

MILITARY ASSISTANCE

International Military Education and Training
Foreign Military Financing
Peacekeeping Operations

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International Military Education and Training
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
IMET	70,000	80,000	91,700

The International Military Education and Training (IMET) program is an instrument of U.S. national security and foreign policy – a program with a substantial return on investment. It is a key component of U.S. security assistance that provides training on a grant basis to students from allied and friendly nations. While improving defense capabilities, IMET courses offer opportunities to present democratic alternatives to key foreign military and civilian leaders, and further regional stability through mutually beneficial military-to-military relations. The activities under IMET culminate in increased understanding and defense cooperation between the United States and foreign countries.

The IMET program has three main objectives. It encourages effective, positive defense relationships and increases understanding between the U.S. and foreign countries, thereby promoting the goals of international peace and security. It leverages the ability of participating countries to utilize their resources, including defense articles and services obtained from the U.S., with greater effectiveness and efficiency, contributing to greater self-reliance. And, it increases the ability of foreign nationals participating in such activities to recognize international norms regarding human rights.

Training and education provided under the IMET program is professional and non-political, and reflects both the U.S. tradition of civilian oversight and the operational, rather than the policy, role of the military. IMET has a positive effect on participants and recipient countries beyond actual training. Exposure to American values, quality of instruction, and professionalism of the U.S. military plays an important part in building long-term understanding of and support for U.S. policies. Though not a specific objective of the IMET program, the associated skills and the increase in trained personnel have had a significant impact on the infrastructure of countries participating in the program, which has encouraged economic development.

Many IMET courses present democratic principles to key foreign militaries and civilian leaders. Military cooperation is strengthened as foreign militaries improve their knowledge of U.S. military doctrine, strategic planning processes, and operational procedures. This cooperation leads to opportunities for military-to-military interaction, information sharing, joint planning, and combined force exercises that facilitate interoperability with U.S. forces.

The IMET program supports regional stability and promotes democracy in the following ways:

- In Africa, enhancing military relationships and educating future leaders are vital elements of our overall strategy to help build and sustain African institutions on the path to development. The increase in IMET to the region is distributed to many nations in Africa as a key foreign policy tool to promote continued cooperation – particularly important for those nations playing valuable roles with the U.S. in the war on terrorism.
- Over the years, IMET in the Asia-Pacific region has supported the development of more professional militaries and contributed to improved civil-military relations, civilian control of the military, and human rights. In FY 2004, IMET recipients are the Philippines, Papua New Guinea, Fiji, Thailand, Malaysia, Mongolia, Indonesia, Samoa, Tonga, East Timor, Vanuatu, the Solomon Islands, Mongolia, Cambodia, Laos, and Vietnam.

- In Europe and Eurasia, IMET is a key tool to promote U.S. regional strategy, emphasizing activities such as English language training, military professionalism, force interoperability, and preparation of peacekeeping units to operation in the global arena. The benefits of IMET training with countries working closely in the war on terrorism have already been evident, reflected in smooth collaboration with a growing number of countries. We will continue to foster military cooperation and strong security relationships in line with the demands of Operation Enduring Freedom and the global counter-terrorism efforts. IMET training, particularly in areas that emphasize rule of law and civil-military relations, is particularly important for countries with which we seek to expand our military cooperation, such as Uzbekistan and Kyrgyzstan, where advancing reform in the area of human rights is a key U.S. objective. In FY 2004, Turkey will receive a substantial increase to support its participation in coalition operations. Turkey has taken great care to pass the benefits of this assistance in the region by extending opportunities for military education to neighboring countries, such as Azerbaijan.
- Increased levels of funding for the Near East reflect the requirements of individual countries and their capacity to absorb additional training as part of their efforts to help support global counter-terrorism efforts. Military-to-military contacts afforded by the IMET program are particularly important in this region, paying dividends far into the future as students rise up the military and political ranks of their respective countries. In FY04, Bahrain, Jordan, Morocco, Oman, Tunisia and Yemen all receive substantial increases.
- For South Asia, the IMET request provides for more officers to attend specialized training in U.S. military schools to enhance their English language proficiency, understanding of civil-military relations, respect for human rights, and ability to operate with U.S. units when participating in peacekeeping and humanitarian assistance/search and rescue operations.
- In the Western Hemisphere region, the largest programs belong to Colombia, Mexico, and Argentina. The primary audience in these three programs, as well as for most IMET training, is the junior and mid-grade ranks, whose development can be positively influenced by an exposure to the United States and whose future in their own military establishment is still before them. Militaries in the Americas have made good progress in the area of civilian control; it is particularly important to hemispheric stability that these gains be consolidated and expanded through programs such as IMET.
- Many IMET training courses can also be provided on a reimbursable basis. In order to ensure schools can cover basic operating costs, pro-rata shares of these costs are paid from the IMET budget. These costs include, but are not limited to, salaries, equipment, facilities and IMET-related travel. The majority of the expense is for salaries.

In CY 2002, the Administration conducted Program Assessment Review Tool (PART) examinations of U.S. security assistance programs for Sub-Saharan Africa, including IMET, and IMET and FMF funding for new NATO nations and countries recently invited to join NATO. The review for Sub-Saharan Africa concluded that while the programs had a clear purpose, the results of the programs were not demonstrated and there were weaknesses in the areas of strategic planning and management. The review of IMET and other security programs with the new NATO nations concluded that the programs were moderately effective in achieving program goals and that several weaknesses should be addressed.

International Military Education and Training
(\$ in thousands)

	FY 2002 Actual	FY 2003 Request	FY 2004 Request
Africa			
Angola	-	100	100
Benin	502	400	500
Botswana	692	600	700
Burkina Faso	-	50	50
Burundi	-	50	100
Cameroon	193	200	200
Cape Verde	146	120	120
Central African Republic	128	110	150
Chad	216	130	150
Comoros	-	50	50
Cote d'Ivoire	-	50	-
Democratic Republic of Congo	-	50	100
Djibouti	163	185	225
Equatorial Guinea	-	50	50
Eritrea	340	400	450
Ethiopia	445	500	570
Gabon	157	160	160
Gambia	48	50	100
Ghana	482	500	500
Guinea	266	250	350
Guinea-Bissau	69	75	100
Kenya	486	600	600
Lesotho	96	100	125
Madagascar	208	170	200
Malawi	385	360	360
Mali	342	325	350
Mauritania	130	100	125
Mauritius	93	100	125
Mozambique	153	215	225
Namibia	208	200	225
Niger	132	110	200
Nigeria	750	800	850
Republic of the Congo	140	110	110
Rwanda	-	150	175
Sao Tome and Principe	112	100	100
Senegal	931	900	1,000
Seychelles	40	100	100
Sierra Leone	177	250	300
South Africa	1,471	1,450	1,600
Swaziland	84	100	135

International Military Education and Training
(\$ in thousands)

	FY 2002 Actual	FY 2003 Request	FY 2004 Request
Tanzania	275	230	230
Togo	83	100	125
Uganda	-	170	200
Zambia	189	225	225
ECOWAS	-	50	100
Subtotal - Africa	10,332	11,095	12,510
East Asia and the Pacific			
Cambodia	-	200	200
East Timor	43	100	150
Fiji	-	100	200
Indonesia	405	400	600
Laos	-	100	100
Malaysia	831	800	1,200
Mongolia	686	725	850
Papua New Guinea	206	240	300
Philippines	2,025	2,400	2,700
Samoa	113	120	150
Solomon Islands	146	150	50
Thailand	1,748	1,750	2,450
Tonga	115	125	125
Vanuatu	95	100	100
Vietnam	-	100	100
Subtotal - East Asia and the Pacific	6,413	7,410	9,275
Europe and Eurasia			
Albania	866	900	975
Armenia	75	750	900
Azerbaijan	377	750	900
Bosnia and Herzegovina	800	900	900
Bulgaria	1,212	1,350	1,350
Croatia	593	700	800
Czech Republic	1,800	1,900	1,900
Estonia	1,036	1,100	1,200
Federal Republic of Yugoslavia	-	300	500
Georgia	889	1,200	1,300
Greece	499	600	600
Hungary	1,789	1,900	1,900
Kazakhstan	893	1,000	1,200
Kyrgyz Republic	600	1,100	1,200
Latvia	1,047	1,100	1,200

International Military Education and Training
(\$ in thousands)

	FY 2002 Actual	FY 2003 Request	FY 2004 Request
Lithuania	1,019	1,100	1,200
Macedonia	579	650	700
Malta	295	300	250
Moldova	889	900	1,000
Poland	1,891	2,000	2,000
Portugal	720	850	850
Romania	1,356	1,500	1,500
Russia	-	800	800
Slovakia	845	950	950
Slovenia	827	950	950
Tajikistan	259	350	400
Turkey	2,756	2,800	5,000
Turkmenistan	388	450	450
Ukraine	1,638	1,700	1,700
Uzbekistan	880	1,200	1,600
Subtotal - Europe and Eurasia	26,818	32,050	36,175
Near East			
Algeria	67	550	550
Bahrain	395	450	600
Egypt	1,217	1,200	1,200
Jordan	2,012	2,400	2,900
Lebanon	568	700	700
Morocco	1,041	1,500	1,750
Oman	481	750	1,000
Saudi Arabia	24	25	25
Tunisia	1,013	1,500	1,750
Yemen	488	650	1,000
Subtotal - Near East	7,306	9,725	11,475
South Asia			
Afghanistan	-	-	600
Bangladesh	648	750	800
India	1,012	1,000	1,250
Maldives	125	150	175
Nepal	377	500	600
Pakistan	894	1,000	1,250
Sri Lanka	259	350	500
Subtotal - South Asia	3,315	3,750	5,175

International Military Education and Training
(\$ in thousands)

	FY 2002 Actual	FY 2003 Request	FY 2004 Request
Western Hemisphere			
Argentina	1,025	1,000	1,100
Bahamas	144	140	140
Belize	212	175	200
Bolivia	712	800	900
Brazil	437	500	500
Chile	570	600	600
Colombia	1,180	1,180	1,600
Costa Rica	389	400	400
Dominican Republic	527	500	500
Ecuador	625	650	650
El Salvador	814	900	900
Guatemala	350	350	350
Guyana	294	275	275
Haiti	14	50	200
Honduras	655	650	650
Jamaica	586	600	600
Mexico	944	1,250	1,275
Nicaragua	372	400	400
Panama	178	200	200
Paraguay	360	300	300
Peru	518	600	700
Suriname	147	150	150
Trinidad and Tobago	132	150	150
Uruguay	464	450	450
Venezuela	500	700	700
Eastern Caribbean	672	700	700
Subtotal - Western Hemisphere	12,821	13,670	14,590
Global			
E-IMET Schools	2,600	1,800	2,000
General Costs	395	500	500
Subtotal - Global	2,995	2,300	2,500
Total	70,000	80,000	91,700

Summary of Students Trained Under IMET

	FY 2002 Actual	FY 2003 Request	FY 2004 Request
Africa			
Angola	-	4	4
Benin	50	40	50
Botswana	138	120	140
Burkina Faso	-	-	2
Burundi	-	2	4
Cameroon	9	9	9
Cape Verde	6	5	5
Central African Republic	5	4	6
Chad	9	5	6
Comoros	-	2	2
Cote d'Ivoire	-	2	-
Democratic Republic of Congo	-	2	4
Djibouti	7	8	9
Eritrea	66	78	87
Ethiopia	10	11	13
Gabon	8	8	8
Gambia	4	4	8
Ghana	51	53	53
Guinea	161	151	212
Guinea-Bissau	2	2	3
Kenya	158	195	195
Lesotho	50	52	65
Madagascar	71	58	68
Malawi	68	64	64
Mali	10	10	10
Mauritania	96	50	63
Mauritius	45	48	60
Mozambique	82	115	121
Namibia	17	16	18
Niger	111	100	188
Nigeria	204	200	212
Republic of the Congo	3	2	2
Rwanda	-	6	7
Sao Tome and Principe	31	25	25
Senegal	31	28	30
Seychelles	16	33	33
Sierra Leone	78	125	150
South Africa	582	483	533
Swaziland	10	13	17
Tanzania	18	15	15

Summary of Students Trained Under IMET

	FY 2002 Actual	FY 2003 Request	FY 2004 Request
Togo	71	100	125
Uganda	-	7	8
Zambia	14	17	17
Subtotal - Africa	2,292	2,272	2,651
East Asia and the Pacific			
Cambodia	-	8	8
East Timor	-	4	6
Fiji	-	4	8
Indonesia	30	29	43
Laos	-	4	4
Malaysia	48	47	70
Mongolia	204	241	283
Papua New Guinea	36	40	50
Philippines	145	172	193
Samoa	15	16	20
Solomon Islands	29	30	10
Thailand	178	175	245
Tonga	16	18	18
Vanuatu	17	18	18
Vietnam	-	4	4
Subtotal - East Asia and the Pacific	718	810	980
Europe and Eurasia			
Albania	59	61	66
Armenia	5	50	60
Azerbaijan	29	58	70
Bosnia and Herzegovina	65	73	73
Bulgaria	197	225	225
Croatia	135	175	200
Czech Republic	330	348	348
Estonia	108	115	125
Federal Republic of Yugoslavia	-	12	20
Georgia	119	161	174
Greece	77	86	86
Hungary	132	140	140
Kazakhstan	57	64	77
Kyrgyz Republic	16	29	32
Latvia	142	149	163
Lithuania	171	185	201
Macedonia	23	26	28

Summary of Students Trained Under IMET

	FY 2002 Actual	FY 2003 Request	FY 2004 Request
Malta	82	83	69
Moldova	96	100	108
Poland	76	80	80
Portugal	103	122	122
Romania	201	222	222
Russia	-	32	32
Slovakia	40	45	45
Slovenia	484	475	475
Tajikistan	32	44	50
Turkey	242	246	439
Turkmenistan	9	10	10
Ukraine	263	273	273
Uzbekistan	75	100	133
Subtotal - Europe and Eurasia	3,368	3,789	4,146
Near East			
Algeria	2	16	16
Bahrain	37	42	56
Egypt	59	58	58
Jordan	174	166	242
Lebanon	159	196	196
Morocco	50	72	84
Oman	60	94	125
Saudi Arabia	2	2	2
Tunisia	91	135	157
Yemen	15	20	31
Subtotal - Near East	649	801	967
South Asia			
Bangladesh	50	58	62
India	78	77	96
Maldives	18	21	25
Nepal	72	95	115
Pakistan	39	40	50
Sri Lanka	68	92	131
Subtotal - South Asia	325	383	479

Summary of Students Trained Under IMET

	FY 2002 Actual	FY 2003 Request	FY 2004 Request
Western Hemisphere			
Argentina	264	250	275
Bahamas	24	23	23
Belize	64	53	60
Bolivia	92	103	116
Brazil	80	92	92
Chile	175	184	184
Colombia	588	588	797
Costa Rica	66	69	69
Dominican Republic	87	83	83
Eastern Caribbean	70	55	64
Ecuador	101	105	105
El Salvador	354	391	391
Guatemala	78	78	78
Guyana	18	21	21
Haiti	4	16	50
Honduras	208	208	208
Jamaica	229	234	234
Mexico	91	120	123
Nicaragua	61	66	66
Panama	23	28	28
Paraguay	48	40	40
Peru	85	98	115
Suriname	14	14	14
Trinidad and Tobago	9	10	10
Uruguay	171	166	166
Venezuela	61	85	85
Subtotal - Western Hemisphere	3,065	3,180	3,497
Total	10,417	11,235	12,720

Foreign Military Financing
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
FMF	3,650,256	4,107,200	4,414,000
FMF-ERF	45,000	0	0
FMF-SUP	357,000	0	0

The key to ensuring U.S. national security is through the deterrence of potential aggressors who seek to threaten the United States, its allies and its interests. Foreign Military Financing (FMF) promotes U.S. national security by contributing to global and regional stability, strengthening military support for democratically-elected governments, and containing transnational threats including terrorism and trafficking in narcotics, weapons, and persons.

The FMF program provides grants for the acquisition of U.S. defense equipment, services and training. These acquisitions enable key allies and friends to improve their defense capabilities. Increased capabilities build and strengthen multilateral coalitions with the United States and its allies, foster better bilateral military relationships between the United States and recipient nations, and enable friends and allies to work together and be increasingly interoperable with U.S., NATO and regional forces. FMF is therefore a critical foreign policy tool for promoting U.S. interests around the world by ensuring that coalition partners and friendly foreign governments are equipped and trained to work toward common security goals and to share burdens in joint missions. In particular, FMF is a key assistance tool for supporting U.S. coalition partners in the war on terrorism. By increasing demand for U.S. systems, FMF contributes to a strong U.S. defense industrial base – a critical element of U.S. national defense strategy – which helps both reduce costs for Department of Defense acquisitions and secures more jobs for American workers.

The objectives of the U.S. Foreign Military Financing program are:

- To assist allies and friends in procuring U.S. defense articles and services that will serve to strengthen their self-defense capabilities, meet their legitimate security needs and promote multilateral coalition efforts, notably the war on terrorism.
- To improve key capabilities of friendly countries to contribute to international crisis response operations, including peacekeeping and humanitarian crises.
- To promote the effectiveness and professionalism of military forces of strategic allies and friendly foreign countries.
- To promote rationalization, standardization, and interoperability of friendly countries' militaries with the U.S. armed forces as well as forces of NATO and of regional coalitions.
- To maintain support for democratically-elected governments that share values similar to those of the U.S. with respect to democracy, human rights, and regional stability.
- To support the U.S. industrial base by promoting the export of U.S. defense related goods and services.

Uses of FY 2004 FMF grant funding:

- The majority of allocated funds – approximately 87% – provides continued assistance for the Middle East (Israel, Egypt, and Jordan). These funds help to promote regional stability and ensure the influence of moderate governments friendly to U.S. interests. With FMF, we seek to influence and assist Middle East peace efforts by providing for the legitimate defense needs of friends and allies in the region who have committed themselves to working toward a comprehensive Middle East peace. Requested increases for our friends and allies in the region, such as Bahrain, Morocco, Oman, Tunisia, and Yemen, will help them strengthen their self-defense capabilities, meet their legitimate indigenous security needs and support coalition efforts in the war on terrorism.
- Support ongoing efforts in Europe and Eurasia to integrate recent NATO members into the alliance and continue to assist Partnership for Peace (PfP) in the Balkans, the Caucasus, and the Central Asian states, which remain vital members of the war on terrorism. FMF assists in defense reform that in turn promotes strong civil-military relationships, interoperability, support for receiving and deploying peacekeeping forces, and the training and equipping of forces to the highest standards. These funds advance our objectives under NATO to provide our allies with niche capabilities that are critical in time of war, such as Search and Rescue Capability and Lift Support. Establishing this capability is seen to be ever more important as we continue to rely on support from Coalition Partners in carrying out Operation Enduring Freedom (OEF). Funding for Turkey is proposed at \$50 million, which is 26% of the region's total FMF request.
- Support Colombia's new strategy to extend central government control and governance to areas heretofore controlled by terrorists and narcotics traffickers. Violence and social disruption associated with the Colombian drug trade transcends borders; FMF support to Colombia's neighbors is necessary to address the spill-over effects associated with narcotics trade and terrorism. Also in this hemisphere, FMF will continue to assist our key Caribbean partners with rescue and disaster relief, counter drug activities, and help them maintain their small defense and maritime forces which play an important role in regional stability and security. Finally, FMF will provide equipment and training to Western Hemisphere nations that work closely with the U.S. and its allies around the globe in support of peacekeeping missions thereby helping to reduce peacekeeping engagements by U.S.
- Much of the FMF to the East Asia and Pacific region is envisioned for the Philippines, a key ally in the war of terrorism. Funds for the Philippines will sustain logistical and support functions and help enhance counterterrorism activities. Funds for East Timor are modest but necessary to promote stability and to provide non-lethal basic soldier equipment for the East Timor Defense Forces. Mongolia will continue to use FMF to fund a long-term communications upgrade project, control its porous borders, and reduce narcotics trafficking. Thailand will use FMF to enhance its ability to combat terrorism, participate in coalition operations outside of Thailand, and increase interoperability with other forces.
- Conflict and strife in Africa remain concerns for the United States. FMF for this region will help bolster counterterrorism capabilities, improve peacekeeping capacity, enhance border and maritime controls, thereby strengthening regional stability. Key countries such as South Africa, Kenya, Nigeria, and Djibouti will receive the bulk of the FMF for the region.
- OEF sustainment continues for the South Asia region. FMF for Afghanistan will continue to provide training, infrastructure and equipment to help strengthen the Afghanistan National Army. In Pakistan, FMF will fund equipment essential to Pakistan's participation and support of OEF.

FMF in Nepal will help its government cope with a brutal communist insurgency, restore enough stability to permit elections, and prevent the countryside from becoming a haven for al-Qaida and other terrorist groups.

- Continue support for the Enhanced International Peacekeeping Initiative. This program helps selected foreign countries develop institutional structures, which help provide more efficient and effective peacekeeping units, creating a larger supply of peacekeeping forces and reducing dependence on U.S. personnel.
- Support Department of Defense costs for the administration of global grant military assistance programs.

In CY 2002, the Administration conducted Program Assessment Review Tool (PART) examinations of U.S. security assistance programs for Sub-Saharan Africa, including FMF, and FMF and IMET funding for new NATO nations and countries recently invited to join NATO. The review for Sub-Saharan Africa concluded that while the programs had a clear purpose, the results of the programs were not demonstrated and there were weaknesses in the areas of strategic planning and management. The review of FMF and other security programs with the new NATO nations concluded that the programs were moderately effective in achieving program goals and that several weaknesses should be addressed.

Foreign Military Financing
(\$ in thousands)

	FY 2002 Actual	FY 2003 Request	FY 2004 Request
Africa			
Botswana	1,000	1,000	1,000
Djibouti	-	-	2,000
Djibouti SUP	1,500	-	-
Eritrea	250	500	500
Ethiopia	250	500	500
Ethiopia SUP	2,000	-	-
Ghana	400	500	500
Kenya	-	1,500	6,500
Kenya SUP	15,000	-	-
Nigeria	6,000	6,000	4,000
Senegal	400	500	500
South Africa	6,700	6,000	6,000
Military Health Affairs	-	2,000	1,500
Subtotal - Africa	33,500	18,500	23,000
East Asia and the Pacific			
East Timor	1,000	2,000	2,000
Mongolia	2,000	1,000	1,000
Philippines	19,000	20,000	17,000
Philippines SUP	25,000	-	-
Thailand	1,300	2,000	1,000
Subtotal - East Asia and the Pacific	48,300	25,000	21,000
Europe and Eurasia			
Albania	4,000	5,000	4,000
Armenia	4,000	3,000	2,500
Azerbaijan	4,000	3,000	2,500
Bosnia and Herzegovina	2,250	2,500	2,000
Bulgaria	8,500	9,500	8,500
Croatia	5,000	6,000	5,000
Czech Republic	10,000	11,000	10,000
Estonia	6,250	6,750	6,250
Federal Republic of Yugoslavia	-	1,000	-
Georgia	11,000	7,000	10,000
Georgia SUP	20,000	-	-
Hungary	10,000	11,000	10,000
Kazakhstan	2,750	3,000	3,000
Kazakhstan SUP	2,000	-	-
Kyrgyz Republic	2,000	4,000	6,000
Kyrgyz Republic SUP	9,000	-	-

Foreign Military Financing
(\$ in thousands)

	FY 2002 Actual	FY 2003 Request	FY 2004 Request
Latvia	6,250	7,000	6,250
Lithuania	6,593	7,500	7,000
Macedonia	10,500	11,000	10,000
Malta	1,000	1,000	1,000
Moldova	1,250	1,500	1,000
Poland	12,000	13,000	12,000
Romania	9,000	10,000	9,000
Slovakia	7,750	9,000	8,000
Slovenia	4,000	5,000	4,000
Tajikistan	700	-	700
Tajikistan SUP	3,000	-	-
Turkey	-	17,500	50,000
Turkey ERF	20,000	-	-
Turkey SUP	28,000	-	-
Turkmenistan	-	700	700
Ukraine	4,000	4,000	3,000
Uzbekistan	207	8,750	10,000
Uzbekistan ERF	25,000	-	-
Uzbekistan SUP	11,000	-	-
Subtotal - Europe and Eurasia	251,000	168,700	192,400
Near East			
Bahrain	-	-	25,000
Bahrain SUP	28,500	-	-
Egypt	1,300,000	1,300,000	1,300,000
Israel	2,040,000	2,100,000	2,160,000
Jordan	75,000	198,000	206,000
Jordan SUP	25,000	-	-
Morocco	3,500	5,000	10,000
Oman	-	20,000	25,000
Oman SUP	25,000	-	-
Tunisia	3,500	5,000	10,000
Yemen	-	2,000	15,000
Yemen SUP	20,000	-	-
Subtotal - Near East	3,520,500	3,630,000	3,751,000

Foreign Military Financing
(\$ in thousands)

	FY 2002 Actual	FY 2003 Request	FY 2004 Request
South Asia			
Afghanistan	7,256	-	150,000
Afghanistan SUP	50,000	-	-
India	-	50,000	5,000
Nepal	2,000	3,000	10,000
Nepal SUP	12,000	-	-
Pakistan	-	50,000	75,000
Pakistan SUP	75,000	-	-
Sri Lanka	-	-	1,000
Subtotal - South Asia	146,256	103,000	241,000
Western Hemisphere			
Argentina	1,000	2,000	1,500
Bahamas	100	100	100
Belize	200	300	200
Bolivia	500	2,000	4,000
Chile	500	1,000	500
Colombia	-	98,000	110,000
Dominican Republic	350	320	320
Ecuador	-	1,000	15,000
Ecuador SUP	3,000	-	-
El Salvador	1,000	2,500	2,000
Guyana	200	400	100
Haiti	300	400	330
Jamaica	600	700	600
Nicaragua	500	500	500
Panama	-	1,000	2,500
Peru	-	1,000	2,000
Suriname	150	250	150
Trinidad and Tobago	300	400	300
Uruguay	1,000	1,000	1,000
Eastern Caribbean	2,000	2,130	2,000
Subtotal - Western Hemisphere	11,700	115,000	143,100
Global			
DSCA Administrative Costs SUP	2,000	-	-
FMF Administrative Costs	35,000	37,000	40,500
Policy Initiatives	-	6,000	-
Enhanced International Peacekeeping Capabilities	4,000	4,000	2,000
Subtotal - Global	41,000	47,000	42,500
Total	4,052,256	4,107,200	4,414,000

Enhanced International Peacekeeping Capabilities
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
FMF	4,000	4,000	2,000

The Enhanced International Peacekeeping Capabilities (EIPC) initiative strengthens U.S. national security, advances human rights and democracy and enables humanitarian response in unstable security environments. Regional conflicts that could directly affect the security of the United States and its allies can be contained and moderated by multinational peacekeeping forces trained through EIPC funding, thereby contributing substantively to conflict prevention. Professionally trained military peacekeepers can defuse tense situations or misunderstood actions between former antagonists, reduce human rights violations, and enable more rapid establishment of democratic institutions in conflict areas. Finally, EIPC-trained military peacekeepers working alongside the militaries of many nations can establish the secure environment and enhance confidence building to allow for essential humanitarian assistance to be delivered quickly and safely to the most needy.

The primary goal of the EIPC initiative is to assist selected foreign countries in developing their institutional capacities to field more efficient and well-led peacekeeping units, capable of taking on the toughest assignments. Peacekeeping is a global responsibility, and many countries are willing to play a role but lack the skills and resources to become effective peacekeepers. The EIPC program makes a significant contribution that is often the difference between whether a country participates or not.

The EIPC program has several objectives, each intended to support the overarching goals of enhancing burdensharing and improving interoperability:

- To help create more professionally competent, properly equipped, and better led peacekeeping units in selected foreign countries. Helping to develop peacekeeping units and capabilities in friendly foreign militaries will obviate the need for U.S. troops. Should joint peacekeeping efforts be undertaken, these actions will increase the forces' interoperability with the U.S. military and its key allies.
- To foster a security environment for the establishment of democratic institutions in an area of strife. EIPC encourages other countries to establish peacekeeping training centers or dedicated training programs, develop national policies on peacekeeping, and encourage friendly nations to increase their own involvement in peacekeeping operations. The program offers solid lessons in U.S. democratic ideals. Furthermore, exposure to other, democratically oriented military forces enhances understanding among EIPC participants. In this way, EIPC helps create an environment conducive to democracy by preparing foreign militaries for peace support operations.
- To provide the essential secure environment necessary for the delivery of humanitarian assistance to a strife-torn area. EIPC training relates the professional military training and provision of equipment to the humanitarian assistance that militaries in other countries are often called upon to provide.

The FY 2004 request for the EIPC initiative will allow the United States to continue to build upon the solid foundation of the existing program. Program support will make it possible to continue implementing common peacekeeping doctrine in recipient training programs and enhancing command and control interoperability at the battalion and higher levels. We will look to regionalize peacekeeping training to

enable non-EIPC countries to participate in quality training, and encourage recipient countries to host and participate in regional multinational peacekeeping exercises.

An important component of the program is to support the UN's establishment of English as the "language of peacekeeping." EIPC funds also help procure non-lethal defense-related peacekeeping training equipment and provides training that emphasizes the concept of "training the trainer" in order to maximize the benefits of the expenditures. Program funds support workshops tailored to a country's peacekeeping training needs and provides for visits to U.S. peacekeeping training centers and installations for senior officers and trainers directly involved in national peacekeeping training programs. EIPC funds help to procure peacekeeping training and doctrine-related manuals and enable countries to obtain and employ peacekeeping software training simulations that help avoid more costly field exercises. The EIPC program complements both other FMF and non-FMF resources, including International Military Education and Training, Excess Defense Articles programs, and Commander-in-Chiefs peacekeeping exercises.

The core of the EIPC training program is the peacekeeping training and education program established by the Center for Civil-Military Relations (CCMR) located in Monterey, California. CCMR serves as the training executive agent for EIPC and has developed a common core curriculum that supports both in-resident instructor courses as well as Mobile Training Teams to assist in the establishment of peacekeeping programs in recipient countries. The benefits of this approach using CCMR are already evident, as graduates from a range of countries are using the EIPC common core curriculum to improve their own peacekeeping training programs.

Since its inception, EIPC funds have been allocated to: Argentina, Bangladesh, Bolivia, Botswana, Bulgaria, Chile, Czech Republic, Fiji, Ghana, Hungary, India, Jordan, Lithuania, Malaysia, Moldova, Mongolia, Nepal, Paraguay, Philippines, Poland, Romania, Slovakia, South Africa, Thailand, Tunisia, Ukraine, and Uruguay.

FY 2004 EIPC funding will build on a record of achievement in assisting selected countries to improve their peacekeeping capabilities. All of the countries that have received EIPC funds have taken decisive steps to increase their international peacekeeping operations role. To cite a few examples:

- Thailand has taken steps to build a regional peacekeeping training center. It established a permanent program in 2001 and continues to expand it. Thailand has twice provided the Force Commander to the UN Mission in East Timor and took the lead-nation role in Aceh ceasefire monitoring.
- More than a third of EIPC recipients have participated with the U.S. in SFOR or KFOR, even though both are principally NATO operations.
- Bangladesh was one of the first countries to offer its troops to a follow-on UN military force in Afghanistan.
- Jordan, already fully committed in several UN and NATO-sponsored peace support operations, sent military units to participate in peace support operations in post-Taliban Afghanistan.

FMF Administrative Costs
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
FMF	35,000	37,000	40,500

The requested funding provides for the cost of administrative activities related to non-Foreign Military Sales (FMS) security assistance programs implemented by the Combatant Commands, Military Departments and Defense Security Cooperation Agency (DSCA).

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

The FMF Administrative Costs account implements such non-FMS activities as administration of the IMET program; management of drawdowns of military equipment and services; grant transfers of excess defense articles and naval vessels; fulfilling responsibility for monitoring military items previously transferred under the former Military Assistance Program (MAP); reviewing FMF-financed Direct Commercial Contracts (DCC); and management of the FMF program. The initiation and expansion of security assistance relationships with many new democracies around the world require the establishment of SAOs in an increasing number of locations.

The FY 2004 request for FMF Administrative costs will fund the establishment and/or the continuing operating costs of new SAOs and is essential to the effective management of security assistance programs with these new defense partners. In addition, security costs for all SAOs have increased dramatically. The sustained increases in IMET funding levels from the FY 1995 level of \$26 million has also increased administrative workload and funding requirements. Departmental and headquarters management and oversight for FMF programs, not connected to FMS, have grown significantly. The amount requested is the minimum essential funding to accomplish the mission.

Peacekeeping Operations
(\$ in thousands)

Account	FY 2002 Actual	FY 2003 Request	FY 2004 Request
PKO	135,000	108,250	94,900
PKO-ERF	220,000	0	0
PKO-SUP	20,000	0	0

The United States has a strong interest in supporting, on a voluntary basis, peacekeeping activities that are not UN-mandated and/or are not funded by UN assessments. In so doing, we help support regional peacekeeping operations for which neighboring countries take primary responsibility, while maintaining the foreign policy flexibility to determine which cases require U.S. forces be placed in harm's way. Similarly, the United States has a substantial interest in enhancing the ability of other nations to participate in voluntary peacekeeping and humanitarian operations in order to reduce the burden on the U.S. personnel and resources.

Support for peacekeeping and peace support operations are a cornerstone of regional security. Historically, it has helped separate adversaries, promote and maintain cease-fires, facilitate delivery of humanitarian relief, allow repatriations of refugees and displaced persons, demobilize combatants, and create conditions under which political reconciliation and democratic elections could occur. Successful peacekeeping operations can reduce the likelihood of interventions by regional powers and the need for more expensive UN operations, prevent the proliferation and expansion of smaller-scale conflicts, facilitate the establishment and growth of open societies and economies, contain the cost of humanitarian emergencies, and limit refugee flows. PKO assistance promotes the establishment, development, and sustainment of peacekeeping battalions or missions that have additional benefits to U.S. objectives, such as providing "hands-on" opportunities that enhance interoperability of forces.

Key objectives of peacekeeping funds are to:

- Promote peace and security by supporting multilateral peacekeeping initiatives around the world;
- Leverage fair share contributions to peacekeeping and peace support efforts from those countries with greater potential to pay, while facilitating increasing participation of poorer countries when resource constraints would otherwise prevent their taking part; and
- Encourage greater participation of foreign forces in international peacekeeping activities.

Through the use of the PKO account, the U.S. is better able to assist countries in creating an environment of security and stability essential to their social, economic, and political progress. The account provides the flexibility to support multilateral peace operations, conflict resolution, sanctions enforcement, and similar efforts outside the context of assessed UN peacekeeping operations. It can strengthen involvement of regional organizations in conflict resolution, often resulting in more politically- or cost-effective operations.

Highlights of the use of PKO funds in FY 2004 include:

- Support for the Afghanistan National Army (ANA), whose rapid development is critical to the survival of the Karzai government and the future of the country. PKO will help cover the costs of paying, equipping, and training the ANA, including related institutional and sustainment costs.

- Fund the Africa Regional Peacekeeping Operations efforts to maintain cease-fire and peace agreements, including ongoing activities in the Mano River region, Cote d'Ivoire, Burundi, the Democratic Republic of Congo, and Sudan. Funds will be used to disarm and demobilize regional combatants under international peace agreements.
- Support the African Contingency Operations Training and Assistance (ACOTA) program, which will enhance the existing capabilities of select African states to respond quickly to regional crises and humanitarian missions through the provision of equipment, and peacekeeping/peace enforcement training.
- Provide the U.S. share for the Multinational Force and Observers (MFO) in the Sinai, an important part of the peace between Egypt and Israel. In addition to an established system to monitor treaty compliance, the MFO offers an effective liaison system between the Egyptian and Israeli defense forces. The United States has a firm political commitment to finance one-third of the annual MFO budget, with the other two thirds provided by Israel and Egypt. .
- Fund the U.S. assessment for efforts to sustain conflict prevention and crisis management through the Organization for Cooperation and Security in Europe (OSCE) in the Balkans, Central Asia, and the Caucasus.
- Support transportation, equipment and/or the continuation of the peacekeeping mission resulting from the peace settlement in Sri Lanka, as well as the continuation of support for civilian police assigned to the UN Transitional Administration in East Timor (UNTAET).

In CY 2002, the Administration conducted Program Assessment Review Tool (PART) examinations of U.S. security assistance programs in Sub-Saharan Africa, including PKO programs, and PKO funding for East Timor and OSCE programs. Both reviews concluded that while the programs had a clear purpose, the results of the programs were not demonstrated and there were weaknesses in the areas of strategic planning and management.

Peacekeeping Operations
(\$ in thousands)

	FY 2002 Actual	FY 2003 Request	FY 2004 Request
Africa			
Africa Crisis Response Training	15,000	10,000	-
Africa Regional Peacekeeping	39,905	30,000	9,000
African Contingency Operations Training and Assistance	-	-	15,000
Subtotal - Africa	54,905	40,000	24,000
East Asia and the Pacific			
East Timor	7,103	5,000	2,000
Subtotal - East Asia and the Pacific	7,103	5,000	2,000
Europe and Eurasia			
OSCE Bosnia	20,022	17,500	11,800
OSCE Croatia	2,900	2,300	900
OSCE Kosovo	15,400	12,500	9,500
OSCE Regional	12,275	14,550	9,300
Azerbaijan	1,000	-	-
Georgia	340	-	-
Ukraine	1,000	-	-
Subtotal - Europe and Eurasia	52,937	46,850	31,500
Near East			
Multinational Force and Observers	16,015	16,400	16,400
Subtotal - Near East	16,015	16,400	16,400
South Asia			
Afghanistan	3,949	-	20,000
Afghanistan SUP	20,000	-	-
Pakistan ERF	220,000	-	-
Sri Lanka	-	-	1,000
Subtotal - South Asia	243,949	-	21,000
Western Hemisphere			
Haiti	91	-	-
Subtotal - Western Hemisphere	91	-	-
Total	375,000	108,250	94,900