

D&CP – BUREAU OF ECONOMIC, ENERGY, AND BUSINESS AFFAIRS

Resource Summary

(\$ in thousands)

Appropriations	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Increase / Decrease
Positions	209	213	215	2
Funds	37,341	38,346	38,930	584

Program Description

The mission of the Bureau of Economic, Energy, and Business Affairs (EEB) is to further economic security and prosperity, both at home and abroad. By working to open markets and break down barriers to global economic engagement, EEB seeks to promote the prosperity that economic freedom brings, both for the U.S. and other nations.

EEB's work lies at the critical nexus of economic prosperity and national security; advancing progress in one contributes to progress in the other. In the post-9/11 world, EEB recognizes that threats to national security emanate from countries that are marginalized from the global economy.

EEB pursues expanded market opportunities in trade, investment, transportation, and information and communications technology. In concert with other agencies, EEB promotes economic development worldwide by encouraging pro-growth economic policies, stable financial systems, and sustainable agricultural production. To advance energy security, EEB cooperates with other nations to diversify U.S. energy supplies, develop alternative, low-carbon technologies, and promote efficient energy usage. At the same time, EEB acts to secure vital transportation and communications infrastructure. EEB also leads in the fight against bribery and corruption, and works aggressively to crack down on the illicit financial flows that aid terrorists and criminal organizations. EEB assists U.S. exporters and American businesses that seek market opportunities abroad.

In all of these efforts, EEB relies on the substantive and technical expertise of talented Foreign and Civil Service staff, as well as on the extensive engagement within the Department, with other agencies and governments, in the multilateral arena, and with the private sector. Notably, EEB has been a leading player in U.S. Government's efforts to shape the international economic architecture of the future through outreach to the key emerging economies that are increasingly influential in the world economy, nations such as China, India, and Brazil. EEB has also played leading roles in shaping USG strategy in the G-8 and G-20, in the Asia Pacific Economic Cooperation (APEC) forum, as well as in such established international institutions as the IMF, World Bank, WTO, OECD, and the UN system. EEB has been at the forefront of the effort to develop a comprehensive U.S.-led strategy for ending global hunger, and for gaining support for the U.S. approach among partner nations. EEB has used innovative technologies to get the Department's and the Bureau's message out to relevant audiences, both at home and overseas.

Performance

This indicator measures both the number of jurisdictions allowing the commercial use of agricultural biotechnology and the quantitative impact of such decisions, thus serving as a yardstick for market access.

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STRATEGIC GOAL: PROMOTING ECONOMIC GROWTH AND PROSPERITY						
Strategic Priority	Agriculture					
Bureau Goal	Open Markets and Create Opportunities for U.S. Goods and Services					
Indicator	NEW INDICATOR: Number of additional countries allowing commercial use of agricultural biotechnology and percent increase in global acreage of biotech crops under cultivation.					
FY 2006 Result	FY 2007 Result	FY 2008 Result	FY 2009 Result	FY 2009 Target	FY 2010 Target	FY 2011 Target
1 country; 13 percent	2 countries; 12 percent	2 countries; 9.4 percent ◁▷ Improved But Not Met	Data available in FY 2010 Data Not Yet Available, No Rating	1 country; 12 percent	1 country; 12 percent	1 country; 10 percent
Impact	Rating and Results not available to determine Impact.					
Methodology	The Department has used information provided by the International Service for the Acquisition of Agri-Biotech Applications (ISAAA) for several years and has confidence in the validity and accuracy of its reports but has no independent means of verifying the data.					
Data Source and Quality	International Service for the Acquisition of Agri-Biotech Applications (ISAAA). The Data Quality Assessment revealed no significant data limitations. Expected data availability: February 2010.					

The number of countries able and willing to meet the criteria for the intensified focus and increased investments that will characterize Phase 2 of the Administration's food security initiative will reflect the overall progress of the initiative.

STRATEGIC GOAL: PROMOTING ECONOMIC GROWTH AND PROSPERITY						
Strategic Priority	Agriculture					
Bureau Goal	Indicator is a department level measure and was developed outside of bureau strategic planning process					
Indicator	NEW INDICATOR: Number of countries that meet criteria for Food Security Phase 2 funding.					
FY 2006 Result	FY 2007 Result	FY 2008 Result	FY 2009 Result	FY 2009 Target	FY 2010 Target	FY 2011 Target
N/A	N/A	N/A	Data Not Yet Available	Baseline year	0 - Phase 2 to begin 2011	2-3
New Indicator, No Rating	New Indicator, No Rating	New Indicator, No Rating	New Indicator, No Rating			
Impact	Rating and result not available to determine impact.					
Methodology	The specific criteria for Phase 2 countries have not yet been established.					
Data Source and Quality	Department and other U.S. Government officials. The Data Quality Assessment revealed no significant data limitations.					

This indicator serves as an index of the quality of economic governance in developing countries and thus provides an indirect measure of the degree of economic opportunity present in such countries.

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STRATEGIC GOAL: PROMOTING ECONOMIC GROWTH AND PROSPERITY						
Strategic Priority	Economic Opportunity					
Bureau Goal	Indicator is a department level measure and was developed outside of bureau strategic planning process					
Indicator	NEW INDICATOR: Median number of days required to start a business in countries that are not members of the Organization for Economic Co-operation and Development; median cost of starting a business as a percentage of per capita income in those countries.					
FY 2006 Result	FY 2007 Result	FY 2008 Result	FY 2009 Result	FY 2009 Target	FY 2010 Target	FY 2011 Target
N/A	N/A	N/A	26 days, 20%	Baseline Year	25 days; 19%	24 days; 18%
New Indicator, No Rating	New Indicator, No Rating	New Indicator, No Rating	New Indicator, No Rating			
Impact	N/A - new indicator					
Methodology	Bureau of Economic, Energy & Business Affairs (EEB) has confidence in the World Bank's research quality and methodology but has no independent means of verification of its results					
Data Source and Quality	World Bank publication. The Data Quality Assessment revealed no significant data limitations.					

Countries unable to meet their external financial obligations and seeking debt restructuring agreements at the Paris Club are required to pursue reform programs supported and/or monitored by the International Monetary Fund (IMF). Successful implementation of such reform programs is an important element of the restoration of financial stability for such countries.

STRATEGIC GOAL: PROMOTING ECONOMIC GROWTH AND PROSPERITY						
Strategic Priority	Macroeconomic Foundation for Growth					
Bureau Goal	Indicator is a department level measure and was developed outside of bureau strategic planning process					
Indicator	NEW INDICATOR: Financial Stability Improvement Ratio - Percentage of countries with active debt relief agreements with Paris Club creditors that have an active International Monetary Fund program or have successfully completed it, and do not have protracted arrears to international creditors.					
FY 2006 Result	FY 2007 Result	FY 2008 Result	FY 2009 Result	FY 2009 Target	FY 2010 Target	FY 2011 Target
84 percent	84 percent [Baseline]	87 percent	85%	75 percent	80 percent	85 percent
		▲ Above Target	▲ Above Target			
Reason for Exceeding Target	Indicator is moderately above target and is in line with recent performance.					
Impact	Countries unable to meet their external financial obligations and which request debt restructuring at the Paris Club are required to implement reform programs supported or monitored by the IMF. Successful implementation of such reform programs is an important element in the restoration of financial stability for such countries.					
Methodology	Data are obtained directly from participating Department or other USG officials and from the IMF itself.					

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Data Source and Quality	Department officials participating in Paris Club negotiations provided information on the number of countries seeking debt relief from the Paris Club. The IMF Executive Board provided information on the successful conclusion of IMF reform programs. The Data Quality Assessment revealed no significant data limitations.
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The World Bank Institute's Regulatory Quality Estimate, one of six World Governance Indicators, serves as a measure of the quality of economic governance and conditions facing private sector businesses. It thus serves as a proxy for the favorability of the business environment for the private sector.

STRATEGIC GOAL: PROMOTING ECONOMIC GROWTH AND PROSPERITY						
Strategic Priority	Private Sector Competitiveness					
Bureau Goal	Indicator is a department level measure and was developed outside of bureau strategic planning process					
Indicator	NEW INDICATOR: Median World Bank Regulatory Quality Estimate for developing countries.					
FY 2006 Result	FY 2007 Result	FY 2008 Result	FY 2009 Result	FY 2009 Target	FY 2010 Target	FY 2011 Target
-0.31	-0.30	-0.32	N/A - New Indicator	N/A - New indicator	-.30 (range - 2.5 to +2.5)	-.29 (range - 2.5 to +2.5)
New Indicator, No Rating	New Indicator, No Rating	New Indicator, No Rating	New Indicator, No Rating			
Impact	N/A					
Methodology	The World Bank Institute's World Governance Indicators combine the views of enterprise, citizen, and expert survey respondents in industrial and developing countries. The data underlying the aggregate indicators are drawn from a variety of survey institutes, think tanks, NGOs, and international organizations.					
Data Source and Quality	World Bank Institute: http://info.worldbank.org/governance/wgi/index.asp . Data quality assessment revealed no significant data limitations. However, the Department has no independent means of verifying the data or methodology used in compiling data from external sources.					

This indicator provides a measure of the availability of non-oil energy sources on world markets.

STRATEGIC GOAL: PROMOTING ECONOMIC GROWTH AND PROSPERITY						
Strategic Priority	Energy Security					
Bureau Goal	Indicator is a department level measure and was developed outside of bureau strategic planning process					
Indicator	NEW INDICATOR: Percentage of world energy supplies from non-oil sources.					
FY 2006 Result	FY 2007 Result	FY 2008 Result	FY 2009 Result	FY 2009 Target	FY 2010 Target	FY 2011 Target
63.5 percent	64.2 percent	64.7 percent	65.4 percent [Baseline]	Baseline Year	65.6 percent	65.8 percent
New Indicator, No Rating	New Indicator, No Rating	New Indicator, No Rating	New Indicator, No Rating			
Impact	Growing availability and use of non-oil energy sources reduces U.S. and world reliance on oil.					

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Methodology	Data source and methodology: U.S. Department of Energy, Energy Information Administration, World Energy Projections Plus, May 2009 (http://www.eia.doe.gov/oiaf/ieo/world.html)
Data Source and Quality	US Department of Energy - Energy Information Administration projections. The Data Quality Assessment revealed no significant data limitations.

The indicator below reflects U.S. and international progress towards achieving greater efficiencies in energy consumption. The State Department is supporting a multitude of international efforts designed to mitigate climate change and improve U.S. energy security. Both of these issues require major economies to slow the growth of energy consumption through greater efficiencies by 2020. While the FY 2011 target shows continued growth consistent with a recovering global economy, the long-term goal of the U.S. is to show a decline in energy use relative to the growth in Gross Domestic Product (GDP) and a reduced rate of consumption growth per capita throughout the next decade and beyond.

STRATEGIC GOAL: PROMOTING ECONOMIC GROWTH AND PROSPERITY						
Strategic Priority	Energy Security					
Bureau Goal	Indicator is a department level measure and was developed outside of bureau strategic planning process					
Indicator	NEW INDICATOR: Energy consumption per capita in OECD countries measured in million British Thermal Units (BTUs).					
FY 2006 Result	FY 2007 Result	FY 2008 Result	FY 2009 Result	FY 2009 Target	FY 2010 Target	FY 2011 Target
205.67M BTUs	208.09M BTUs	206.65M BTUs (projected)	203.08M BTUs (projected)	[Baseline Year]	202.58M BTUs	203.70M BTUs
New Indicator, No Rating	New Indicator, No Rating	New Indicator, No Rating	Data Not Yet Available, No Rating			
Impact	Achieving greater efficiencies in energy consumption is one of the principal lines of effort in U.S. energy security policy.					
Methodology	Data source and methodology: U.S. Department of Energy, Energy Information Administration, World Energy Projections Plus, May 2009 (http://www.eia.doe.gov/oiaf/ieo/world.html)					
Data Source and Quality	U.S. Department of Energy (energy use) and Organization for Economic Cooperation and Development (OECD population). Baseline DOE data on OECD area energy consumption runs only through 2007. Values for 2008 and 2009 are based on DOE and OECD projections. Data quality assessment revealed no significant limitations.					

Justification of Request

The Department's FY 2011 request of \$38.9 million includes increases to maintain current services and support several key initiatives. A total increase of \$0.6 million and 2 positions is requested compared to the FY 2010 base of \$38.3 million and 213 positions for the program. Within the requested increase of \$0.4 million will support statutory pay raises, inflation, and increased facility costs, etc, to maintain the FY 2010 level of activity.

The requested increase will fund the following positions:

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Foreign Affairs Officer – Investment Affairs

In 2008, the House Foreign Affairs Committee (HFAC) requested that EEB testify on the State Department's ability to prevent and/or respond to investment disputes between American businesses and foreign governments or individuals. The addition of this position will give EEB the latitude to balance workloads within the office to meet demands on the office for leadership of U.S. investment policy in multilateral and bilateral investment treaty negotiations. This position would meet EEB's strategic goal of promoting economic prosperity at home and abroad by advancing the USG's Open Economy Policy, which notes that "a free and open international investment regime is vital for a stable and growing economy." This Foreign Affairs Officer would be responsible for coordinating the annual production and publication of the Investment Climate Statement. Better reporting on foreign governments regulation of foreign investment would directly support EEB's expanding bilateral investment treaty negotiations (e.g., China and India) and expanding strategic dialogues which include regulation of foreign investment (e.g., China, India, Brazil and Russia.) The officer would also be tasked with modernizing and maintaining the ICS website with the goal of making it more accessible and user-friendly to the public.

Cybersecurity Specialist

A new position in the Office of Multilateral Affairs (CIP/MA) is requested to handle increased cybersecurity workload that will occur as a result of the Administration's new initiative to improve the nation's cybersecurity. A sixty-day review of U.S. cyberspace policy was a first step in this initiative. The review, which was released on May 22, found that the U.S. needs to increase its international engagement in cybersecurity. The Administration has announced the creation of a new office in the White House to coordinate national cybersecurity efforts. The Executive Office of the President has created an Interagency Policy Committee (IPC) with five sub-IPCs. CIP/MA is the entity within the State Department that has the statutory responsibility to coordinate U.S. international telecommunications policy, including cybersecurity policy. Consequently, in the international economic area, CIP/MA expects that its workload will increase substantially in order to achieve the cybersecurity goals of the new administration.

Resource Summary

	Positions			Funds (\$ in thousands)			
	American		FSN	Pos Total	Bureau	American	Funds
	Domestic	Overseas			Managed	Salaries	Total
FY 2009 Actual	209	0	0	209	6,604	30,737	37,341
FY 2010 Estimate	213	0	0	213	7,295	31,051	38,346
FY 2011 Built-in Changes							
Annualization of FY 2010 COLA	0	0	0	0	4	142	146
Domestic Inflation	0	0	0	0	61	0	61
FY 2011 American COLA	0	0	0	0	18	178	196
Total Built-in Changes	0	0	0	0	83	320	403
FY 2011 Current Services	213	0	0	213	7,378	31,371	38,749
FY 2011 Program Changes							
Foreign Affairs Officer - FSO	1	0	0	1	0	67	67
Cyber Security - GS	1	0	0	1	0	114	114
Total Program Changes	2	0	0	2	0	181	181
FY 2011 Request	215	0	0	215	7,378	31,552	38,930

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Staff by Program Activity
(positions)

Bureau of Economic, Energy, and Business Affairs	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Increase / Decrease
Conduct of Diplomatic Relations	178	183	184	1
Domestic Administrative Support	9	9	13	4
Information Resource Management	5	4	2	(2)
Policy Formulation	14	14	9	(5)
Public Diplomacy	3	3	7	4
Total	209	213	215	2

Funds by Program Activity
(\$ in thousands)

Bureau of Economic, Energy, and Business Affairs	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Increase / Decrease
Conduct of Diplomatic Relations	31,656	33,135	33,753	618
Counter-Terrorism Programs	120	120	123	3
Domestic Administrative Support	1,323	1,317	1,352	35
Information Resource Management	1,320	1,119	596	(523)
Policy Formulation	2,399	2,129	2,574	445
Public Diplomacy	512	526	532	6
Total	37,330	38,346	38,930	584

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AFFAIRS**

Program Activities

Department Of State	Positions			Funds (\$ in thousands)			
	American		FSN	Pos Total	Bureau Managed	American Salaries	Funds Total
	Domestic	Overseas					
Conduct of Diplomatic Relations	184	0	0	184	6,484	27,269	33,753
Bureau Direction	184	0	0	184	0	0	0
Economic/Trade Affairs	0	0	0	0	6,484	0	6,484
Counter-Terrorism Programs	0	0	0	0	123	0	123
Economic/Trade Affairs	0	0	0	0	123	0	123
Domestic Administrative Support	13	0	0	13	204	1,148	1,352
Domestic Administrative Management	13	0	0	13	0	0	0
Information Resource Management	2	0	0	2	157	439	596
Infrastructure Systems	2	0	0	2	0	0	0
Policy Formulation	9	0	0	9	383	2,191	2,574
Public Diplomacy - Program Costs	9	0	0	9	0	0	0
Public Diplomacy	7	0	0	7	27	505	532
Public Diplomacy - Program Costs	4	0	0	4	0	0	0
Total	215	0	0	215	7,378	31,552	38,930

Staff by Domestic Organization Unit
(positions)

Bureau of Economic, Energy, and Business Affairs	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Increase / Decrease
Caspian Basin Energy Diplomacy	1	4	5	1
Coordinator for Business Affairs	8	9	8	(1)
Deputy Assistant Secretary for Energy, Sanctions, & Commodities	28	28	26	(2)
Deputy Assistant Secretary for International Communications & Info Policy	28	28	24	(4)
Deputy Assistant Secretary for International Finance and Development	35	35	34	(1)
Deputy Assistant Secretary for Trade Policy and Programs	55	55	55	0
Deputy Assistant Secretary for Transportation Affairs	23	23	15	(8)
Office of the Assistant Secretary	22	22	33	11
Policy Analysis and Public Diplomacy	9	9	15	6
Total	209	213	215	2

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Funds by Domestic Organization Unit
(\$ in thousands)

Bureau of Economic, Energy, and Business Affairs	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Increase / Decrease
Caspian Basin Energy Diplomacy	401	894	598	(296)
Coordinator for Business Affairs	1,768	1,972	1,967	(5)
Deputy Assistant Secretary for Energy, Sanctions, & Commodities	4,964	5,377	5,550	173
Deputy Assistant Secretary for International Communications & Info Policy	4,798	5,100	5,321	221
Deputy Assistant Secretary for International Finance and Development	5,660	5,811	5,945	134
Deputy Assistant Secretary for Trade Policy and Programs	9,904	9,662	10,065	403
Deputy Assistant Secretary for Transportation Affairs	3,633	3,727	3,552	(175)
Office of the Assistant Secretary	4,754	4,352	4,751	399
Policy Analysis and Public Diplomacy	1,448	1,451	1,181	(270)
Total	37,330	38,346	38,930	584

Funds by Object Class
(\$ in thousands)

Bureau of Economic, Energy, and Business Affairs	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Increase / Decrease
1100 Personnel Compensation	25,811	27,027	27,394	367
1200 Personnel Benefits	5,345	4,626	4,788	162
2100 Travel & Trans of Persons	2,208	2,526	2,495	(31)
2200 Transportation of Things	16	16	16	0
2300 Rents, Comm & Utilities	718	795	726	(69)
2400 Printing & Reproduction	64	63	53	(10)
2500 Other Services	2,337	2,199	2,502	303
2600 Supplies and Materials	408	647	549	(98)
3100 Personal Property	423	447	407	(40)
Total	37,330	38,346	38,930	584