

## Nonproliferation, Anti-terrorism, Demining, and Related Programs

(\$ in thousands)

Account	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
NADR	304,408	351,415	415,200
NADR-ERF	-	10,000	-
NADR-SUP	28,000	35,000	-

The Nonproliferation, Anti-terrorism, Demining, and Related Programs (NADR) account supports a broad range of U.S. national interests by funding critical, security-related programs. NADR programs serve as an important tool for working with foreign nations to reduce transnational threats to America's security, as well as to mitigate local threats that cause regional instabilities and humanitarian tragedies. The FY 2005 request reflects the funding needed to support U.S. efforts to reduce threats posed by international terrorist activities, landmines, and stockpiles of excess weapons, as well as by nuclear, chemical, and biological weapons, missiles, and their associated technologies.

The NADR account supports U.S. efforts in four areas: nonproliferation, anti-terrorism, regional stability, and humanitarian assistance. The success or failure of the United States in dealing with problems in each of these areas will have implications for maintaining U.S. security and military superiority; efforts to promote reconciliation and stability in the Middle East, Asia, and the Pacific Rim; and access to critical resources and markets.

### Nonproliferation Efforts

One of the most direct and serious security threats facing the United States is the possibility of conflict involving weapons of mass destruction (WMD) of chemical, biological, radiological or nuclear origin, and missiles that could deliver such weapons. First and foremost is the immediate challenge of halting the clandestine spread of WMD materials and technology to rogue states, terrorist groups, and other non-state actors. Synonymous with this challenge is the need to reinvigorate the international community's commitment to support nonproliferation efforts and responsible nonproliferation behavior. The FY 2005 NADR request will fund bilateral and multilateral assistance programs that directly support U.S. nonproliferation objectives:

- to deny proliferators the supplies of materials and technology they need for their programs;
- to prevent and contain WMD and missile capabilities as well as advanced conventional weapons in key countries and regions;
- to secure and guard against leakage of WMD- and missile-related materials and expertise, primarily in Russia and other Eurasian countries;
- to promote the strengthening of international agreements that formalize and help verify nonproliferation constraints; and
- to ensure that peaceful nuclear cooperation serves nuclear safety, environmental, and nonproliferation goals.

NADR supports three nonproliferation programs on a bilateral basis: the Nonproliferation and Disarmament Fund (NDF), a contingency fund for unanticipated requirements or opportunities; the Nonproliferation of

Weapons of Mass Destruction Expertise program (formerly known as the Science Centers and Bio-Chem Redirection programs), which finance civilian research by former Soviet weapons experts in Russia, Ukraine, and the other Eurasian countries; and Export Control and Related Border Security assistance programs, which are designed to strengthen national export control systems in key countries. NADR funds also leverage other international donors in two multilateral fora. Under the International Atomic Energy Agency (IAEA), the U.S. voluntary contribution supplements the IAEA's operating budget to implement strengthened nuclear safeguards measures, allow expansion in nuclear safety cooperation with key countries, and combat nuclear and radiological terrorism. Funding for the Comprehensive Nuclear Test Ban Treaty (CTBT) helps strengthen the current international testing moratorium by supporting the establishment of the International Monitoring System (IMS) to detect nuclear explosions.

#### Anti-terrorism Efforts

The NADR account also supports a comprehensive approach to preventing and countering terrorist attacks on U.S. citizens and interests and to minimize the impact of any attacks that may occur, whether at home or abroad. NADR funds the Anti-terrorism Assistance (ATA) program, Terrorist Interdiction Program (TIP), Counterterrorism Engagement with Allies, and Counterterrorism Financing. ATA provides technical training and equipment to assist foreign countries in protecting facilities, individuals, and infrastructure. The TIP improves countries' capabilities to prevent the transit of terrorists and their materials between borders. CT Engagement programs build international political will leading to concrete steps in the war on terrorism and enable senior level foreign officials to develop plans in the event of an actual incident. Counterterrorism Financing assists foreign countries' efforts to identify, freeze, and prevent the use of financial institutions, businesses, and charitable organizations as conduits for money to terrorist organizations. The FY 2005 request will support ongoing core ATA programs and the development of new courses and activities to meet the evolving terrorist threat, new TIP countries' efforts to interdict terrorists, and U.S. efforts to sustain and further the counterterrorism agenda in the international arena.

#### Regional Stability and Humanitarian Assistance

Finally, the NADR account funds programs that promote peace and regional stability, as well as meet humanitarian needs in post-conflict situations. The Humanitarian Demining Program (HDP) supports efforts to eliminate the threat to civilians resulting from the indiscriminate use of landmines and unexploded ordnance, which destabilize and damage efforts to restore peace and prosperity for years after conflict has ceased. Humanitarian mine action allows mine-affected nations to protect innocent civilians, return displaced persons to their homes, rebuild shattered economic infrastructure, return agricultural land to productivity, and allow the safe delivery of other humanitarian services. The Department is also requesting funds to continue the matching contribution program with the International Trust Fund for Demining and Mine Victims' Assistance, which conducts and monitors mine action activities primarily in the Balkan region.

In FY 2005, NADR will also fund the Small Arms/Light Weapons (SA/LW) destruction program, which is designed to eliminate stockpiles of excess small arms and light weapons left over from Cold War and post-Cold War conflicts. Destruction of these weapons contributes to U.S. force protection and regional security efforts by helping prevent the spread of illicit weapons to insurgent groups and terrorist organizations. The FY 2005 program will focus on destruction of shoulder-launched surface-to-air missiles, or MANPADS, that increasingly have been sought after and used by terrorist groups in Kenya, Iraq, and elsewhere.

**Nonproliferation, Anti-terrorism, Demining, and Related Programs**  
(\$ in thousands)

	<b>FY 2003 Actual</b>	<b>FY 2004 Estimate</b>	<b>FY 2005 Request</b>
<b>Nonproliferation Programs</b>			
Nonproliferation and Disarmament Fund	14,902	29,823	34,500
Export Control and Related Border Security Assistance	36,000	35,788	38,000
Science Centers/Bio Redirection	52,000	50,202	-
Nonproliferation of WMD Expertise	-	-	50,500
IAEA Voluntary Contribution	52,900	52,687	53,000
CTBT International Monitoring System	14,000	18,888	19,000
KEDO	4,968	-	-
<b>Subtotal - Nonproliferation Programs</b>	<b>174,770</b>	<b>187,388</b>	<b>195,000</b>
<b>Anti-Terrorism Programs</b>			
Anti-terrorism Assistance	65,638	96,428	128,300
Anti-terrorism Assistance - ERF	-	10,000	-
Anti-terrorism Assistance - SUP	25,000	35,000	-
Terrorist Interdiction Program	5,000	4,971	5,000
CT Engagement w/Allies	-	-	500
Counterterrorism Financing	-	-	7,500
<b>Subtotal - Anti-Terrorism Programs</b>	<b>95,638</b>	<b>146,399</b>	<b>141,300</b>
<b>Regional Stability &amp; Humanitarian Assistance</b>			
Humanitarian Demining Program	46,000	49,705	59,900
Humanitarian Demining Program - SUP	3,000	-	-
International Trust Fund	10,000	9,941	10,000
Small Arms/Light Weapons Destruction	3,000	2,982	9,000
<b>Subtotal - Regional Stability &amp; Humanitarian Assistance</b>	<b>62,000</b>	<b>62,628</b>	<b>78,900</b>
<b>Total</b>	<b>332,408</b>	<b>396,415</b>	<b>415,200</b>

## Nonproliferation and Disarmament Fund

(\$ in thousands)

Account	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
NADR-NDF	14,902	29,823	34,500

The NDF funds and manages projects that provide a line of defense even forward of military preemption, thereby serving to forestall future WMD and missile threats to the United States and its interests. NDF's flexibility provides a unique tool for the U.S. to drive new diplomatic initiatives and to grasp opportunities for action that cannot be foreseen or which would otherwise prove too unpredictable or too difficult to consider.

The objectives of the NDF are established by the FREEDOM Support Act of 1992 and include: (1) halting the proliferation of nuclear, biological, and chemical weapons, their delivery systems, related technologies, and other weapons; (2) destroying or neutralizing existing weapons of mass destruction (WMD), their delivery systems, related sensitive materials, and conventional weapons; and (3) limiting the spread of advanced conventional weapons and their delivery systems.

During 2003, NDF projects reaped significant achievements that reinforce U.S. WMD nonproliferation efforts. Under an NDF project, all work has been completed on the destruction/demilitarization of Bulgaria's SS-23 and SCUD missiles, FROG rockets, and related warheads and equipment. NDF has eliminated or secured chemical munitions and related facilities in several Balkan locations, neutralizing a threat in an unstable region. The irreversible shutdown of the BN-350 reactor in Kazakhstan has proceeded with the successful draining of hazardous sodium coolant, an activity funded by NDF. In addition, NDF released and distributed an enhanced version of its Tracker automated export control software, currently used in many eastern and central European countries as the primary system to analyze and decide on potential exports. These accomplishments demonstrate the valuable contribution that NDF makes to the full range of nonproliferation concerns.

Other past and ongoing NDF activities include: the destruction of SS-23 and SCUD missiles and related equipment in several countries of Central Europe; the transport and protection of over 100 pounds of Highly Enriched Uranium (HEU) from the Vinca Institute in Serbia; construction of a sodium processing facility for the BN-350 reactor in Aktau, Kazakhstan; removal of HEU and other nuclear materials from Central Asia; fabrication of non-destructive assay equipment in Moscow; development of Low Enriched Uranium fuel for Russian-built research reactors; and the provision of specialized nuclear safeguards equipment to the International Atomic Energy Agency (IAEA).

An important nonproliferation tool that permits rapid response to unanticipated or unusually difficult, high-priority opportunities, NDF has helped halt the proliferation of nuclear, biological and chemical weapons, destroyed or neutralized existing WMD, and limited the spread of advanced conventional weapons. Under the Dangerous Materials Initiative (DMI), NDF has started to fund pilot projects that seek bilateral partnerships to improve controls on biological, chemical, nuclear and radiological materials worldwide. NDF may also respond to additional demands in northern Africa, the Middle East, South Asia and the Balkans. An estimated breakdown of four key NDF activities in priority order follows.

Traditional NDF Activities: \$15 million for missile destruction; weapons destruction (both conventional and WMD); safeguarding of nuclear materials; conversion of reactors from HEU to LEU fuel; plutonium disposition from dismantled warheads; emergency interdiction support; confidence-building measures; and other unanticipated opportunities.

Tracker/Other Automated Systems: \$7 million to enhance the Tracker automated export control system to better handle the export and tracking of biological, chemical, fissile, and radiological materials, and to expand its use geographically (e.g., in East and South Asia and the Middle East).

Nuclear and Radiological (DMI): \$5 million to support a worldwide fissile materials protection initiative; retrieval and secure storage of lost radiological and fissile materials; procurement of specific nuclear safeguards equipment; and training of experts in radioactive source controls.

Biological and Chemical Weapons (DMI) Terrorism Initiative: \$7.5 million to assist foreign governments to develop laws and regulations; inventory biological and chemical materials; secure and track the movement of existing stocks of biological materials, dangerous pathogens and chemicals; and train those charged with monitoring and responding to emergencies.

During FY 2005, we expect to receive proposals to:

- Destroy chemical weapons stocks in the Balkans;
- Destroy other WMD-related munitions and stocks;
- Assist foreign governments to develop laws and regulations protecting chemical, biological and radiological materials;
- Track, secure and, as necessary, destroy dangerous pathogens worldwide;
- Remove HEU from research reactors;
- Secure orphaned radiological sources and track and inventory radiological material;
- Support a worldwide fissile material protection initiative;
- Enhance and support the plutonium disposition program with Russia;
- Support emergency interdiction efforts; and
- Extend the Tracker system to: (a) additional countries, possibly to include countries in the Middle East, East Asia, and South Asia; (b) ministries tracking inventories and movements of dangerous materials; (c) border posts; and (d) companies.

The Administration is requesting \$34.5 million for the NDF in FY 2005 to fund these critical activities. To ensure that the NDF can continue to respond quickly to difficult challenges, the Administration requests that the NDF funding, as in previous years, be made available for use notwithstanding any other provision of law, that the funds be appropriated to remain available until expended, and that their use be authorized for countries other than the independent states of the former Soviet Union and international organizations when it is in the national security interest of the United States to do so. Since FY 2003, the NDF has used 5 percent of the funds appropriated for its program activities for administration and operation costs, and the NDF requests a similar percentage for FY 2005.

### **Program Assessment Rating Tool (PART)/Performance Evaluation**

For preparation of the FY 2005 budget, the Administration evaluated the Department's Nonproliferation and Disarmament Fund (NDF) Program using the Program Assessment Rating Tool (PART). It was rated as Results Not Demonstrated because it does not have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program.

The NDF program makes a unique contribution in addressing the ongoing worldwide problem of the proliferation of weapons of mass destruction. The PART review noted that while the NDF has a long list of accomplishments, annual requirements for fund expenditure are determined only after funds are

appropriated, making development of long-term goals difficult. A draft long-term measure was included in the PART that reflects the overall management goal of the program, to achieve and maintain a capability response, as needed for often unanticipated nonproliferation and disarmament priorities. The Department is working to strengthen long-term goals for the program for the FY 2006 budget. The Department's Bureau of Non-Proliferation is also working to refine newly developed efficiency measures and plans to incorporate them into the PART for the FY 2006 budget.

The Department of Energy, the Department's Verification and Compliance Bureau, U.S. embassies abroad, and foreign governments verify the results of all NDF projects. NDF projects are also subject to regular in-house evaluations. The NDF is periodically inspected and audited by the Department's Office of the Inspector General (OIG) and reviewed by the bureau. All past inspections, audits and reviews have been favorable and useful to NDF management. A new round of audits began in the fall of 2003 and the OIG is scheduled to inspect the NDF again in 2004. The FY 2005 resource request for the Nonproliferation and Disarmament Fund is based upon the perception of threat to U.S. national interests and diplomatic opportunities that would lend themselves to the use of NDF resources. Success by the NDF in meeting past challenges in a timely and cost-effective manner, as measured by PART and other evaluations, provides a critical element in justifying funding for the NDF and is considered in the resources allocation process.

Corresponding performance information (key goals and targets) for the Nonproliferation and Disarmament Fund Program can be found in the Performance Summary volume of the integrated performance budget presentation on pages 20, 103 and 285.

Key Indicators: (1) Access to WMD impeded; states conforming to international non-proliferation norms of behavior, (2) redirection of former WMD scientists/engineers to civilian activities and development of self-sustaining civilian alternative employment, (3) status of cooperation with allies on missile defense.

## Export Control and Related Border Security Assistance

(\$ in thousands)

Account	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
NADR-EXBS	36,000	35,788	38,000

Preventing the proliferation of Weapons of Mass Destruction (WMD), their missile delivery systems, and conventional weapons is among the United States' top priorities. Strong export and border control systems are the frontline of these efforts, and a key component of the war on terror. The Department of State-coordinated Export Control and Related Border Security Assistance (EXBS) program is the United States' primary vehicle for assisting foreign governments to establish and implement effective export and border controls that meet international standards.

The EXBS program, drawing on expertise from a number of U.S. agencies and the private sector, is assisting governments in strengthening their export controls by improving their legal and regulatory frameworks, licensing processes, border control and investigative capabilities, outreach to industry, and interagency coordination.

FY 2005 EXBS program funding will continue the development of effective controls in a number of key countries, notably potential proliferation source and transit states in Eurasia, while stepping up our efforts in potential source countries in South Asia and key transit and transshipment states in Southeastern Europe, as well as countries with major transshipment ports in the Mediterranean, the Middle East, and Southeast Asia. We will also continue programs in Afghanistan, Africa and Latin America planned for startup in FY 2004. The EXBS program will provide enforcement and detection equipment to key transit countries that have established the legal/regulatory, licensing, and enforcement infrastructures essential to effective export control systems, such as the Baltic countries, Romania and Bulgaria, Slovakia, and Slovenia.

In addition, the EXBS program will respond to new and changing threats to the security of the United States and its interests abroad. In FY 2005, the program will continue to adapt its assistance efforts to help address the proliferation threat posed by radiological devices and Man-Portable Air Defense Systems (MANPADS).

A key tool in stemming the proliferation of WMD, their delivery systems, and other weapons is effective exports and border control infrastructure and capabilities. To meet this objective, the United States works to ensure that potential suppliers have proper controls on exports of arms, dual-use goods, and related technologies, and that transit/transshipment countries have the tools to interdict illicit shipments crossing their territories and implement controls to prevent diversions.

### Continuing Work in Eurasia

- \$6.3 million: Russia, Ukraine, and Kazakhstan retain significant WMD materials and expertise from the Soviet era. The EXBS program is working on many fronts with these countries, including efforts to enhance enforcement capabilities and promote industry compliance with national export control laws.
- \$4.34 million: high-risk transit and smuggling routes from source countries run through Central Asia and the Caucasus. The EXBS program's activities in the region, which remains on the front line of the war on terror, include enhancing border security capabilities and building effective legal controls to meet this challenge.

## **Continuing Work Globally**

- \$1.935 million: tightened export controls in South Asia are vital to ensure that India and Pakistan do not become a source for sensitive materials and technology to other countries or terrorist organizations, particularly in the Islamic world. Assistance will continue the improvement of legal and regulatory frameworks for export controls in key countries and provide non-intrusive equipment and enforcement training to address concerns over WMD proliferation, including chemical and biological weapons, and missile technology, exports.
- \$5.73 million: major transshipment ports and countries along high-risk smuggling routes in the Mediterranean, including Cyprus, Malta and Turkey; Southeast and East Asia, including Singapore, Taiwan and Thailand; and the Middle East, including Jordan and the United Arab Emirates; are of major concern as potential diversion points for WMD-related items due to their geographic location, large volume of container traffic, and reputation for lax controls and trade facilitation. Assistance will continue the development of effective legal and regulatory frameworks and provide non-intrusive equipment and enforcement training to address concerns for potential of diversions of controlled items at major transshipment ports in these regions.
- \$5.295 million: A number of Central European countries have demonstrated the political commitment to effective controls and established the requisite legal/regulatory, licensing and enforcement infrastructure, but need some additional training and equipment to improve enforcement capabilities. We also plan to expand to focus on Radiological Dispersion Devices (RDDs), aka 'dirty bombs', MANPADS, and other weapons to EXBS program countries, including the European Union accession and aspirant countries that have established the requisite legal/regulatory, licensing and enforcement infrastructure.
- \$2.85 million: Balkan, Latin American, and African countries are potential sources, transit, and transshipment points for WMD-related items and advanced conventional weapons. The Balkans have defense industries with over-capacity and a history of dealing with rogue countries. In addition, recent arms transfers have highlighted the critical need to strengthen these countries' export controls. East African states are of increasing concern due to their proximity to the Middle East and porous borders, which facilitate the transfer of weapons and related items, and their potential attractiveness to terrorist organizations. Providing export control assistance to key transit/transshipment states in East Africa supports the President's counterterrorism initiative in that region. Assisting Latin American states to develop effective export control systems is in the U.S. domestic security interest. A large volume of containerized trade that enters the United States transits Latin America, especially through the Panama Canal. In addition, countries like Brazil and Argentina are potential sources of WMD technologies, nuclear materials, and missile components. Assistance will help establish effective legal bases and provide enforcement training in key transit/transshipment countries in South America.

## **Improving Program Management**

- \$7.6 million: continue and expand the worldwide nonproliferation advisors program, which currently has 14 offices covering 21 countries. Funds will support the work of in-country and regional advisors, including overseeing and coordinating implementation of assistance projects, assessing foreign export control/border security capabilities and practices, recommending projects, and ensuring effective use of U.S.-provided equipment.
- \$2.5 million: program administration, including repair, replacement, and upgrade of deployed detection and imaging equipment; development and implementation of performance measurement tools

(e.g., thorough assessments of countries' export control systems and progress made in improving controls); contractor support; and costs associated with team visits, such as translators and transportation to border points.

- \$1.45 million: international conferences and regional activities: These activities foster a sense of shared responsibility and purpose, provide countries with information that can be used to make specific improvements to their national export control systems, provide a forum for countries to learn from the experiences of others and promote a network of like-minded countries that can cooperate in taking export control enforcement actions and working to improve national systems.

**Export Control and Related Border Security Assistance**  
(\$ in thousands)

	<b>FY 2003 Actual</b>	<b>FY 2004 Estimate</b>	<b>FY 2005 Request</b>
<b>Africa</b>			
Kenya	-	1,088	50
South Africa	-	-	25
Tanzania	-	544	25
<b>Subtotal - Africa</b>	<b>-</b>	<b>1,632</b>	<b>100</b>
<b>East Asia and the Pacific</b>			
East Asia Regional	-	-	365
Malaysia	-	80	150
Singapore	200	850	500
Taiwan	250	770	550
Thailand	200	380	750
Vietnam	100	230	280
<b>Subtotal - East Asia and the Pacific</b>	<b>750</b>	<b>2,310</b>	<b>2,595</b>
<b>Europe and Eurasia</b>			
Albania	300	300	300
Armenia	1,011	300	300
Azerbaijan	1,850	850	1,545
Bosnia and Herzegovina	641	600	500
Bulgaria	500	500	500
Croatia	750	750	690
Cyprus	260	400	400
Czech Republic	530	-	-
Estonia	400	1,175	1,000
Hungary	350	-	-
Kazakhstan	1,900	2,000	2,000
Kyrgyz Republic	2,000	500	500
Latvia	1,150	1,825	1,000
Lithuania	820	1,020	1,000
Macedonia	300	300	400
Malta	480	100	100
Moldova	975	640	495
Poland	500	-	-
Romania	560	495	750
Russia	2,500	2,800	2,800
Serbia and Montenegro	794	750	735
Slovakia	700	305	550
Slovenia	500	365	495
Tajikistan	350	300	300
Turkey	600	600	600

**Export Control and Related Border Security Assistance**  
(\$ in thousands)

	<b>FY 2003 Actual</b>	<b>FY 2004 Estimate</b>	<b>FY 2005 Request</b>
Turkmenistan	50	-	-
Ukraine	2,000	1,500	1,500
Uzbekistan	1,927	1,200	1,200
<b>Subtotal - Europe and Eurasia</b>	<b>24,698</b>	<b>19,575</b>	<b>19,660</b>
<b>Near East</b>			
Jordan	555	750	860
Oman	85	400	400
Saudi Arabia	80	-	-
United Arab Emirates	200	250	250
Yemen	-	450	525
<b>Subtotal - Near East</b>	<b>920</b>	<b>1,850</b>	<b>2,035</b>
<b>South Asia</b>			
Afghanistan	80	230	250
Afghanistan SUP	28,000	35,000	-
India	1,000	685	685
Pakistan	200	535	1,000
<b>Subtotal - South Asia</b>	<b>29,280</b>	<b>36,450</b>	<b>1,935</b>
<b>Western Hemisphere</b>			
Argentina	-	-	50
Brazil	-	-	50
Panama	50	25	25
<b>Subtotal - Western Hemisphere</b>	<b>50</b>	<b>25</b>	<b>125</b>
<b>Global</b>			
Export Control Program Administration	423	1,725	1,500
Export Control Regional Advisors	6,258	6,176	7,600
Global Regional Export Controls	1,215	545	1,450
Program Equipment	406	500	1,000
<b>Subtotal - Global</b>	<b>8,302</b>	<b>8,946</b>	<b>11,550</b>
<b>Total</b>	<b>64,000</b>	<b>70,788</b>	<b>38,000</b>

## Nonproliferation of WMD Expertise

(\$ in thousands)

Account	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
NADR-WMD	-	-	50,500

\* This program, formerly named the “Science Centers/Bio-Redirection” program, received \$52 million in FY 2003 and an estimated \$50.2 million in FY 2004.

Preventing the proliferation of weapons of mass destruction (WMD) expertise is a continuing U.S. national security priority and a global security objective the United States pursues with friends and allies. The need to impede access to sensitive weapons technology, material, and expertise by proliferant states and terrorist networks worldwide is an objective of the current U.S. National Security Strategy, National Strategy to Combat Weapons of Mass Destruction, and National Strategy for Combating Terrorism. The growing global threat to U.S. national security from available WMD-relevant expertise prompted Congress to broaden to countries beyond the Former Soviet Union the State Department’s legislative authorities for WMD redirection efforts (see Chapter 9 of Part II of the Foreign Assistance Act of 1961). The new program name, “Nonproliferation of WMD Expertise” (NWMDE), supersedes the program name formerly referred to as “Science Centers/Bio Redirection” and reflects this broader authority.

Anecdotal reports persist of former Soviet scientists, especially those in Central Asia and the Caucasus, being approached by officials from proliferant states. Further, a 2003 survey of Russian scientists with weapons expertise found that 20 percent of respondents would consider working in North Korea, Syria, Iran, or Iraq for a year or more. Comparable WMD proliferation concerns are emerging in other parts of the world where there are scientists and technicians with WMD-relevant know-how. The State Department was called on to address the current situation with the former Iraqi weapon science and technology community, and we anticipate that similar situations could arise in the future.

This NADR program supports the engagement and permanent redirection of former weapon scientists worldwide. The Nonproliferation of WMD Expertise request finances the operation and administration of three distinct programs, the Science Centers program, the Bio-Chem Redirection program, and the Bio Industry Initiative. These are the largest U.S. efforts to gain access to and redirect former WMD scientists. For biological weapons/chemical weapons (BW/CW) scientists at certain foreign institutes, these are the only U.S. government programs engaging and redirecting them to peaceful civilian work and the only programs that provide the United States access and transparency to activities underway in those institutes. While employing different mechanisms and approaches, these programs share a common strategy: to access and engage high-risk former weapon institutes while helping these institutes and their scientists move from dependency to self-sustainability. Moreover, these programs provide steady, effective, and cost-efficient platforms for other U.S. nonproliferation/threat reduction programs.

The Science Centers program operates through two multilateral organizations, the International Science and Technology Center (ISTC) in Moscow and the Science and Technology Center in Ukraine (STCU) in Kiev. The United States, the European Union, Canada, Japan, Norway and South Korea, other U.S. Government (USG) nonproliferation programs, and private industry finance them. The centers focus on all categories of former Soviet WMD scientists - nuclear, chemical, biological, and missile - located in Russia, Ukraine, Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, the Kyrgyz Republic, Tajikistan, and Uzbekistan. Moldova ratified its accession to the STCU late in 2003 and is expected to join the other recipients in 2004.

The Bio-Chem Redirection program, an USG interagency program, was initiated in 1997 to address the acute proliferation threat posed by former Soviet biological weapons scientists who were being approached

by proliferant states. The program engages these scientists in activities leading toward self-sustainability and promotes access and transparency at formerly closed facilities once associated with the Soviet bioweapons program. In FY 2003, the program mandate expanded to engage former Soviet chemical weapons scientists and access previously closed chemical facilities. Bio-Chem Redirection leverages nonproliferation spending by focusing joint research projects on areas of critical public health, agricultural, and environmental research. The program funds the Departments of Health and Human Services (DHHS), Agriculture (USDA), and the Environmental Protection Agency (EPA) to conduct activities requiring their specialized expertise. These departments collaborate with Russian/Eurasian scientists on specific research projects through the ISTC and STCU under the coordination of the Department State. The program also integrates the DHHS, USDA, and EPA work with the biological and chemical-related activities of the Departments of Defense, Energy, and Homeland Security to provide consistent policy oversight and take advantage of the strengths of each agency. Some research projects directly support USG efforts to combat biological and chemical terrorism.

In FY 2002, the NADR account received a one-time transfer of funds to launch the Bio Industry Initiative (BII). The BII program is the only USG program focused on reconfiguring large-scale former BW-related production facilities. BII also engages former BW/CW scientists in accelerated vaccine and drug development research to combat highly infectious diseases, and supports global efforts to counter bioterrorism. Using the leverage provided by BII, U.S. experts have gained first-ever access to ten former BW production facilities. BII is implemented through experts in the areas of health, medical technology innovation, and biologics production, and in part through the ISTC. U.S. industry plays a key role in BII's success.

### **FY 2005 Program Requests**

The FY 2005 budget request of \$50.5 million supports the Science Centers program (\$30.5 million estimate), Bio-Chem Redirection program (\$17 million estimate), and the Bio Industry Initiative (BII) program (\$3 million estimate). All three programs emphasize “graduating” former weapon scientists and institutes into self-supporting, sustainable civilian endeavors in order to secure the nonproliferation achievements of the past decade. The 2003 survey of Russian weapon scientists found that, in general, those who were less willing to work in a country of concern were also those who had adapted to new institutional systems such as competing for grants or contracts – exhibiting the skills and attitudes that are key features of our program strategy on self-sustainability and graduation. Moreover, senior researchers who had received ISTC grant funds were less likely to relocate to a country of concern than those who had not.

Using measures of institutes' economic health, diversity of revenues, and the number and value of their commercial partnerships or “spin off” companies, the Science Centers program will begin in 2004 to “graduate” well-off institutes out of consideration for broad project funding. Institutes moving into the “self-sustaining” category are those that increasingly attract national government projects, private academic and foundation grants, or commercial contracts. To help match capabilities to demand, the United States will press recipient states to consult through the Science Centers on the technical issues and challenges they are prepared to address with national resources. Graduated institutes will remain eligible for training, travel grants and other program aid for their efforts to market their capabilities and discoveries. Training programs, institute evaluation and strategic planning tools, market awareness, and other activities are essential elements in the graduation campaign.

This approach serves the U.S. objective of transforming our Science Centers participation from an aid relationship to one of partnership. It needs sufficient and sustained levels of funding to implement if institutes are to thrive in a transition from project-by-project, grant dependency to generating income transparently from diverse consumers of their R&D capabilities. For example, experts working under the

Bio Industry Initiative who have surveyed the target facilities estimate that approximately \$10 million over several years is required to reconfigure one medium-sized former weapons research institute toward peaceful, viable and transparent activity. Estimated costs would be significantly higher for the transition of a large-scale biologics production facility, 15-20 of which operated in the former Soviet Union.

### **Science Centers (\$30.5 million estimate)**

The requested amount is needed to support the U.S.-led program reforms at the ISTC in Moscow and STCU in Kiev. These reforms expanded and improved the two centers' capabilities to move scientists and institutes more quickly along a path of graduation from Science Centers funding. The Science Centers program has:

- Supported over 300 patent filings
- Trained over 1000 scientists in business management techniques
- Received over \$25 million in joint projects from 250 U.S. and western commercial and other private sector partners.

These efforts have yielded concrete results: a unique Russian-designed guided drilling system has attracted commercial interest from two U.S. petroleum exploration companies, while a \$3 million partnership with a Ukrainian institute resulted in specialized material welding technologies for a U.S. company.

Approximately \$6-7 million is required to extend in-depth business development training, patenting support, active matchmaking with U.S. industry, and other forms of "self-sustainability" assistance to the hundreds of former Soviet scientists ready to benefit from such help.

To support ISTC and STCU activities in implementing their programmed approach to redirection, the requested FY 2005 funding will:

- Accelerate ongoing ISTC and STCU redirection activities, including: matching commercial and non-commercial market interests to recipient scientists and institutes through partner outreach and targeted commercialization initiatives; focusing former weapons scientists on conceiving projects whose results meet market interests; expanding training for recipient scientists and institutes beyond basic business management to more applied skills in marketing analysis, business management, and intellectual property protection; and sponsoring workshops and tailored consultant work to assist institutes in developing long-term strategic plans to attain self-sufficiency.
- Foster relationships and cooperative projects with former weapons scientists in new member states Azerbaijan, Tajikistan, and Moldova. While these countries will not absorb large amounts of funding, they have pockets of weapons expertise and are in important regions for U.S. nonproliferation and counter-terrorism strategies. As political conditions permit, we intend to re-engage former WMD communities in Belarus.
- Actively pursue private sector partners, international partners, and other donors (e.g., G-8 Global Partnership donors) to contribute to, and make use of, the existing ISTC and STCU programs. At the same time, continue to provide a stable and responsive platform for other USG threat reduction programs to implement their activities through the Science Centers' oversight mechanisms and other tools.
- Maintain current levels of program administration activities, including: active oversight and monitoring (including independent U.S. financial and technical audits of up to 65 USG-funded projects per year); reviewing hundreds of ISTC/STCU project proposals for proliferation risk, technical merit, and market

potential; and, providing administrative support in the United States and at the centers in Moscow and Kiev. Program administration funds also support activities that promote the commercial exploitation of patents and licensing rights in the United States for any intellectual property created by USG-funded Science Center projects.

### **Bio-Chem Redirection (\$17 million estimate)**

The amount requested is needed to meet priority needs and maintain the progress of key institutes toward graduation. Specifically:

- \$6 million is needed for DHHS's Biotechnology Engagement Program (BTEP), which reduces the risk of bioterrorism by engaging former CBW scientists from Russia, Armenia, Kazakhstan, and Georgia in areas that address priority public health concerns, including smallpox, HIV/AIDS, and drug resistant tuberculosis. BTEP is also our front-line program to engage newly identified bio institutes in Georgia, including those with large-scale biologics production capabilities. BTEP's work in this area is leveraged with funds from BII and from DoD's Cooperative Threat Reduction (CTR) program, which will work in parallel to dismantle excess BW capability and secure dangerous pathogen collections.
- \$7 million is needed for USDA's collaborative research projects -- including work to protect global food supplies and combat agro-terrorism via plant and animal disease detection, characterization, monitoring and prevention -- with former CBW institutes in Russia, Kazakhstan, Uzbekistan, and Tajikistan. USDA projects are our primary mechanism for graduating bio institutes in Uzbekistan from reliance on USG assistance. Top-priority Uzbek institutes employ up to 100 former BW scientists each. Some institutes already earn more than 50% of their budget from commercial sources. Requested funds will enable them to develop the skills and client base to become self-sufficient within three years. Funds allocated to USDA will also support projects at newly identified institutes in Tajikistan, where scientists confirmed in 2003 that proliferant state nationals have sought scientific collaboration in areas of proliferation concern. The requested funds will allow the program to engage these Tajik scientists, increase transparency and access to their institutes, and provide them an alternative to collaboration with proliferants.
- \$4 million is needed for EPA to expand engagement with former chemical weapons (CW) scientists in Russia, Ukraine, Kazakhstan and Uzbekistan. CW efforts begun in FY 2003 identified as priorities for engagement nine former CW institutes, some of which were not accessible before this program began. The USG recently gained permission from Kazakhstan to engage one of these, the Pavlodar Chemical Plant; the FY 2005 request is critical to engage this plant. The FY 2005 request will also finance new efforts to develop projects at the formerly closed State Institute for Technology of Organic Synthesis (GITOS) in Russia and the Institute of Organic Chemistry (IOKh) in Ukraine. Training, business planning and market research necessary to support the graduation of two Russian former CW institutes from reliance on USG assistance will be supported by the FY 2005 request.

Bio-Chem Redirect places high priority on ensuring rigorous program management, oversight, and audits. Bio-Chem Redirect funds also support the work of a dedicated Bio-Chem Science Advisor under contract, who provides technical support for reviews of biological and chemical project proposals.

### **Bio Industry Initiative (BII) (\$3 million estimate)**

BII is specifically mandated by Congress to counter the threat of bioterrorism through the reconfiguration of the large-scale former BW production facilities in Russia (the only USG program that does this) and by accelerating drug and vaccine development for highly infectious diseases. Of an estimated 15-20 large-scale production plants in the former Soviet Union, BII has engaged twelve, ten of which had not

previously worked with the ISTC and had been closed to outsiders. BII proposes to expend \$3 million in FY 2005 funds from this budget line to complete its work at identified facilities -- work launched with one-time supplemental funds in FY 2002.

- \$500,000 of FY 2005 funding would be used to complete the ongoing marketing, business planning, and training support developed under BII, which are prerequisites for graduation of the selected institutes.
- \$2 million would be used for physical infrastructure upgrades that are crucial to deny terrorists access to dangerous pathogen collections and which reduce the likelihood of scientific personnel migrating to proliferant states.
- \$500,000 of the requested funding would enable the Department of State to continue advancing the Bioconsortium, a group of eleven former BW weapons institutes, toward commercial drug and vaccine development for highly infectious diseases. With BII assistance, this initiative has identified several vaccines and therapies with strong commercial potential, including a novel nanotechnology-based vaccine platform that could be a key to biodefense.

**International Atomic Energy Agency - Voluntary Contribution**  
(\$ in thousands)

Account	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
NADR-IAEA	52,900	52,687	53,000

The NPT is the bedrock of our nuclear nonproliferation strategy. To preserve and strengthen the NPT in the face of real challenges, we will work to strengthen its verification organization, the International Atomic Energy Agency (IAEA). The IAEA is a critical and effective instrument for verifying compliance with international nuclear nonproliferation agreements. Its program of international safeguards monitors nuclear material worldwide and provides assurance that it is not diverted to make nuclear weapons. Efforts to strengthen safeguards over the last dozen years have provided critical new tools to detect and respond to clandestine nuclear programs. IAEA safeguards serve both as an essential barrier against the spread of nuclear weapons and as a first line of defense against nuclear terrorism. The IAEA's expanding nuclear security programs will help states around the world improve their ability to protect nuclear materials and facilities, prevent nuclear smuggling, and apply better controls on radioactive materials to reduce the risk of radiological dispersal devices (AKA "dirty bombs"). The United States has strongly supported the IAEA since its creation in 1957.

For FY 2005, the Administration is requesting \$53 million for a voluntary contribution to the IAEA. The U.S. Voluntary Contribution is needed to continue to fill the gaps caused by a funding shortfalls for some safeguards activities and to fund expanded nuclear materials security programs. Over the past 20 years, demands on safeguards have risen steadily, both in the number of nuclear facilities subject to safeguards as well as the volume of nuclear material under safeguards. Some safeguards equipment has become obsolete, and new, more effective technologies have emerged. Safeguards standards have become much more rigorous, due in large measure to U.S. leadership. The majority of the FY 2005 request supports safeguards (e.g., equipment development and procurement, training, country issues, and environmental sample analysis), the nuclear security fund (physical protection of nuclear material, control of radioactive materials, illicit trafficking of materials) and nuclear safety programs. Since September 11, 2001, the IAEA has shifted an increasing share (about 56%) of voluntary contribution funds toward safeguards, security and safety, accelerating the trend since 1998 when the share was just 40%. An historic increase in the IAEA's regular budget, to be phased in by 2007, will, in addition to providing the additional manpower to implement safeguards, significantly reduce the need for extra funds for equipment procurement. However, the IAEA will continue to rely on voluntary contributions for other key requirements, including technical experts and the development of the advanced technologies that will be critical to maintaining a strong safeguards system in the face of ever changing technologies and ever growing nuclear programs.

In September 2001, as part of the war on terrorism, the IAEA initiated a review of its programs with a view to enhancing those that will help states protect against acts of nuclear and radiological terrorism. In March 2002, the IAEA Board of Governors approved a multi-dimensional action plan that will help states around the world address this critical problem. The IAEA established an extrabudgetary fund, the Nuclear Security Fund, to support these activities. Overall pledged contributions to date total over \$27 million dollars. The bulk of this has come from the United States, but other IAEA member states have provided a growing share of these funds. These funds support IAEA efforts to combat nuclear terrorism, including developing and enhancing international standards and providing training and assistance on all aspects of the problem. This also includes training in physical protection techniques, assessment of security measures at specific nuclear facilities, and combating nuclear smuggling.

The U.S. voluntary contribution will also help strengthen the IAEA's operations, permit replacement of outdated equipment, and support development of new measures to verify that nuclear materials removed

from nuclear weapons by the United States and Russia are not re-used for weapons. Finally, the U.S. voluntary contribution will support the IAEA's Technical Cooperation Program and support projects, training, fellowships and equipment in countries that are parties to the NPT.

Specific projects planned for FY 2005 include:

- Providing expert assistance and other support to expand international missions to assess the adequacy of physical protection measures at nuclear installations worldwide (known as International Physical Protection Advisory Services) to help counter the threat of nuclear terrorism;
- Providing additional cost free expert assistance to the IAEA's Office of Nuclear Security to bolster the speed and effectiveness of the IAEA's nuclear security activities;
- Increasing training and advisory services for more IAEA member states to improve their illicit trafficking and emergency management and response programs;
- Upgrading the IAEA "model project," which helps countries develop the infrastructure to better control their radioactive sources;
- Developing improved techniques for safeguarding spent fuel, particularly by reducing the demands on inspectors;
- Installing unattended radiation monitoring equipment in nuclear facilities such as the Rokkasho Reprocessing Plant in Japan;
- Replacing the IAEA's obsolete mainframe-based safeguards information system and integrating the expanding variety of information used in strengthening safeguards;
- Taking a long-term approach to meeting new equipment needs and life cycle costs;
- Training inspectors in the application of safeguards, and providing new information analysis and survey tools for use in inspections for the strengthened safeguards system;
- Developing robust safeguards approaches for nuclear facilities in states of concern;
- Strengthening quality control sensitivity of analyses by the Safeguards Analytical Laboratory and the Network of Analytical Laboratories, particularly in the analysis of environmental samples;
- Analyzing environmental samples from safeguards inspections to detect signatures of possible undeclared nuclear activities and materials;
- Upgrading the safeguards satellite imagery laboratory to improve access to and ability to analyze images for possible indications of undeclared sites; and
- Supporting the Department of Safeguards' development of a Quality Management System to improve reliability and quality of safeguards equipment and to ensure that safeguards conclusions are based on credible evidence and sound procedures.

## CTBT International Monitoring System

(\$ in thousands)

Account	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
NADR-CTBT	14,000	18,888	19,000

As a key element of our global efforts against the proliferation of nuclear weapons, the United States has a strong security interest in enhancing its ability, as well as that of its friends and allies, to detect and deter nuclear explosive testing anywhere in the world. Although the Comprehensive Test Ban Treaty (CTBT) is not in force, the International Monitoring System (IMS), on which work began following CTBT signing in 1996, provides important security benefits to the United States and its allies. While there can be no substitute for robust national efforts, the IMS offers an important supplement. It will collect worldwide data from 321 seismic, hydroacoustic, infrasound, and radionuclide stations. A number of these stations will provide the United States with new or improved data from regions not otherwise available and will strengthen U.S. verification capability.

In 2000, the first eleven IMS stations were certified as meeting agreed specifications for performance and reliability. In 2001, another twelve stations were certified, including seismic stations in France, Iran, Norway, Spain, and the United States, and a second hydrophone station in the Indian Ocean. In 2002, another twenty-three stations were certified, including seismic stations in Kazakhstan, Kenya, and Ukraine. In 2003, an additional twenty-one stations were certified bringing the total of certified stations to sixty-seven, or 21% of the full IMS network. IMS is the largest program in the CTBT Preparatory Commission (Prepcom) budget. Other substantial programs include the International Data Centre (IDC) and data links between IMS stations and the IDC and between the IDC and member states. A more modest effort is devoted to development of a capability to conduct on-site inspections.

The FY 2005 request in NADR will fund the U.S. contribution to the ongoing work of the Prepcom. This level reflects a U.S. funding share (22 percent), consistent with the current UN scale of assessments, upon which the Prepcom's budget is apportioned among CTBT signatories. Moreover, under U.S. policy, the United States intends to fund its share of only IMS and IMS-related activities, which constitute the largest part of the Prepcom Budget. The United States will not fund other activities, including those related to establishing the on-site inspection system. By maintaining significant support for the Prepcom budget and leadership in work on technical and other issues, the United States will continue to be able to influence and guide the Prepcom's efforts to devise the best possible multilateral regime for monitoring nuclear explosions.

## Anti-terrorism Assistance

(\$ in thousands)

Account	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
NADR-ATA	65,638	96,428	128,300
NADR-ATA-ERF	-	10,000	-
NADR-ATA-SUP	25,000	35,000	-

The Antiterrorism Assistance (ATA) program plays a key role in the U.S. Government's (USG) efforts to win the Global War on Terrorism (GWOT). The Secretary of State's Coordinator for Counterterrorism relies on this program both to build the political will and the operational capacity of partner countries to cooperate with the United States in protecting American lives and interests around the world. By making U.S. partners better able to detect and thwart terrorists, this program forms part of the first line of America's defense, working to stop terrorists before they reach U.S. shores. Its provision of training and assistance to mitigate the effects of the use of weapons of mass destruction works both to protect American lives abroad but also to increase the willingness of partners to work with us across the board in strengthening global counterterrorism (CT) efforts.

In order to prevail in the GWOT, the United States requires willing and able partners that can take effective action to prevent or mitigate terrorist attacks. As one of the world's preeminent providers of counterterrorism training, equipment, and advice to foreign countries, the ATA program plays a key role both in building the counterterrorist capacity of our partners and bolstering their resolve to confront and defeat the dangers of international terrorism. It expands the skills and abilities of foreign law enforcement officials who have primary responsibility in their nations for taking decisive action against international terrorists and networks that seek to target U.S. citizens, businesses, and other interests. These officials also have the primary responsibility for responding to and mitigating the impact of terrorist attacks that occur in their nations, including the possible use of weapons of mass destruction (WMD). ATA training and other assistance is the USG's primary means of improving the performance of partner nations in counterterrorist operations to prevent or prepare for future attacks. Although this program has grown substantially since the tragic events of September 11 validated requirements for ATA courses, advice, and equipment have greatly exceeded resources available, as has demand from partner nations.

This program has had an enormous impact on the CT abilities of partner nations. These programs provide the operational and tactical capabilities needed to confront and defeat terrorists. In many countries, ATA-trained officials play key roles in local, regional, and global CT efforts. For example, key investigators of the bombing of the Marriott Hotel in Jakarta were products of ATA training and critical to tracking down and arresting many of those involved, thus preventing those detained from conducting further attacks. For many countries, ATA is the primary U.S. source for sophisticated CT equipment, including for SWAT teams and to cope with a WMD attack.

Graduates of ATA training have experienced remarkable success in their application of newly acquired antiterrorism skills. In October, Pakistani students from the newly formed CT unit were called upon to initiate a sensitive investigation following the assassination of a top political figure. With two weeks of class still remaining, the students conducted an exemplary investigation. In Afghanistan, two graduates defused a bomb located in a busy market two minutes before it was set to detonate. Two ATA alumni from the Thai Police led the investigation that resulted in the arrest of the JI terrorist known as "Hambali." In Jakarta, on graduation day, students of an ATA course were deployed to investigate the bombing at the Parliament building. They were again called into service to investigate the Marriott Hotel bombing. Their efforts are credited with a number of arrests in those bombings. In Turkey, ATA graduates have been deployed to assist with the investigation of the Istanbul bombings that have resulted in several arrests. In

Mali, two ATA graduates were key negotiators in the successful release of 14 European tourists captured by Islamic extremists. A newly appointed Chief of Police in Morocco credits his ATA training for many of the new security steps he has taken, including the recent arrest of 20 terrorists accused of planning an attack against the U.S. Embassy.

In FY 2005, \$128.3 million is requested to:

- Maintain the scope and volume of existing U.S.-based training capabilities;
- Initiate new in-country programs in participant nations critical to the United States;
- Add flexibility to the program to respond rapidly and effectively to priority requirements whenever and wherever they occur; and
- Expand the ability of partner nations to detect and thwart terrorists before they can act.

### **Ongoing Programs**

- *Continuation of Domestic/Fly-Away Training Program* (\$73.4 million): For the domestically-based and instructional team “Fly-Away” (in country delivery) training programs in FY 2005, ATA will continue to augment the counterterrorism capabilities of the “southern crescent” countries of terrorism, which extend from East Asia through Central and South Asia to the Middle East and into particularly vulnerable African countries. Intelligence analysis identifies these priority countries as the highest current and potential threat areas. Funding also supports program management, including travel, translations, lease of training facilities and rented space, transportation of equipment, and various administrative expenses for ongoing, new, and expanded initiatives. Courses include such things as explosives ordnance disposal and countermeasures, anti-kidnapping, surveillance detection, VIP protection, investigations, major case management, weapons of mass destruction incidents, interdicting terrorist organizations, and cyber terrorism.
- *Pakistan Counterterrorism Units* (\$6 million): The FY 2005 program is a continuation of an effort to upgrade local and national level CT police institutions. The program focuses on building CT capacity principally in tactical operations and investigative areas. To maximize its impact, the training is distributed among the provinces, national police, and the Federal Investigative Agency’s Special Investigative Group (SIG). The FY 2005 budget will continue and expand upon training provided in the previous two fiscal years. To maximize and standardize investigative skills in Pakistan’s four provinces, ATA will provide 10-week courses of investigative instruction for each of the provincial police services. This will enable the provincial police to assist the SIG in the federal government’s CT program. In addition, ATA will also train one SWAT team in each province, and will provide an Explosive Incident Countermeasures course to a combined group of police officers from each of the four provinces. Finally, funds will continue the installation of the SIG secured IT network to include the five subordinate offices located in the capital and four provinces, along with providing three CT Cyber courses for an investigative unit.
- *Afghanistan Presidential Protection* (\$6 million): The United States has successfully trained an Afghan Presidential Protective Detail for President Karzai. This team is now being integrated into the Karzai Protection Detail. FY 2005 NADR/ATA funds are requested to transition from the basic formation of a detail to enabling a U.S. advisory role. ATA will continue to support the Afghan protective unit through training but will also add more management training and advanced protective courses, with an aim of making this program self-sustaining. We also expect to provide additional in-country CT training at Camp Watan, the ATA training facility in Kabul, in priority areas, probably to include investigating and penetrating terrorist organizations, SWAT, and Explosive Incident Countermeasures (EIC).

- *Indonesia Counterterrorism Unit* (\$6 million): The FY 2005 ATA CT training program activity for Indonesia will build upon the training and full equipping to be completed in FY 2004 of two Crisis Response (SWAT) teams and one Explosives Incident Countermeasures (bomb) squad. The goal remains to develop an adequately sized and highly proficient CT capability for this crucial front-line state. In FY 2005, ATA will provide the new Indonesian national CT unit that is the primary recipient of this assistance with additional SWAT, investigative and bomb squad training and related equipment to ensure there is sufficient regionally deployed capability in these functions. To reach our goal, in FY 2006 ATA will work to integrate these functions with the CT Intelligence and other CT-related training offered by Australia and other donor nations. Additionally, capstone tactical and operational planning exercises will be conducted to further enhance CT capability.
- *Mobile Antiterrorism Training Teams (MATT)* (\$9 million): Since the attacks of September 11, 2001, ATA programs have focused on many participant nations that are facing the problems of limited security personnel and high internal threats. In a number of instances, partner nations have been compelled to cancel training or recall their student delegations early to respond to crises at home. To address this critical problem, ATA developed the Mobile Antiterrorism Training Teams (MATT) concept as a means to rapidly deliver in-country training in critical security skills, such as VIP protection, bomb squad operations, and SWAT. The program will launch in FY 2004. The FY 2005 program will maintain the capacity to respond to approximately 18 major short-notice training activities annually. The flexibility offered by this program is crucial as we prosecute the GWOT in a changing and highly stressed environment.

### **New In-Country Training Programs**

- *Colombia* (\$3.92 million): This program is aimed at training 28 anti-kidnapping (GAULA) units to expand Colombia's ability to combat kidnapping, a key tactic in the Colombian terrorists' arsenal. In FY 2005, ATA will conduct an on-site review of the anti-kidnapping training and equipment assistance conducted in FY 2003 and FY 2004 to measure program effectiveness. In addition, to ensure that the Colombians are able to maintain proficiency in these skills, ATA will conduct a Train-the-Trainer course. To complete the program, ATA will assist with the establishment of a Joint Task Force to coordinate anti-kidnapping operations nationally, and will enhance its command and control structure by providing the Joint Task Force with computers and communications equipment. Finally, ATA will conduct a joint anti-kidnapping exercise to encourage Colombian interagency cooperation and demonstrate operational effectiveness.
- *Malaysia Counterterrorism Center* (\$870,000): The Government of Malaysia (GOM) has established a regional CT center to promote national and regional CT capabilities. The GOM has requested the United States and other countries with advanced CT skills provide training opportunities for the center and to help it grow into an effective regional resource. In view of its potential role in building both capacity and political will, the United States has agreed to provide training. First year costs will include a regional needs assessment to determine what courses will be delivered. The focus will be to foster regional CT cooperation and capability. The establishment of this center achieves the major U.S. goal of enhancing regional CT capacity.
- *Kenyan Antiterrorism Police Unit* (\$4 million): ATA will train an elite Kenyan Antiterrorism Police Unit (ATPU) designed to investigate terrorist threats and respond to terrorist incidents. This is a long-term project, currently estimated at over 20 months in length, and will result in an institutionalized CT capability. The FY 2005 request supports follow-on requirements for the program initiated in late

FY 2003 as part of the East Africa Counterterrorism Initiative. FY 2005 training will provide more advanced courses, such as train-the-trainer activity and others aimed at eventual sustainment. The ATPU will give this critical front line state a greatly enhanced capability to locate and confront terrorist networks that have plagued Kenya for a number of years.

- *Philippines Counterterrorism Unit* (\$2 million): The Philippines is a key partner in the GWOT and faces a host of indigenous and regional terrorist groups that have targeted and killed Americans. The Government of the Republic of the Philippines (GRP) requires an intensive training program to give its police a more effective and sustainable CT capacity, including proactive police intelligence, SWAT training, incident investigation, and EIC training. The FY 2005 request will begin to fulfill commitments that were identified as CT priorities during the President's October 2003 visit to Manila. The necessity for a trained CT unit has been demonstrated repeatedly, most recently in November 2003 when terrorist armed with weapons and explosives took over the control tower of the Manila airport. This program, which will focus on developing the police capacity to prevent, confront, and investigate terrorist activity, will complement current DOD efforts to train Philippine military forces.
- *Tri-border Initiative* (\$1 million): The Triborder region of Brazil, Paraguay, and Argentina has long been the focal point for Islamic extremism and terrorist fundraising in Latin America. The Department of State used \$1 million in FY 2002 Supplemental funds to conduct needs assessments in those countries and began to bridge gaps in their information sharing processes regarding persons suspected of involvement in international terror groups. The "3+1" Triborder Area CT Initiative (Brazil, Paraguay, Argentina, plus the U.S.) thus was born with strong regional support, and provides the USG with an excellent mechanism for channeling counterterrorism assistance programs to the region. Uruguay and Chile now want to join in the new mechanism for cooperation. Funding is needed in FY 2005 to provide training that will implement capacity building measures identified in the assessments, including investigating terrorist networks and EIC.
- *New Curriculum and Course Activities* (\$ 8.6 million): ATA will develop several new courses to meet evolving terrorist threats and critical training needs, including advanced investigations, woodland border patrolling, advanced EIC, and WMD courses.
  1. The Advanced Interdicting Terrorist Organizations Course will teach police managers how to develop and use police intelligence and investigative means to identify terrorist networks and investigate and build legal cases against key members of those networks. Its goal is to proactively destroy networks before they can commit terrorist acts. This course will build on skills transferred to key police forces through the Interdicting Terrorist Organizations course and will be complemented by a consultations program that offers further assistance in operationalizing the concepts taught.
  2. The Border Patrol Operations (Woodland) Course will focus on tactical aspects of rural patrolling necessary to protect remote international boundaries from terrorist incursion. The basis for the course will be rural police patrol planning, individual and team skills, field craft, and the conduct of rural patrols, both in vehicles and on foot. Subjects will include tracking, tactical movement and maneuver, suspect contact tactics and procedures, and intervention, search, and arrest procedures.
  3. The Advanced Explosive Incident Countermeasures Course (AEIC) will be designed for graduates of the basic EIC course. The course curriculum will include refresher information on blast and fragmentation safe distances, explosive management, transportation, stowage, handling, and x-ray interpretation. Advanced course information will include pyrotechnics and explosives disposal, advanced x-ray interpretation and diagnostics, advanced explosive access and disablement, advanced hand entry techniques and tools, and the use of infrared fiberscopes.

4. The WMD Train-the-Trainer Course will give advanced training to key participants identified during the initial WMD Operations training as candidates to develop and deliver on-going training to sustain the program in their respective countries. The course will be based on current WMD educational methodology and will include WMD/emergency response-specific subject.
  5. The Incident Commander Course covers incident management systems, response strategy and tactics, planning, operations and interagency coordination in mass casualty situations. The course also introduces advanced considerations based upon the topics currently taught in the WMD Awareness Seminar. Based on extensive student feedback in the WMD Seminars, this subject will now be covered as a separate course topic.
- *Equipment Grants* (\$6 million): “Enabling” equipment grants ensure the successful transfer of knowledge and skills gained in the classroom to the operational environment. These grants support the entire ATA program, and include the very same equipment with which the student delegations receive their training. Without the associated equipment grants, the training activities would often amount to mostly academic exercises with little real world increase in counterterrorism capabilities. The program is being initiated in FY 2004. In FY 2005, funds are needed to sustain the equipment program and to meet increased training-related demands.
  - *ATA Alumni Information and Coordination Computer-Based Network* (\$500,000): The relationships formed through ATA training with foreign security personnel should not end when a particular training course concludes, nor should the students’ learning process. This program will cultivate the individual relationships that evolve from ATA training, both to support a worldwide CT network and improve U.S. access and influence among security professionals. The ATA Alumni Network will also act as a vehicle to exchange information, communicate with graduates, and develop professional relationships among foreign alumni and U.S. instructors and policy makers. This will be accomplished by the development of a web site with information pertaining to all of the ATA activities and courses, an interactive bulletin board, and an email list of all graduates. It will also have links to official U.S. agency sites and other informational sites. The site will feature articles of interest, newsletters, instructional materials, and contact information. An alumni affairs director will coordinate activities and events.
  - *Senior Policy Engagement Workshop* (\$1 million): The Senior Counterterrorism Policy Workshops provide a unique opportunity to simultaneously expand bilateral cooperation with the U.S. (including enhancing interaction with U.S. embassies) and to improve the interagency process within the host government. Aimed at the strategic, policy level, these workshops are tailored to advance key CT goals and offers us an opportunity to jointly work through a set of concrete objectives with ministerial-level officials of partner nations. Focused on tabletop or other types of exercises, these workshops are operational in nature and are designed to improve the interoperability of U.S. crisis management techniques with those of our key partners. Although this is a minor budget item, it represents a crucial tool in strengthening the political will and ability of partner nations to cooperate effectively on CT issues.

### **Program Assessment Rating Tool (PART)/Performance Evaluation**

For preparation of the FY 2005 budget, the Administration reevaluated the Department’s Anti-Terrorism Assistance Program using the Program Assessment Rating Tool (PART). In this second PART review, the program improved its rating from moderately effective to effective. The review found that the program purpose and design are clear and that the program is designed to have a significant impact on the need to build capacity of key countries abroad to fight terrorism. The review also found that focused, long-term performance planning is used to guide program

management, reflecting significant steps taken by program managers since the previous assessment to establish measurements gauging progress toward long-term goals. The assessment recommended managers fully implement the country rating system, and develop efficiency measures and incorporate into the PART for the FY 2006 budget. Both of these recommendations are currently being implemented. The PART evaluation was one factor used in the overall decision-making process for resources allocations.

Corresponding performance information (key goals and targets) for Anti-Terrorism Assistance can be found in the Performance Summary volume of the integrated performance budget presentation on pages 15, 61-64, and 277.

Key Indicators: (1) Number of ATA Courses Provided to Priority States and the Number of Program Reviews that are Conducted Not Later Than 18 Months After the Training; and (2) Number of Countries in Which a Quantifiable Needs Assessment and Program Review Rating System for Measuring Counterterrorism Capacity is Implemented.

**Anti-terrorism Assistance**  
(\$ in thousands)

	<b>FY 2003 Actual</b>	<b>FY 2004 Estimate</b>	<b>FY 2005 Request</b>
<b>Training</b>			
Afghanistan	1,438	7,138	6,000
Afghanistan - ERF	-	10,000	-
Afghanistan - SUP	25,000	35,000	-
Africa	5,690	12,233	16,167
Colombia	3,279	-	3,920
East Asia and the Pacific	1,820	7,929	6,636
Europe and Eurasia	22,330	22,024	19,603
Indonesia	1,008	5,755	6,000
Kenya	622	-	4,000
Malaysia	1,267	-	870
Mobile Antiterrorism Training Team (MATT)	-	5,585	9,000
Near East Asia	11,815	14,005	18,479
Pakistan	517	3,645	6,000
Philippines	1,939	-	2,000
South Asia	5,386	4,280	6,281
Tri-Border Initiative	-	-	1,000
Western Hemisphere	299	2,604	244
WMD Preparedness Program	1,000	-	-
<b>Subtotal - Training</b>	<b>83,410</b>	<b>130,198</b>	<b>106,200</b>
<b>Program Administration</b>			
Alumni Network	-	-	500
Course Translations	-	2,964	-
New Course Development	4,627	2,354	8,600
Program Equipment	-	-	6,000
Program Management	2,601	5,912	6,000
Senior Policy Engagement Conferences	-	-	1,000
<b>Subtotal - Program Administration</b>	<b>7,228</b>	<b>11,230</b>	<b>22,100</b>
<b>Total</b>	<b>90,638</b>	<b>141,428</b>	<b>128,300</b>

## Counterterrorism Financing

(\$ in thousands)

Account	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
NADR-CTF	-	-	7,500

Stemming the flow of funds to finance terrorist networks and their operations is a critical front in the global war on terrorism. U.S. counterterrorism finance assistance programs are aimed at building comprehensive regimes in frontline states to combat money laundering and terrorist financing, domestically and internationally. These programs develop the legal, judicial, financial regulatory, financial intelligence, and law enforcement capabilities of foreign governments to detect, dismantle, and deter terrorist financing networks and thwart terrorist acts.

U.S. training and technical assistance to combat terrorist financing will be expanded to provide six additional countries to the current list of 19 states deemed most vulnerable to terrorist financing in Africa, Southeast Asia, South Asia, Latin America, the Middle East, and Europe. This program began with a \$10 million appropriation in the FY 2002 Emergency Supplemental, built upon the anti-money laundering programs managed by the State Department's Bureau for International Narcotics and Law Enforcement Affairs, and has had significant impact in several frontline states. In Indonesia, U.S. assistance directly accelerated the development of the financial intelligence unit, assisted Indonesia in amending its anti-money laundering law to meet international standards and avoid Financial Action Task Force (FATF) countermeasures, and contributed to the financial investigations of the Bali bombings. In Paraguay, U.S. interagency efforts have assisted that government in creating a specialized cadre of counterterrorism finance specialists and in the successful prosecution of a Hezbollah terrorist financier.

In FY 2005, \$5 million of the \$7.5 million request will fund assistance programs across the five core necessary competencies for an effective counterterrorism finance regime: legal framework, financial regulatory supervision, financial intelligence units (FIU's), law enforcement, and judicial process. These training programs will be conducted on a bilateral and multilateral basis, in the United States or in the host country, depending on the needs of each country.

- To establish the legal framework, the United States will assist host governments to draft, amend, and enact the legal measures necessary to criminalize terrorist financing and money laundering and provide the necessary authorities to prosecute financial crimes.
- On the financial regulatory front, the United States will continue to train bank examiners and financial regulators on methods to detect money laundering and terrorist financing and share "best practices" with financial regulators and private financial institutions, considered the frontline of the war against terrorist financing.
- To reinforce FIU capabilities, the United States will provide advanced training courses for FIU personnel to collect, analyze, and disseminate suspicious transaction reports and identify appropriate IT solutions to make FIU's more efficient.
- For financial crime investigations, the United States will continue to train law enforcement authorities on the most effective methods to investigate terrorist financing and money laundering crimes.
- To ensure that terrorist financiers are brought to justice, the United States will provide training to host government prosecutors, judges, and magistrates on case development and techniques to successfully prosecute terrorist financing crimes and to block and forfeit their assets.

- The remaining \$2.5 million will support five resident advisors in the legal, law enforcement, or financial intelligence unit fields assigned to countries requiring more “hands on” counterterrorism finance assistance. The average cost of a resident advisor through the U.S. Embassy to serve in a particular country is \$500,000 per annum, including salary, benefits, housing, transportation, translation services, ICASS and other administrative support costs, as well as the costs associated with an administrative or legal assistant.

**CT Engagement w/Allies**  
(\$ in thousands)

Account	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
NADR-CTE	-	-	500

The Department of State is the lead agency in the U.S. Government (USG) for international Counterterrorism (CT) efforts and is charged with garnering and maintaining the political will needed by partner nations to take strong active measures against terrorists within their borders and in concert with the international community. The Department devotes considerable resources, both bilaterally and multilaterally with international and regional organizations, to induce foreign governments to cooperate as effectively as possible in the GWOT. The global cooperation elicited through this program of diplomatic engagement is essential to the success of our military, law enforcement, intelligence, financial, and public diplomacy activities in the GWOT.

To accomplish our goal of creating an effective international CT coalition, The Department's Coordinator for Counterterrorism will deal with each country individually and tailor U.S. interaction and strategy to the country's potential value in the GWOT. In FY 2005, program funds will support numerous bilateral engagements at which we will advance concrete CT goals across the board with our partners. These meetings cover the gamut of U.S. CT interests and include representatives, as appropriate, from other USG agencies. To strengthen regional cooperation, funds will also support several conferences to bring together high-level CT and security officials in key regions. These conferences allow the United States to communicate U.S. CT policy and global and regional goals to all relevant officials, in an efficient, effective and highly visible way. Other USG agencies participate to facilitate accomplishment of the full array of CT goals. These conferences, which usually run two days, also provide a venue to discuss regional problems and promote regional cooperation and solutions.

These meetings are force multipliers that enhance bilateral cooperation both with the United States and each of our partners and among our partners themselves. The United States cannot win the GWOT alone. Global and regional cooperation is required. CT Engagement conferences are a key part of our efforts to create coalitions that identify, deter, apprehend, and prosecute terrorists.

## Terrorist Interdiction Program

(\$ in thousands)

Account	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
NADR-TIP	5,000	4,971	5,000

The Terrorist Interdiction Program (TIP) serves to enhance the security of Americans both at home and abroad by strengthening international cooperation in the fight against terrorism and assisting participating nations with securing their borders. TIP strives to significantly impact terrorists' freedom of movement between countries by providing participating nations with a computer network enabling immigration and border control officials to quickly identify suspect persons attempting to enter or leave the country. TIP also provides participating nations with increased capability to collect, compare, and analyze traveler data and contribute to the global effort to understand terrorist methods and track their movements.

Terrorists are known to take advantage of nations with little or no effective capability to identify or track their passage, and which therefore pose little risk of apprehension. By providing a fast, secure and reliable means to gather information on every person entering or leaving through national ports of entry, and the means to instantly check each person's identity against a current terrorist watchlist, TIP provides the potential to dramatically complicate and/or disrupt terrorist planning and execution. Instead of being able to confidently pass through immigration points possessing little or no effective means of control or inspection, terror suspects are now forced to choose between a very high risk of discovery at TIP operating locations, or changing their plans.

TIP funds support the installation and maintenance of the Personal Identification Secure Comparison and Evaluation System (PISCES) at selected air, land and sea points of entry in participating nations. PISCES workstations installed throughout a country are linked by wide area network to the participating nation's immigration, police or intelligence headquarters. The headquarters is provided with the automated capability to monitor activities at immigration points, evaluate traveler information and conduct real time data analysis.

TIP provides all necessary hardware and software, full installation, operator training, and system sustainment. Additionally, TIP assists with immigration business process improvement at ports of entry chosen for PISCES installation.

TIP provides the structure and methodology for meaningful counterterrorism cooperation between the United States and the participating nation. Host nation and USG elements can identify trends and patterns, track suspicious individuals, collect evidentiary data, and link information in post-event analysis. For FY 2005, the Department will install the TIP PISCES system in as many as 5-6 new countries in the Middle East and Africa and/or expand the program to additional sites in some of the more than 20 countries expected to employ the system by 2005. An interagency assessment has identified 60 countries where installation of the TIP PISCES system would significantly help achieve USG counterterrorism objectives.

### **Program Assessment Rating Tool (PART)/Performance Evaluation**

For preparation of the FY 2005 budget, the Administration evaluated the Department's Terrorist Interdiction Program using the Program Assessment Rating Tool (PART). In its first PART review, the program was rated Results Not Demonstrated. The assessment found the program purpose and design to be clear and focused on addressing a specific need, providing foreign governments with the Personal Identification Secure Comparison and Evaluation System (PISCES) that enables border control officials to quickly identify and detain or track suspect persons seeking to cross their borders

and collect, compare, and analyze traveler data. The assessment found that the program needs to improve its long-term performance measures and strengthen its program management staff. Program staff are currently being sought, long-term measures and efficiency measures have been created. The PART evaluation was a factor used in the overall process of decision-making for resources allocation. Other assessment recommendations, including the need to improve program performance reporting from the field, will be addressed within budgetary limitations.

Corresponding performance information (key goals and targets) for the Terrorist Interdiction Program can be found in the Performance Summary volume of the integrated performance budget presentation on pages 19, 62, 64, and 283-284.

Key Indicators: (1) Number of Terrorist Interdiction Program (TIP) Installations at Immigration Points and Number of Immigration Officials Trained to Use TIP, and (2) TIP Installations Completed as a factor of Yearly Appropriations.

## Humanitarian Demining Program

(\$ in thousands)

Account	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
NADR-HD	46,000	49,705	59,900
NADR-HD-SUP	3,000	-	-

The U.S. humanitarian demining program seeks to relieve human suffering caused by landmines and unexploded ordnance (UXO) while promoting U.S. foreign policy interests. Administered by the Office of Weapons Removal and Abatement, the humanitarian demining program comprises an integral part of the Department's comprehensive post-conflict strategy. Program objectives are to reduce civilian casualties, create conditions for the safe return of refugees and internally displaced persons (IDPs) to their homes, and increase the stability of affected countries by restoring agricultural land and infrastructure. The United States furthers these objectives by supporting landmine surveys, mine and UXO clearance and mine risk education, and by helping to develop indigenous mine action capabilities in mine-affected nations.

The FY 2005 request for \$59.9 million demonstrates a continued USG commitment to foster a world that is safe from landmines. Since 1993, the United States has contributed more than \$700 million of Department of State, Department of Defense and U.S. Agency for International Development resources to support mine action activities in over 40 countries. NADR Humanitarian Demining Program funding is being requested for 13 country programs and a variety of multi-nation mine action initiatives. Funds will be provided to commercial firms, international organizations, and non-governmental organizations via contracts and grants and will be used to support mine clearance operations, to purchase mine detection and clearance equipment and supplies, to facilitate training for mine action and/or to provide mine risk education and instructional materials based on country need. Additional funds for mine action are being requested and justified under the NADR International Trust Fund section.

The humanitarian demining program has achieved a number of successes. For example:

- **Afghanistan:** Following the start of the campaign against terrorism, the U.S. Government, working closely with the United Nations, recommenced mine action support to meet priority needs and to rebuild mine action capability. Between January and September 2003, activities sponsored by NADR/HDP funds, in conjunction with the international community, cleared 45,760,555 square meters of high priority land.
- **Azerbaijan:** In FY 2000, the USG began supporting the Azerbaijan Agency for National Mine Action (ANAMA). ANAMA is rapidly developing into an integrated mine action center, including mine detection dog teams and mine risk education activities. In 2003, 448,482 square meters of land were cleared with USG support.
- **Cambodia:** The Cambodia Mine Action Center has a fully trained staff of over 2,000 Cambodians. From 1992 to December 2002, they cleared some 102,000,000 square meters of land, destroyed over 171,000 landmines and over 715,000 pieces of UXO.
- **Nicaragua:** To date, 70% of Nicaraguan registered mines have been cleared (registered mines comprise the majority of the country's mine problem). Current projections anticipate that Nicaragua will be able to declare itself mine-safe in 2005.

- Chad: With limited resources, Chad is making steady progress towards mine-safe status. Following a national strategic plan that will allow it to demine all known sites by 2010, the Chadian High Commission for Demining coordinated the clearance of 3,365,503 square meters of land between September 2000, when it began operations, and December 2002.
- Quick Reaction Demining Force (QRDF): In FY 2003, the QRDF was one of the first humanitarian operations on the ground in Iraq. The QRDF cleared approximately 1,200,000 square meters of land in Iraq between May and August of 2003. In addition, QRDF also deployed to Sri Lanka, opening safe passage ways for returnees, while indigenous forces were being trained.

### **Country Programs**

The FY 2005 request will sustain and expand existing U.S. demining efforts in those countries most severely affected by landmines (Afghanistan, Angola, Cambodia, Laos, and Vietnam). It will also permit expansion into additional landmine-affected countries, such as Sudan in order to help protect victims of war and to build upon peace efforts. Provision of specific assistance is based on a careful assessment of both the socio-economic impact of landmines in a particular nation and on the overall Department's Strategic Objectives and Goals as set forth in the USAID/DoS Strategic Planning Framework. For countries with a mature program, funds will both replenish equipment and support expansion of other efficient and proven methods, such as mine detection dog teams.

### **Surveys, Crosscutting Initiatives, and Research & Training**

Demining funds are also requested to support multi-country activities carried out under the program lines identified as follows:

- Landmine Surveys: Surveys are an important step in the development of each country's mine action plan. The international community relies increasingly on survey results to determine funding priorities, establish measures of performance and effect sound management plans. Funds will be used to support preliminary assessments, ongoing landmine surveys, and efforts to fully integrate survey data into national plans and management structures.
- Crosscutting Initiatives: These funds will support the QRDF and an Emergency Contingency Fund that will allow for a critical crisis response worldwide; programs that increase data and information exchange among the global demining community; and Survivors' Assistance initiatives, which is a new NADR focus.
- Research & Training: These funds will support non-technical research on mine action issues such as research into the conditions under which mine detection dogs are most useful and training to develop indigenous mine action capacity, including management training for senior and mid-level managers of national mine action staff.

### **Administrative Expenses**

Administrative expense funding supports travel, supplies, utilities and contractual support, particularly for computer operations, on behalf of the organization administering the humanitarian demining program. Frequent travel is essential to provide aggressive program oversight and ensure the efficient and effective use of mine action funds.

### **Program Assessment Rating Tool (PART)/Performance Evaluation**

For preparation of the FY 2005 budget, the Administration evaluated the Department's Humanitarian Demining Program (HDP) using the Program Assessment Rating Tool (PART). The program and was rated as effective. The program makes a unique contribution in providing mine risk education and mine clearance training and assistance with the goal of helping foreign mine-affected nations develop indigenous mine action capabilities. The PART review noted program goals targeting percentage reduction of landmine casualties and hectares of land returned to productive use in mine-affected countries are measurable and demonstrate progress. Further, individual country plans are developed and updated annually, and the program manager uses these country plans to measure and assess progress. The PART assessment also notes that the HDP program office acted proactively to address allegations of mismanagement by hiring an independent contractor to review management practices, and that a follow-on review by the Department's OIG in 2003 found that by and large the allegations were misleading and inaccurate. The PART review determined, however, that HDP annual goals could be improved to better indicate progress toward to the long-term target that measures the number of countries achieving an indigenous mine action capacity with little external funding support. The Department is committed to continued support for an expanded HDP and to working to further refine performance measures, including reviewing the relationship between annual and long-term goals as necessary for the FY 2006 budget. The creation of efficiency measures serves as an additional performance measurement mechanism tracked for the FY 2006 budget. These PART findings were one factor used in the overall decision-making process for resources allocations.

Corresponding performance information (key goals and targets) for the Humanitarian Demining Program can be found in the Performance Summary volume of the integrated performance budget presentation on pages 23, 216 and 288.

Key Indicators: (1) Square meters of land cleared in U.S. program countries (2) Number of U.S. program countries in sustainment or no longer having mines.

**Humanitarian Demining Program**  
(\$ in thousands)

	<b>FY 2003 Actual</b>	<b>FY 2004 Estimate</b>	<b>FY 2005 Request</b>
<b>Africa</b>			
Angola	3,500	5,300	5,300
Chad	500	650	1,000
Djibouti	350	-	-
Eritrea	2,400	1,300	-
Ethiopia	300	-	-
Guinea-Bissau	225	-	-
Mozambique	2,632	1,372	1,600
Namibia	600	-	-
Rwanda	375	-	-
Somalia	450	-	-
Sudan	896	1,000	1,800
Zambia	450	-	-
<b>Subtotal - Africa</b>	<b>12,678</b>	<b>9,622</b>	<b>9,700</b>
<b>East Asia and the Pacific</b>			
Cambodia	2,765	3,038	3,300
Laos	1,200	1,412	2,500
Vietnam	2,427	2,076	2,600
<b>Subtotal - East Asia and the Pacific</b>	<b>6,392</b>	<b>6,526</b>	<b>8,400</b>
<b>Europe and Eurasia</b>			
Armenia	250	-	-
Azerbaijan	1,600	2,468	1,000
Estonia	235	-	-
Georgia	1,050	1,500	3,000
<b>Subtotal - Europe and Eurasia</b>	<b>3,135</b>	<b>3,968</b>	<b>4,000</b>
<b>Near East</b>			
Iraq	2,950	-	-
Jordan	893	950	-
Lebanon	1,475	1,250	2,300
Yemen	750	773	-
<b>Subtotal - Near East</b>	<b>6,068</b>	<b>2,973</b>	<b>2,300</b>
<b>South Asia</b>			
Afghanistan	5,300	11,400	10,200
Afghanistan SUP	3,000	-	-
Sri Lanka	2,400	1,775	1,800
<b>Subtotal - South Asia</b>	<b>10,700</b>	<b>13,175</b>	<b>12,000</b>

**Humanitarian Demining Program**  
(\$ in thousands)

	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
	<b>Actual</b>	<b>Estimate</b>	<b>Request</b>
<b>Western Hemisphere</b>			
OAS Demining	1,511	2,536	3,500
<b>Subtotal - Western Hemisphere</b>	<b>1,511</b>	<b>2,536</b>	<b>3,500</b>
<b>Global</b>			
Demining Mine Surveys	1,217	1,500	3,000
Demining Administrative Expenses	675	690	900
Demining Crosscutting Initiatives	5,324	4,690	7,000
Demining New Country Programs	-	2,500	6,100
Demining Research and Training	1,300	1,525	3,000
<b>Subtotal - Global</b>	<b>8,516</b>	<b>10,905</b>	<b>20,000</b>
<b>Total</b>	<b>49,000</b>	<b>49,705</b>	<b>59,900</b>

## International Trust Fund

(\$ in thousands)

Account	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
NADR-ITF	10,000	9,941	10,000

The program supporting the International Trust Fund (ITF) for Demining and Mine Victims' Assistance is a special component of the U.S. humanitarian demining program. The ITF seeks to relieve human suffering caused by landmines and unexploded ordnance (UXO). U.S. contributions to the ITF foster regional stability through mine action projects.

The ITF was established by the Republic of Slovenia, yet operates as an independent international organization. It commenced financial operations in September 1998, initially focusing on Bosnia and Herzegovina. The ITF has been a success both operationally and financially and has become the demining instrument of choice for the international community in the Balkans. Currently, the ITF provides financial support for over two-thirds of all demining operations being conducted in the region. Due to its success in the Balkans, the ITF Managing Board decided to expand its humanitarian assistance to include the Caucasus. Among ITF's successes are:

- Lowered costs of demining per square meter in Bosnia and Herzegovina and Croatia from \$1.80 to \$1.39, and \$1.86 to \$1.19, respectively, since 1999.
- Facilitated the clearance of 41,765,058 square meters of land in five Balkan countries from 1999 to December 2003.
- Advances in regional cooperation through its work as a founding member of the South East Europe Mine Action Coordination Council (SEEMAC).
- Mine victims' assistance programs through the Slovenian Rehabilitation Institute and the Rehabilitation Centers in Bosnia and Herzegovina.

In May 1998, Congress appropriated \$28 million for the ITF to assist mine-affected countries in the Balkan region. Since then, the U.S. has contributed more than \$52 million in matching and unilateral contributions to support mine action in the Balkans and the Caucasus. These funds have been provided to the ITF to match other donor contributions, thus effectively doubling funding for the ITF's projects.

The FY 2005 request for \$10 million will continue matching dollar-for-dollar the contributions of other international donors. In 2003, the ITF operated in Albania, Bosnia and Herzegovina, Croatia, Serbia and Montenegro, and Macedonia, coordinating a broad range of mine action activities. While USG funding (and ITF operations) will continue to focus on the Balkans, a small portion of the requested funding may be used for new activities in other regions, such as the Caucasus.

## Small Arms/Light Weapons Destruction

(\$ in thousands)

Account	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
NADR-SALW	3,000	2,982	9,000

Cold War-era surpluses of small arms and light weapons (SA/LW) in Eastern Europe, Latin America, Africa, and Southeast Asia and other parts of the world—often poorly secured and susceptible to theft or illicit transfer—have become a major source of arms on the global black market. The Small Arms/Light Weapons Destruction Program seeks to destroy surplus and illicit stocks of military SA/LW and associated ammunition, as well as to assist states to properly secure remaining SA/LW stocks required for legitimate defense needs so that they will not leak into the black market. The program supports U.S. national interests in promoting regional stability, minimizing threats to civilian populations, combating terrorism and crime, rebuilding post-conflict societies, and protecting U.S. and allied forces deployed overseas. SA/LW generally refers to military-style automatic rifles, machine guns, man-portable anti-tank and anti-aircraft missiles, rocket-propelled grenade launchers, and light mortars.

If not expeditiously destroyed or secured, stocks of arms and ammunition left over after the cessation of hostilities frequently re-circulate into neighboring regions, exacerbating conflict and crime. Given that destruction and select improvements to storage facilities are relatively inexpensive and can generally be accomplished using locally available infrastructure and personnel, the program offers large dividends in threat reduction for a modest investment and complements the war on terrorism.

The small arms/light weapons program has had a number of successes, including:

- Commitments from seven countries to destroy approximately 10,000 man-portable air defense systems (MANPADS). Over 2,600 were destroyed in 2003.
- After the completion of projects using FY 2003 funds, the SA/LW Destruction Program will have supported the destruction of approximately 700,000 SA/LW and over 77 million rounds of ammunition in 13 countries since the program's inception in FY 2001.

The FY 2005 request will sustain and expand existing SA/LW programs in countries with significant excess weapons stock (Bosnia, Colombia, Nicaragua, Serbia and Montenegro, and Ukraine). It will also permit expansion into other countries where surplus stocks are a concern, including Belarus, Kazakhstan, and Tanzania.

In addition to anticipated requirements for the established SA/LW destruction programs, the additional funds will support MANPADS elimination and unforeseen SA/LW destruction needs. After the attack on a civilian airliner in Mombasa, Kenya in November 2002, efforts to counter MANPADS proliferation through the elimination of excess or illicit stocks became a priority of the U.S. Government—a priority that has been reinforced by the 2003 FBI sting operation in Newark and attacks on aircraft in Iraq. Second, as the program has matured since its inception in 2001, a requirement for a rapid response capability to meet urgent/unforeseen SA/LW destruction needs has emerged. A recent example is Liberia, where reprogrammed FY 2003 funds were used to support weapons destruction as part of the demobilization, disarmament, and reintegration process in the wake of the August 18, 2003 Comprehensive Peace Agreement.

**Small Arms/Light Weapons Destruction**  
(\$ in thousands)

	<b>FY 2003 Actual</b>	<b>FY 2004 Estimate</b>	<b>FY 2005 Request</b>
<b>Africa</b>			
Angola	500	-	-
Guinea	50	-	-
Liberia	200	100	-
Sao Tome and Principe	-	40	-
Tanzania	-	-	200
<b>Subtotal - Africa</b>	<b>750</b>	<b>140</b>	<b>200</b>
<b>East Asia and the Pacific</b>			
Cambodia	-	300	-
Philippines	155	-	-
<b>Subtotal - East Asia and the Pacific</b>	<b>155</b>	<b>300</b>	<b>-</b>
<b>Europe and Eurasia</b>			
Albania	350	-	-
Belarus	-	-	300
Bosnia and Herzegovina	-	500	400
Bulgaria	400	-	600
Kazakhstan	-	-	500
Romania	307	-	-
Serbia and Montenegro	988	80	800
Ukraine	-	1,062	1,500
<b>Subtotal - Europe and Eurasia</b>	<b>2,045</b>	<b>1,642</b>	<b>4,100</b>
<b>Near East</b>			
Yemen	-	-	1,500
<b>Subtotal - Near East</b>	<b>-</b>	<b>-</b>	<b>1,500</b>
<b>South Asia</b>			
Afghanistan	-	-	1,000
Afghanistan SUP	28,000	35,000	-
Pakistan	-	-	1,000
Sri Lanka	-	100	100
<b>Subtotal - South Asia</b>	<b>28,000</b>	<b>35,100</b>	<b>2,100</b>
<b>Western Hemisphere</b>			
Colombia	-	200	200
Ecuador	-	200	100
El Salvador	50	-	-
Nicaragua	-	300	300
<b>Subtotal - Western Hemisphere</b>	<b>50</b>	<b>700</b>	<b>600</b>

**Small Arms/Light Weapons Destruction**  
(\$ in thousands)

	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
	<b>Actual</b>	<b>Estimate</b>	<b>Request</b>
<b>Global</b>			
New Country Programs	-	-	500
SA/LW Conference	-	100	-
<b>Subtotal - Global</b>	-	<b>100</b>	<b>500</b>
<b>Total</b>	<b>31,000</b>	<b>37,982</b>	<b>9,000</b>

## Global HIV/AIDS Initiative

(\$ in thousands)

Account	FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
GHAI	-	488,103	1,450,000

In his 2003 State of the Union Address, President Bush announced the President's Emergency Plan for AIDS Relief (the Emergency Plan) in a move to treat and care for millions of people overseas infected with or affected by HIV/AIDS, tuberculosis (TB), and malaria and to prevent the spread of the worldwide infectious disease pandemic.

The Emergency Plan commits \$15 billion over five years for this effort. This includes \$10 billion in new funding, of which \$1 billion is for U.S. contributions to the Global Fund to Fight AIDS, Tuberculosis and Malaria. The other \$5 billion comes from existing bilateral programs. The Global AIDS Coordinator reports directly to the Secretary of State and oversees all aspects of the U.S. Government's work under the Emergency Plan.

Funding will be ramped up over five years as recipient countries build the necessary human capital and infrastructure needed for long-term success and accountability. In FY 2005--the second year of the five-year plan--the Administration moves toward fulfilling its commitment by requesting a total of \$2.8 billion to address HIV/AIDS, TB, and malaria. This includes \$1.45 billion within the Global HIV/AIDS Initiative (GHAI) account, \$745 million for the U.S. Agency for International Development (USAID), and \$624 million for the Department of Health and Human Services (HHS).

The Emergency Plan reinforces U.S. global leadership in three key ways:

- Focusing significant new resources on the most afflicted countries, especially in Africa and the Caribbean (focus countries).
- Coordinating U.S. Government leadership and commitment to existing bilateral programs in more than 60 additional countries; and
- Amplifying the worldwide response to HIV/AIDS, tuberculosis and malaria through international partners, including the Global Fund to Fight AIDS, Tuberculosis and Malaria (the Global Fund).

The Emergency Plan for AIDS Relief has three specific objectives, summarized as the 2-7-10 goals, in the focus countries:

- Treating two million HIV-infected individuals.
- Preventing seven million new infections.
- Caring for ten million people infected with or affected by HIV/AIDS, including orphans and vulnerable children.

### *Global HIV/AIDS Initiative*

A broad range of partners will implement activities with the requested \$1.45 billion in GHAI funds. These partners will include faith- and community-based organizations, other non-governmental organizations, and public-private partnerships.

To maintain accountability, final focus country allocations will be based on country performance in terms of results achieved with FY 2004 allocations, the new country strategic plans, and the extent to which

proposed activities contribute to achieving the Emergency Plan’s 2-7-10 goals. Nonetheless, notional allocations for FY 2005 are provided below for the fourteen identified focus countries:

Botswana	34,700,000
Cote d'Ivoire	25,620,000
Ethiopia	78,690,000
Guyana	18,300,000
Haiti	40,260,000
Kenya	139,080,000
Mozambique	49,480,000
Namibia	42,090,000
Nigeria	108,970,000
Rwanda	64,050,000
South Africa	129,100,000
Tanzania	89,670,000
Uganda	159,210,000
Zambia	120,780,000
Total	\$1,100,000,000

The remaining \$350,000,000 will be allocated to centrally funded activities including procurement mechanisms for drugs and commodities, strategic information to ensure accountability, and a small reserve to supplement successful programs in June of 2005. The \$350 million also will fund projects in a fifteenth focus country as required by the recently passed FY 2004 Consolidated Appropriations Bill.

GHAI funds will be used for treatment, prevention, and care activities:

Treatment: Treatment will expand rapidly from a low base to address significant needs. For example, it is estimated that of the four million people in Africa who have a sufficiently advanced stage of AIDS to warrant antiretroviral (ARV) treatment, only 50,000 are receiving it. Recent developments have made widespread therapy for HIV possible. Major pharmaceutical companies have reduced the price of advanced ARV drugs, which can suppress the AIDS virus in infected people. In some instances, companies are providing drugs free of cost for a limited time. In addition, ARV treatment regimens have been greatly simplified.

A large portion of treatment activities will build on the President’s Initiative to Prevent Mother to Child Transmission of HIV (MTCT). This will involve moving from short course therapy aimed at preventing transmission to full combination ARV treatment for women and their families. This more ambitious approach seeks to preserve the health of the mother, father and children. In FY 2004, the MTCT will be fully integrated into the Emergency Plan for AIDS Relief, and in FY 2005 it will be financed within the GHAI account.

Treatment activities will use a “network model” now seen in countries such as Uganda for ARV therapy. This involves a layered network of Central Medical Centers that support satellite centers and mobile units. The model will make use of existing facilities and ongoing programs established through the USAID, HHS, non-governmental organizations, faith-based groups, private-sector entities, and willing host country governments. The network model is implemented through:

- Central Medical Centers: national or regional referral centers staffed by physicians with expertise in HIV and infectious diseases, doctors in training, nurses, nurse practitioners, and laboratory

technicians. The centers will provide the highest level of care and will be capable of managing more complicated medical issues.

- **Primary Satellites:** independent medical centers with doctors, nurses, pharmacists, counselors, and medical technicians, who provide basic medical care, including the prescription of antiretroviral (ARV) treatment.
- **Secondary Satellites:** staffed by junior or rotating doctors with day-to-day care generally provided by nurses and nurse practitioners, medical technicians and counselors, who perform tests to diagnose HIV and other infectious diseases. Patients who are infected might be referred to Primary Satellites or Central Medical Centers for evaluation and initiation of ARV treatment. Routine evaluation and care, including filling prescriptions, occurs at these secondary satellite sites through standard protocols and prepared medication packs.
- **Rural Satellites and Mobile Units:** remotes sites staffed by rotating nurses with day-to-day care provided by community health aides and lay technicians, who are trained in standard clinical evaluations and distribution of medication pack refills.

Prevention: A wide variety of prevention activities will be supported under the Emergency Plan, including initiatives to change high-risk behavior and to prevent HIV transmission in healthcare settings. Prevention activities targeting the individual will follow the “ABC” model - Abstinence, Be faithful, or use Condoms, in that priority order. Uganda has demonstrated results in using the ABC approach, and adaptating Uganda's approach to local circumstances throughout the focus countries will be strongly encouraged.

ABC must be tailored to specific settings, including youth programs in and out of schools, workplace programs, and multi-media campaigns. Persons who seek voluntary counseling and testing for HIV and are found to be negative must be counseled in ABC so that they remain HIV-negative. In the setting of care for persons infected with HIV, there must be adequate counseling in ABC so that HIV-infected persons do not infect others. For ABC to be successful, leadership is necessary at the highest levels of host governments.

Prevention activities related to health care practices will include programs to ensure the safety of the blood supply and to promote safe medical injections. Such measures will help to prevent the spread of HIV/AIDS and other infectious diseases such as hepatitis.

Care: Activities will include caring for HIV-infected persons who do not require antiretroviral therapy but need the treatment of infections and management of symptoms. Care also requires pain management, nutritional supplements, and psychosocial support. Care of this sort often will be home-based or hospice-based.

Care also involves the support of those affected by HIV/AIDS, in particular, orphans and vulnerable children who may not be infected with HIV. Support for orphans and vulnerable children will be aimed at improving the lives of children and families affected by HIV/AIDS. The emphasis will be on strengthening communities and families to meet the needs of vulnerable children by training caregivers, increasing access to education, offering economic support, and providing food and nutrition support.

Administrative Expenses: The GHAI request includes funding for the administrative expenses of the Office of the Global AIDS Coordinator in the amount of \$8,818,000. This is up slightly from the FY 2004 level as a result of increases in staffing and travel.

*The Global Fund to Fight AIDS, Tuberculosis, and Malaria (the Global Fund)*

The Administration requests \$200 million for a FY 2005 contribution to the Global Fund, with half from USAID's Child Survival and Health account and half from HHS/NIH. Such funding will allow the United States to build on its leadership since the 2002 establishment of the Global Fund. Since making the first pledge to the Global Fund, the United States has been the largest donor in terms of both the amounts pledged and the amounts actually deposited with the Fund.

The Geneva-based organization is a financial instrument, and its funding is provided without technical assistance. The Global Fund aims to pursue a balanced approach covering prevention, treatment, care and support in addressing the three diseases. Resources are disbursed on the basis of proposals evaluated through independent review processes based on the most appropriate scientific and technical standards that take into account local realities and priorities.

U.S. priorities for the Global Fund include ensuring that grants are improving the health of the people receiving services, building strong monitoring and evaluation procedures for projects, and increasing the involvement of the private sector at all levels.