

12. INTERNATIONAL AFFAIRS

Table 12-1. Federal Resources in Support of International Affairs
(In millions of dollars)

Function 150	1999 Actual	Estimate					
		2000	2001	2002	2003	2004	2005
Spending:							
Discretionary Budget Authority ...	41,509	23,910	22,755	23,193	23,500	24,076	24,569
Mandatory Outlays:							
Existing law	-4,276	-4,769	-4,089	-3,735	-3,735	-3,689	-3,709
Credit Activity:							
Direct loan disbursements	2,781	1,813	1,419	N/A	N/A	N/A	N/A
Guaranteed loans	9,513	12,754	12,467	N/A	N/A	N/A	N/A
Tax Expenditures:							
Existing law	14,415	15,595	16,685	17,015	17,615	18,790	20,065
Proposed legislation		80	168	102	46	-10	-27

N/A = Not available.

The Administration proposes \$22.8 billion for International Affairs programs in 2001. By fully funding these programs, the United States can continue to provide critical international leadership to accomplish key strategic goals, such as enhancing national security, fostering world-wide economic growth, supporting the establishment and consolidation of democracy, improving the global environment and addressing other key global issues such as dealing with AIDS.

In many cases, the performance goals that follow are from agency performance plans. In addition to the goals identified below, agencies have established other performance goals for themselves to ensure that they fulfill their legislative mandates in ways that also contribute to U.S. national interests.

National Security

U.S. security depends on active diplomacy, steps to resolve destabilizing regional conflicts, and vigorous efforts to reduce the continuing threat of weapons of mass destruction. A strong, active United Nations enhances U.S. diplomatic efforts, and the budget proposes to fund assessed contributions to this and other international organizations, as well as

annual assessed and voluntary peacekeeping contributions.

Economic and reconstruction assistance and police training are critical to our effort to support a new, democratic society in Kosovo and funding under the FREEDOM Support Act helps foster the transition to market democracies in the former Soviet Union.

The State Department will implement a broad program of security enhancements in response to continued threats of terrorist bombings and related violence directed at U.S. diplomatic and consular facilities overseas in 2001. Achieving global upgrades and maintaining that readiness at the Department's overseas posts poses a significant management challenge. The budget also includes significant investments in overseas facilities to ensure continued protection of U.S. Government employees. Long-range capital planning, including a review of how the U.S. Government staffs and manages overseas facilities, will ensure that these investments meet cost, schedule, and performance goals of the program.

Relevant agencies will meet the following goals in 2001:

- The State Department will avert or defuse regional conflicts where critical national interests are at stake through bilateral U.S. assistance and UN peacekeeping activities.
- The State and Defense Departments will ensure that the armed forces of NATO's "candidate countries" can operate in a fully integrated manner with other NATO forces upon their planned entry into NATO.
- The State Department will achieve full compliance with, and verification of, treaties regarding weapons of mass destruction and, if necessary, combat suspected development programs.

Economic Prosperity

International affairs activities increase U.S. economic prosperity in several ways. First, the U.S. Trade Representative (USTR), supported by the State Department and other agencies, works to reduce barriers to trade in U.S. goods, services, and investments by negotiating new trade liberalizing agreements and strictly enforcing existing agreements.

Second, the Export-Import Bank and the Trade and Development Agency (TDA) provide grant and credit financing to correct market distortions that can put U.S. exports at a competitive disadvantage. The Overseas Private Investment Corporation (OPIC) provides investment insurance and financing for development projects in support of U.S. business large and small.

Third, development assistance from the Multilateral Development Banks (MDBs) and USAID, along with debt reduction, help increase economic growth, openness, and market orientation in developing and transitioning countries. This creates new markets for U.S. goods and services and reducing the economic cause of instability in these regions.

Relevant agencies will meet the following performance goals in 2001:

- USTR will work with parties to the World Trade Organization (WTO) to launch an inclusive new negotiating round that covers trade in agriculture and services, achieves further effective market access

liberalization, and strengthens and extends WTO rules; negotiate cuts in specific identified barriers to U.S. and global trade; and effectively enforce international trade agreements.

- The Export-Import Bank will develop new mechanisms to expand the availability of financing for U.S. exports by pioneering joint ventures with the private sector, as well as innovative financing programs that will increase the Bank's support for small and medium-sized exporters.
- OPIC will increase, from 1999 levels, the amount of private U.S. investment that supports American, foreign policy and development goals and benefits the U.S. economy.
- TDA will increase, from 2000 levels, the ratio of TDA-supported exports to TDA expenditures and the percentage of TDA projects that ultimately yield U.S. exports.
- U.S. Agency for International Development (USAID), through bilateral assistance, and the Treasury Department, through its contributions to the MDBs, will provide assistance that helps to increase the real annual per capita GDP growth rate from 1999 levels in developing countries.

American Citizens and U.S. Borders

The State Department, through the U.S. passport office and the network of embassies and consulates overseas, helps and protects Americans who travel and reside abroad—most directly through various consular services, including citizenship documentation and help in emergencies. The Department also helps to control how immigrants and foreign visitors enter and remain in the United States by effectively and fairly administering U.S. immigration laws overseas and screening applicants, in order to deter illegal immigration and prevent terrorists, narcotics traffickers and other criminals from entering the United States.

The State Department will meet the following performance goal in 2001:

- Improve U.S. passport security by issuing all passports produced in the United States with a digitized passport photo.

Law Enforcement

The expansion and rising sophistication of transnational crime, international drug trafficking and terrorism represent direct threats to our national security. The State Department has broad responsibility for Federal law enforcement policy and program coordination in the foreign arena. The budget funds the State Department's diplomatic efforts to convince other countries to work cooperatively to address international criminal threats; it also funds add distance and training that helps other countries combat corruption, terrorism, and illegal narcotics, and provides the developing countries with economic alternatives to narcotics cultivation and export.

The State Department, working with the Departments of Justice, the Treasury, and Defense, will meet the following performance goals in 2001:

- Increase, from 1999 levels, the number of foreign governments that enact and enforce legislation to combat corruption, money laundering, and other transnational criminal activities.
- Reduce from 1999 levels, the hectares of coca and opium poppies being cultivated in producing countries.
- Increase, from 1999, levels, criminal justice section training, providing equipment, and technical assistance to local and federal law enforcement organizations.

Democracy

Advancing U.S. interest in the post-Cold War world often requires efforts to support democratic transitions, address human rights violations, and promote U.S. democratic values. The budget funds the State Department efforts that are intended to discourage other nations' interference with basic democratic activities, that helps countries develop the institutions and legal structures for the transition to democracy. Finally, the budget funds exchange and training programs of the State Department, as well as international broadcasting programs that seek to the world

and ensure that Americans understand and value the peoples and cultures of other nations.

Relevant agencies will meet the following performance goals for 2001:

- USAID, State Department public diplomacy programs, and international broadcasting programs will provide assistance that lead to the improvement of Freedom House ratings of countries in which the United States is assisting the transition to democracy.
- As a result of State Department diplomacy and direct assistance, the instances of human rights abuses as reported by the State Department in the annual U.S. Report on Human Rights will be reduced from 1999 levels.
- Public diplomacy activities will increase, from 1999 levels, the support for democracy, democratic institutions, and human rights in selected countries that participate in the programs, as measured through polling.

Humanitarian Response

U.S. values demand that we help alleviate human suffering from foreign crisis whether man-made or natural, even in cases with no direct threat to U.S. security interests. The budget provides the necessary funds to address and, where possible, try to prevent, humanitarian crises through USAID's Foreign Disaster Assistance and Transition Initiatives programs, the State Department's Migration and Refugee Assistance program, and food aid provided under Public Law 480 authorities. The budget also funds U.S. bilateral demining efforts to address the growing humanitarian crisis caused by land mines in areas of former conflict.

Relevant agencies will meet the following performance goals for 2001:

- USAID, in conjunction with other public and private donors, will provide humanitarian assistance that will maintain the nutritional status of children aged five or under living in regions affected by humanitarian emergencies.

- The State Department will reduce refugee populations, from 1999 levels, through U.S.-sponsored integration, repatriation, and resettlement activities.
- The State Department will increase, from 1999 levels, the amount of land returned to productive economic activity by clearing mines and other unexploded ordnance. Over time, this will also result in a reduction of innocent casualties.

Global Issues

The global problems of environmental degradation, population growth, and the spread of communicable diseases directly affect future U.S. security and prosperity. Increased funding for international family planning efforts, prevention of the global spread of HIV/AIDS, and protection of the world's dwindling tropical forests, represent new or expanded initiatives to address the causes of these problems. In addition, continued funding of bilateral efforts to address global climate change in developing countries, as well as funding of current commitments and arrears to the Global Environment Facility, remain critical to the effort to reduce global environmental degradation.

Finally, the volunteer programs of the Peace Corps serve U.S. national interests by promoting mutual understanding between Americans and the people of developing nations and providing technical assistance to interested countries.

Relevant agencies will meet the following performance goals in 2001:

- USAID, working with the Departments of Health and Human Services, Defense and Labor, and with other donors and national governments, will provide assistance that will reduce, from 1999 levels, HIV transmission and impact of the HIV/AIDS pandemic in the developing countries in which the Administration's global HIV/AIDS initiative is implemented, as measured by the incidence of HIV among 15 to 24 year-olds.
- USAID will provide assistance, in conjunction with other donors, that will reduce unintended and mistimed pregnancies, as measured by a reduction in the Total Fertility Rate from 1999 levels in countries in which USAID provides family planning assistance.
- USAID, working with the Department of the Treasury and other agencies and donors, will provide assistance that improves conservation of biologically significant habitat as measured by an increase in nationally protected areas over 1999 levels.
- USAID, working with the Department of State and other agencies and donors, will provide assistance that will reduce the threat of global climate change, as measured by reduced carbon dioxide industrial emissions compared to 1999 levels.
- The Peace Corps will provide opportunities for 4,200 Americans in 2001 to enter service as new volunteers, assisting countries with their development needs and increasing cultural awareness.