 2004.
	2003	■ $14.0 million Interim Office Building funding obtained. ■ General Services Administration unable to finalize lease in FY 2003. Lease signing and build-out delayed to FY 2004.

I/P: COMPOUND SECURITY PROGRAM		
	INDICATOR: Number of Technical Security Projects Completed Each Fiscal Year In Accordance With the Schedule	
	PART Output	
JUSTIFICATION: This measure is the best indicator at this time in determining that the technical security installation and upgrade projects are being performed on schedule.		
FY 2006 PERFORMANCE	**Target**	Complete next group of 71 technical security installations and upgrade projects per schedule, out of a total of 275 projects scheduled between FY 2004-2007.
	Results	71 technical security installation and upgrade projects were completed in the fiscal year.
	Rating	**On Target**
	Impact	Completed technical security projects provide added security protection for overseas employees performing work in embassies and consulates.
PERFORMANCE DATA	**Data Source**	Project closeout records maintained in the Department of State.
	Data Quality (Verification)	Data quality is excellent as the status/close out of the projects is reported by the project manager and confirmed by the post where the installation projects are taking place.
PAST PERFORMANCE	**2005**	90 technical security installation and upgrade projects were completed during the fiscal year against a target of 70 such projects.
	2004	81 technical security installation and upgrade projects were completed in the fiscal year.
	2003	71 technical security installation and upgrade projects were completed in the fiscal year.

I/P: COMPOUND SECURITY PROGRAM *(continued)*

INDICATOR: Percent of USAID Missions Not Co-Located With Department of State Receiving Targeted Physical Security Enhancements Within a Given Year

PART Output

JUSTIFICATION: USAID is committed to protection of its workforce and will harden the defenses of the missions for which it is responsible for physical security. This measure will capture USAID's success in completing ongoing physical security enhancements. In particular, it will indicate success for two key phases: perimeter security (2005-2006) and building exterior and interior equipment upgrades (2007-2009).

FY 2006 PERFORMANCE	Target	41% of USAID Missions.
	Results	41% of USAID Missions.
	Rating	**On Target**
	Impact	Providing the targeted physical security enhancements minimized potential vulnerabilities to the transnational terrorist threat, increasing security for USAID staff and enabling them to accomplish the Agency's development and humanitarian relief objectives.
PERFORMANCE DATA	Data Source	USAID Office of Security.
	Data Quality (Verification)	The Agency's performance data are verified using Data Quality Assessments (DQA), and must meet five data quality standards of validity, integrity, precision, reliability and timeliness. The methodology used for conducting the DQAs must be well documented by each operating unit. (For details, refer to USAID's Automated Directive System [ADS] Chapter 203.3.5, http://www.usaid.gov/policy/ads/200/203.pdf).
PAST PERFORMANCE	2005	33% of USAID Missions.
	2004	**Baseline:** 31% of USAID Missions.
	2003	N/A.

Perimeter Security Improvements at USAID's former Kampala, Uganda site

New guard booth with enhanced vehicle screening area.

PHOTO: USAID/OFFICE OF SECURITY (SEC)

Interior of new guard booth with new electronics and improved view.

PHOTO: USAID/OFFICE OF SECURITY (SEC)

ANNUAL PERFORMANCE GOAL 5

Integrated Budgeting, Planning and Performance Management; Effective Financial Management; and Demonstrated Financial Accountability.

I/P: IMPROVED FINANCIAL PERFORMANCE

	INDICATOR: Percentage of Overseas Budget Processed by Direct Connect	
	Output	
JUSTIFICATION: This indicator directly tracks the use of integrated financial management systems to account for the overseas budget.		
FY 2006 PERFORMANCE	**Target**	Increase percentage of the total overseas budget processed by Direct Connect (i.e., on-line) posts to at least 66%. This represents an increase of total posts using Direct Connect from 29 to 50 posts.
	Results	The number of posts using Direct Connect as of 9/30/06 was 58, which represents 60% of the overseas budget dollars.
	Rating	**On Target**
	Impact	Implementation of Direct Connect advances the Department's objective to have integrated global financial systems that support strategic decision making, mission performance, and improved accountability.
PERFORMANCE DATA	**Data Source**	Department of State reports maintained by the Office of the Deputy Chief Financial Officer.
	Data Quality (Verification)	The data quality is considered to be excellent. The Charleston Financial Center provides the training and implementation for the application and tracks the data submission method and dollars for each post.
PAST PERFORMANCE	**2005**	At the end of FY 2005, 29 posts were using Direct Connect, representing 45% of the overseas budget.
	2004	The Department exceeded its target with 22 posts on Direct Connect representing 41% of the overseas budget.
	2003	As a preliminary step, all overseas posts converted to the Regional Financial Management System.

ANNUAL PERFORMANCE GOAL 6

Customer-oriented, Innovative Delivery of Administrative and Information Services, Acquisitions, and Assistance.

I/P: WORLDWIDE LOGISTICS: INTEGRATED LOGISTICS MANAGEMENT SYSTEM

	INDICATOR: Integrated Logistics Management System Development and Implementation	
	Input	
JUSTIFICATION: The selected performance indicators track the most critical success factors in the overall logistics management program of the Department.		
FY 2006 PERFORMANCE	**Target**	■ Complete domestic deployment of asset management transportation and status tracking functions. ■ Complete design and development of integration with Global Financial Management System Phase 1. ■ Develop and begin deployment of secure system domestically. ■ Deploy enterprise performance management to domestic warehouses. ■ Conduct overseas pilots of selected supply chain management components.
	Results	■ Completed domestic deployment of asset management, transportation, and status tracking functions. ■ Completed design and development of integration with Global Financial Management System Phase 1. ■ Made planned progress with development and deployment of secure domestically. ■ Made planned progress with deployment of enterprise performance management to domestic warehouses.
	Rating	**Below Target**
	Impact	When fully implemented, this system will provide a more efficient, effective, customer-oriented global logistics support system, and it is thus an important component of the Department's Management and Organizational Excellence strategic goal. The consequences of the target shortfall include a delay in realizing end-to-end asset visibility across the enterprise and the extension of legacy system operations and maintenance costs that remain in service.
	Reason for Shortfall	Funding approved at levels significantly less than requested. Consequences and impact include a delay in overall return on investment and moderate life-cycle cost growth.
	Steps to Improve	Actions planned include a delay in overseas pilots and deployments consistent with projected available funding.
PERFORMANCE DATA	**Data Source**	Integrated Logistics Management System program management plan and earned value management system.
	Data Quality (Verification)	The performance data are accurate and complete. Data from posts are reviewed and verified on site; other data are verified by program supervisors in Washington, DC.

Continued on next page

I/P: WORLDWIDE LOGISTICS: INTEGRATED LOGISTICS MANAGEMENT SYSTEM *(continued)*

INDICATOR: Integrated Logistics Management System Development and Implementation *(continued)*

PAST PERFORMANCE	2005	Asset management 88% deployed in FY 2005, with full domestic deployment completed in December 2005.
	2004	■ Requisitioning/procurement module deployed to all bureaus domestically with two overseas pilots. ■ Distribution module deployed to domestic warehouses. ■ Asset management deployed for motor vehicle and Worldwide Property Accountability System inventory and piloted in two domestic bureaus.
	2003	■ Procurement module operational in four domestic bureaus (fully integrated with the Department's Central Financial Management System) and one overseas regional procurement facility. ■ Asset Management module piloted at one overseas post. ■ Diplomatic Pouch and Mail module fully deployed and operational at both the unclassified and classified pouch facilities.

I/P: COMPETITIVE SOURCING

INDICATOR: Cost Savings or Cost Avoidance Generated through Competitive Sourcing

Outcome

JUSTIFICATION: This indicator measures the cost effectiveness of Competitive Sourcing results by comparing current cost of performance to the results of competitions between the public and private sectors.

FY 2006 PERFORMANCE	Target	15% cost savings or cost avoidance of competed areas' baseline costs, predominantly from standard competitions.
	Results	$79.2 million in projected cost savings to customers over 10 years, from one standard competition that was completed in FY 2006. This amount represents approximately 33% of the competed area's baseline costs. Customers are expected to save approximately $8 million per year, or $79.2 million over the life of the contract.
	Rating	**Above Target**
	Impact	Achievement of this Competitive Sourcing cost savings and/or cost avoidance target contributes to the Department's success in conducting its vital foreign policy mission while being effective and accountable stewards of the taxpayer's money.
PERFORMANCE DATA	Data Source	Competitive Sourcing Program Office.
	Data Quality (Verification)	OMB Circular A-76 provides guidance on how to calculate the cost of government performance versus the cost of contractor performance. The 15% targets for cost savings or cost avoidance refer to the percentage of the cost of the contract(s) services being competed. Until a particular service that is being competed has been identified (and its base costs determined), there is no dollar amount that can be cited in lieu of a percentage.
PAST PERFORMANCE	2005	$9.8 million in cost avoidance from streamlined competitions. This amount represents approximately 18% of competed areas' baseline costs.
	2004	**Baseline:** $6.2 million, predominantly in cost avoidance from streamlined competitions. This amount represents approximately 44% of competed areas' baseline costs.
	2003	N/A.

PROGRAM ASSESSMENT RATING TOOL (PART) STATUS

The Office of Management and Budget (OMB) uses the Program Assessment Rating Tool (PART) to assess federal programs. The PART is a series of diagnostic questions used to assess and evaluate programs across a set of performance-related criteria, including program design and purpose, strategic planning, program management and results. PART results are then used to inform the budget process and improve program management to ensure the most effective and efficient usage of taxpayer dollars. A PART assessment takes place over the course of a calendar year, and is meant to inform the budget formulation process one year later, thus a PART assessment conducted in calendar year 2002 (CY 2002) would inform the budget process for FY 2004.

In light of foreign assistance reform, certain programs' improvement plans have been adjusted, and the Agency and OMB are also reviewing the program parameters for current and anticipated PART assessments.

To date, USAID and OMB have conducted 11 PART reviews, which are summarized below. Additional information on these assessments can be found at *http://www.expectmore.gov*.

FY 2004 PART PROGRAMS

STRATEGIC GOAL 6	SOCIAL AND ENVIRONMENTAL ISSUES
Program Name	**USAID Child Survival and Health - Population**
Rating	◆ CY 2002: Moderately Effective
Lead Bureau	◆ US Agency for International Development - Global Health (GH)
Major Findings/ Recommendations	◆ The program has made significant progress toward achieving annual and long-term performance goals. ◆ The program continues to address its management deficiencies. ◆ The program is decentralized. ◆ The program has been highly effective in increasing contraceptive use in assisted countries.
Actions Taken/ Planned	◆ USAID is using the funding allocation model to rank countries globally to determine the best priority use of family planning and reproductive health funding. It is justifying how the model impacts budget decisions. ◆ USAID is defining U.S. assistance graduation criteria for countries ad strategies for countries currently receiving family planning and reproductive health funding within reach of such criteria. ◆ USAID is addressing financial management system issues.
STRATEGIC GOAL 6	**SOCIAL AND ENVIRONMENTAL ISSUES**
Program Name	**Global Climate Change (GCC)**
Rating	◆ CY 2002: Adequate
Lead Bureau	◆ US Agency for International Development - Bureau for Economic Growth, Agriculture, and Trade (EGAT)
Major Findings/ Recommendations	◆ The program targets its resources to achieve the most benefit. ◆ The program coordinates its climate change activities effectively with many organizations conducting similar work. ◆ The program cannot numerically measure progress made toward two out of three program goals.
Actions Taken/ Planned	◆ The program is in the process of developing a new strategy to include more short and long-term goals. ◆ The program is conducting regular reviews of its performance and effectiveness to inform program improvements.

FY 2005 PART PROGRAMS

STRATEGIC GOAL 7	HUMANITARIAN RESPONSE
Program Name	**Food Aid for Emergencies and Development (Public Law 480 Title II)**
Rating	◆ CY 2003: Adequate
Lead Bureau	◆ US Agency for International Development - Democracy, Conflict, and Humanitarian Assistance (DCHA)
Major Findings/ Recommendations	◆ This program is managed by the Food for Peace Office, which has a new strategic plan to improve food security in countries prone to hunger and famine. ◆ The program would be more cost-effective if several congressional mandates were eliminated, such as cargo preference requirements. ◆ In general, food aid is not well-integrated or coordinated with other U.S. Agency for International Development resources.
Actions Taken/ Planned	◆ USAID is ensuring that emergency and development food aid are directed towards the highest priority needs and that contingency planning allows this program to address unanticipated needs throughout the year. ◆ USAID is taking steps to integrate better food security issues and food aid into overall Agency planning in Washington and at its missions abroad and with donors, including addressing root causes of famine. ◆ USAID is developing new indicators for food security that encompass both emergency and development food aid programs, including tracking across-the-board progress in countries and overall.
STRATEGIC GOAL 1	**REGIONAL STABILITY**
Program Name	**Office of Transition Initiatives**
Rating	◆ CY 2003: Moderately Effective
Lead Bureau	◆ US Agency for International Development - DCHA/Office of Transition Initiatives (OTI)
Major Findings/ Recommendations	◆ OTI provides fast, flexible, and short-term assistance to conflict-prone countries. ◆ OTI is able to move into countries quickly and rapidly start producing results, forging community peace-building. ◆ OTI has strong performance measures at the recipient and country level.
Actions Taken/ Planned	◆ OTI is ensuring that these programs remain short-term in nature. In general, programs should be financed by Agency's missions abroad with other funding or by other organizations or ended after two years. ◆ OTI is improving performance measures where possible to track better the effectiveness and sustainability of the Office's programs on advancing democracy and peace. ◆ OTI is improving coordination and cooperation across the Agency between related offices and programs to ensure that there is no duplication of efforts or overlap.

FY 2006 PART PROGRAMS

STRATEGIC GOAL 6	SOCIAL AND ENVIRONMENTAL ISSUES
Program Name	**Child Survival and Health for Latin America and the Caribbean (LAC)**
Rating	◆ CY 2004: Moderately Effective
Lead Bureau	◆ US Agency for International Development – Latin America & Caribbean Bureau (LAC)
Major Findings/ Recommendations	◆ The program is advancing the U.S.'s long term goals for health in Latin America and the Caribbean. ◆ The LAC Bureau created a set of common goals across countries and region-wide indicators to provide valuable performance information to the field and Washington headquarters. ◆ At the regional level, this program has not yet developed budget requests that are explicitly tied to accomplishment of annual and long-term performance goals.
Actions Taken/ Planned	◆ As part of foreign assistance reform and the resultant new Foreign Assistance Framework, USAID is working with the Department of State to establish new measures and indicators that will allow for results to be measured across LAC countries, programs and partners.
STRATEGIC GOALS 1, 4, 5 & 6	**REGIONAL STABILITY, DEMOCRACY & HUMAN RIGHTS, ECONOMIC PROSPERITY & SECURITY, SOCIAL AND ENVIRONMENTAL ISSUES**
Program Name	**Development Assistance to Latin America and the Caribbean**
Rating	◆ CY 2004: Moderately Effective
Lead Bureau	◆ US Agency for International Development - Latin America & Caribbean Bureau (LAC)
Major Findings/ Recommendations	◆ The program supports U.S. foreign policy priorities in the region. ◆ The LAC Bureau has undertaken extensive efforts to create common regional measures. ◆ The program's goals in Latin America are new and have not yet been linked to funding requests.
Actions Taken/ Planned	◆ As part of foreign assistance reform and the resultant new Foreign Assistance Framework, USAID is working with the Department of State to establish new measures and indicators that will allow for results to be measured across LAC countries, programs and partners
STRATEGIC GOAL 8	**MANAGEMENT AND ORGANIZATIONAL EXCELLENCE**
Program Name	**USAID Administration and Capital Investment Fund**
Rating	◆ CY 2004: Moderately Effective
Lead Bureau	◆ US Agency for International Development - multiple Bureaus
Major Findings/ Recommendations	◆ This program fulfills an important need, and has demonstrated effective strategic planning and program management. ◆ The Agency is continuing its efforts to improve financial, human capital, facilities, and information technology management. ◆ To overcome remaining challenges, the Agency must institutionalize performance management in decision making.
Actions Taken/ Planned	◆ Increasing the effectiveness and efficiency of agency operations by implementing the President's Management Agenda, as well as other reform initiatives. ◆ Continuing to operationalize meaningful performance measures and utilize them in the management of agency operations. ◆ Expanding the use of performance based contracting to better control costs and enhance services provided.

FY 2007 PART PROGRAMS

STRATEGIC GOALS 1, 4, 5 & 6	REGIONAL STABILITY, DEMOCRACY & HUMAN RIGHTS, ECONOMIC PROSPERITY & SECURITY, SOCIAL AND ENVIRONMENTAL ISSUES
Program Name	**USAID's Development Assistance for Sub-Saharan Africa**
Rating	◆ CY 2005: Adequate
Lead Bureau	◆ US Agency for International Development – Africa Bureau (AFR)
Major Findings/ Recommendations	◆ The program aims to reduce poverty and enhance democracy and the environment in African countries; but its impact is diffused across a large number of activities in a lot of countries. ◆ Most African countries have weak economic, social, and political institutions; poor-transparency of government programs; and systemic threat to progress from endemic diseases. ◆ The program's decentralized structure makes it challenging to compare performance in different countries.
Actions Taken/ Planned	◆ The AFR Bureau is developing and applying common outcome goals to assure program advancement, especially of Presidential initiatives. ◆ The AFR Bureau is aligning country mission staffing levels and operating expense funds with international assistance levels to increase program efficiency.
STRATEGIC GOAL 6	**SOCIAL AND ENVIRONMENTAL ISSUES**
Program Name	**Africa Child Survival and Health**
Rating	◆ CY 2005: Adequate
Lead Bureau	◆ US Agency for International Development – Africa Bureau (AFR)
Major Findings/ Recommendations	◆ USAID is working to comply with federal financial management requirements. ◆ The health performance measures are internationally accepted and widely used.
Actions Taken/ Planned	◆ USAID is developing an efficiency measure for Africa health programs that demonstrates a commitment to programming funds at a lower cost either services, commodities, or total overhead. ◆ USAID is planning evaluations that over a 5-8 year time provide a comprehensive picture of the performance of the Africa Health programs.
STRATEGIC GOAL 7	**HUMANITARIAN RESPONSE**
Program Name	**International Disaster and Famine Account**
Rating	◆ CY 2005: Adequate
Lead Bureau	◆ US Agency for International Development – Democracy, Conflict, and Humanitarian Assistance (DCHA)
Major Findings/ Recommendations	◆ The Office of US Foreign Disaster Assistance provides timely humanitarian assistance to foreign disasters, coordinating the U.S. response, including the military's relief efforts. ◆ The programs seek to save lives and reduce suffering. ◆ The Office often collaborates well with other U.S. agencies, foreign relief agencies, international and non-governmental organizations.
Actions Taken/ Planned	◆ The Office is integrating assistance needs in protracted emergencies better with other USAID programs in order to reduce the Office's long-term presence in these countries. ◆ The Office is improving and expanding the use of performance measures across protracted emergencies, including ensuring that certain key performance data are measured reliably and uniformly across emergencies. ◆ The Office is developing additional measures of cost-effectiveness, including reviewing cost-effectiveness when doing post-crises assessments and evaluations.

STRATEGIC GOAL 5	ECONOMIC PROSPERITY & SECURITY
Program Name	**Development Credit Authority**
Rating	◆ CY 2005: Moderately Effective
Lead Bureau	◆ US Agency for International Development – Bureau for Economic Growth, Agriculture, and Trade (EGAT)
Major Findings/ Recommendations	◆ The Office of Development Credit, which manages this tool, has significantly improved its strategic planning by establishing strong long-term goals and annual performance measures to more effectively assess its development impact. ◆ Although USAID fails to meet government-wide financial management standards, the Office of Development Credit does by conducting risk assessments of all Development Credit Authority guarantees. ◆ The Office does not yet have independent evaluations to indicate that the tool is effective at stimulating economic development.
Actions Taken/ Planned	◆ The Office is working to implement improved financial and accounting management procedures and increase the efficiency and effectiveness of the tool. ◆ The Office is incorporating the findings of its independent evaluations into its project development and monitoring plans to improve program effectiveness.