

USAID Development Program Overview
(\$ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
Child Survival and Disease Programs Fund ¹	724,448	960,881	1,011,000
Development Assistance ²	1,210,260	1,302,129	1,325,000
International Disaster Assistance ³	227,014	299,340	200,000
Transition Initiatives	-	49,890	50,000
Development Credit Program Subsidy - by transfer	-	[4,989]	[25,000]
Development Credit Program Subsidy - Appropriation	-	1,497	-
Development Credit Program - Administrative Expense	-	3,991	7,500
Development Credit Authority subsidy - by transfer	[3,000]		
Micro and Small Enterprise Development	2,000	1,996	-
Urban and Environmental Credit Program	6,490	-	-
USAID Operating Expenses ⁴	518,960	531,827	549,000
USAID Inspector General Operating Expenses	24,950	26,941	32,000
Total, USAID	2,714,122	3,178,492	3,174,500
NOTE: FY 2000 and FY 2001 levels are post rescissions.			

National Interests:

The U.S. foreign assistance program is an instrument of the President and the Secretary of State for the conduct of foreign policy. USAID programs are actively

¹ Reflects the transfer of \$12.5 million from DA to CS/D pursuant to the waiver authority of section 599D(c)(2)(A) of the FY 2000 Foreign Operations, Export Financing and Related Programs Appropriations Act (P.L. 106-113) and includes a \$110 million transfer for UNICEF in FY 2000, FY 2001 and FY 2002.

² FY 2000 includes \$19.3 million for transfer to the Inter-American Foundation (IAF) and African Development Foundation (ADF); FY 2001 includes \$28 million for transfer to IAF and ADF; and FY 2002 includes \$28 million for transfer to IAF and ADF.

³ International Disaster Assistance levels include supplementals of \$25 million in FY 2000 and \$135 million in FY 2001.

⁴ USAID Operating Expenses excludes a \$4 million transfer from Plan Colombia in FY 2000 and includes a \$13 million OE supplemental in FY 2001.

assist in the preparation of planned elections and economic reform efforts. Modest International Military Education and Training (IMET) programs in FY 2002 will advance initiatives to promote greater awareness in the Angolan military of democracy, human rights, the rule of law, effective civil-military relations, and English language courses to improve the Angolan military's ability to interact with U.S. officials.

Other assistance programs will address the repercussions of the Angolan conflict. International Disaster Assistance (IDA) and Migration and Refugee Assistance (MRA) funds will be used to address emergency needs of internally displaced persons (IDPs) and refugees. A landmine awareness and clearance program will continue to use FY 2002 Non-Proliferation, Anti-Terrorism, Demining and Related Programs (NADR) funds to focus on reducing landmine casualties and safely resettling IDPs on agricultural land, enabling them to achieve food self-sufficiency. Angola may be eligible to receive grant Excess Defense Articles (EDA) in FY 2002 under Section 516 of the Foreign Assistance Act. Upon resolution of the current conflict, EDA would be used for demining and peacekeeping activities and the implementation of a peace process.

December 2001 and draft laws regarding elections and formation of political parties have been released. A \$1,358,000 Development Assistance (DA) allotment will finance human capacity building projects to strengthen accountable governance at the national and local level. The results will be increased popular participation in governance and improved public administration. Eritrea plans to demobilize part of its military. The \$375,000 FY 2002 International Military Education and Training (IMET) allocation will fund programs to assist the Eritrean Government to transform its military from the active fighting force needed during the border conflict to one that will help guarantee stability in the Horn of Africa. As Eritrea turns its attention to setting up its democratic institutions, IMET training will be critical to building a military committed to and supportive of democracy.

Eritrea has a serious mine problem. It is a two-pronged problem with mines dating from the thirty-year war of independence as well as mines laid during the recent border conflict. Between 500,000 and 1 million mines and 3 million pieces of unexploded ordnance remain from the independence struggle. In addition, it is estimated that both sides laid approximately 1.5 million mines during the recent border conflict, most within the proposed temporary security zone. A dog demining program with six dogs and humanitarian demining training has started in Eritrea and is progressing well. Plans have been developed to train additional deminers and equip them with the latest demining technologies with \$950,000 in FY 2002 Nonproliferation, Anti-Terrorism, Demining and Related Programs (NADR) funds.

The peace will also allow the Eritrean Government to focus on much-needed economic development. Eritrea was declared by the President in September 2000 to be eligible to receive trade benefits under the Africa Growth and Opportunity Act. Eritrea is currently one of the world's ten poorest nations. The war displaced more than one million Eritreans, approximately one-third of the country's population. In 2000, much of Eritrea faced a third year of drought, severely disrupting the country's agricultural production. Economic growth is essential to democratization and strengthening of civil society. The Eritrean Government is interested in preventing the spread of HIV/AIDS, especially by demobilized soldiers. Rural enterprise projects will be aimed at providing loans, especially to demobilized soldiers, which will increase employment and rural wages.

Eritrea will be eligible in FY 2002 to receive grant Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. Ongoing efforts to continue to implement the peace agreement between Eritrea and Ethiopia permit our political-military relationship with Eritrea to be reinvigorated. In this context, EDA will be used to help strengthen Eritrea's demining program by providing such items as vehicles, radios and field equipment. EDA will also assist in countering threats emanating from Sudan.

Organization of African Unity (OAU), together with the Algerian Government and the United States, brokered the peace agreement between Eritrea and Ethiopia. The OAU's Liaison Mission to UNMEE (OLMEE) is an important confidence-building presence on the ground and adds an African component to UNMEE. FY 2002 Africa Regional Peacekeeping (PKO) funds will be used to help cover OLMEE's administrative expenses, such as vehicle maintenance, office supplies and communication services. U.S. support for OLMEE furthers our interests in strengthening African conflict resolution capabilities.

Ethiopia anchors regional organizations and programs such as the Intergovernmental Authority on Development (IGAD), the Greater Horn of Africa Initiative (GHAI), the World Bank's Nile Basin Initiative, and the headquarters of the Organization of African Unity (OAU). Continuing U.S. support for these organizations and activities will improve prospects for stability throughout the greater Horn and promote regional and Ethiopian economic development and democratization.

We are especially interested in renewing our military-to-military ties to Ethiopia, which were interrupted when the country was at war with Eritrea. Within East Africa, Ethiopia has the potential to emerge as a major peacekeeping contributor. The USG will encourage Ethiopia to participate in regional peacekeeping initiatives and in the African Crisis Response Initiative. In FY 2002, we hope to resume International Military Education and Training (IMET), which was halted as a result of Brooke sanctions and a United Nations Security Council arms embargo during the conflict. IMET will assist in increasing the professionalism of the Ethiopian military and its subservience to elected civilian authorities.

Ethiopia was declared by the President in September 2000 to be eligible to receive trade benefits under the Africa Growth and Opportunity Act. FY 2002 Development Assistance (DA) will support sustained economic growth through agricultural programs and reforms to enable private sector growth. P.L. 480 programs will assist micro-enterprise development at the community level, and Food for Education will encourage families to keep primary school-age children in school. DA funds will also be used to improve family health and maternal nutrition. The Democracy and Governance program will continue to train judges, an excellent long-term investment in Ethiopia's democratic institutions. DA will also be used to improve livelihoods for pastoralists and agro-pastoralists in southern Ethiopia and mitigate the effects of disaster; this again relates back to our interest in humanitarian response.

Support from FY 2002 Nonproliferation, Anti-Terrorism, Demining, and Related Programs (NADR) will help train at least 150 deminers eliminate the scourge of landmines, which are strewn throughout the country.

Nile water conservation and distribution, a global interest of the U.S., and other aspects of U.S. environmental policy depend on continued engagement and support for institutional strengthening within ministries and agencies on the part of the Embassy, USAID, and the Regional Environment Office for East Africa, based at Embassy Addis Ababa. FY 2002 DA population programs will continue to assist family planning to slow Ethiopia's population growth, which at present outstrips the growth of agricultural production. FY 2002 child survival and diseases (CSD) programs and Embassy efforts will support child survival and combat infectious

diseases, with special emphasis on HIV/AIDS (the adult infection rate in Ethiopia is estimated by the UN to be over 10 percent). CSD basic education programs will enhance the quality of teachers, focus on getting and keeping more girls in primary school, and provide educational material on HIV/AIDS. Finally, CSD will be used to help increase access to basic education for pastoralists and help fund support activities (health, water, and sanitation) of displaced families.

Ethiopia will be eligible to receive grant Excess Defense Articles (EDA) in FY 2002 under Section 516 of the Foreign Assistance Act. Ongoing efforts to continue to implement the peace agreement between Eritrea and Ethiopia permit our political-military relationship with Ethiopia to be reinvigorated. In this context, EDA will be used to strengthen Ethiopia's demining program and to encourage participation in regional peacekeeping efforts.

Madagascar
(\$ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
CSD	4,050	4,185	4,510
DA	12,916	15,158	13,995
IMET	160	160	170
Peace Corps	1,936	2,411	2,344

National Interests:

The primary U.S. interest in Madagascar is democracy, followed by humanitarian interests and global issues, including environment and health. U.S. efforts in Madagascar focus on promoting democracy, consolidating economic reforms so that stability is ensured, and protecting Madagascar's biologically diverse flora and fauna.

Objectives & Justification:

Madagascar has proven relatively stable both politically and economically. Commercial law reform has moved ahead and private investment continues to grow. Madagascar was declared by the President in September 2000 to be eligible to receive trade benefits under the African Growth and Opportunity Act and has been declared by the IMF and World Bank to be eligible to receive debt relief under the enhanced Highly Indebted Poor Countries (enhanced HIPC) initiative. FY 2002 USAID Development Assistance (DA) will foster economic policy reforms and agricultural development. Peace Corps programs will also contribute to sustainable economic development in rural communities. DA funding will be available for promoting democracy. U.S. public diplomacy programs, along with grants from the regional Democracy and Human Rights Fund, will complement USAID in programming resources for the consolidation of democratic institutions.

A portion of Madagascar's DA funding will be programmed to protect the environment. USAID and Peace Corps environmental programs will assist Madagascar to guard its precious and rare biodiversity, and to implement sustainable and responsible natural resource management, particularly forest management. With USAID's assistance, Madagascar's government has increased protection of endangered species and forested areas.

DA funded population programs in Madagascar will raise awareness of and provide assistance for family planning. Peace Corps programs will be coordinated with USAID programs in combating HIV/AIDS and promoting child survival through community and national programs.

Our strategy for consolidating democracy includes enhancing the professionalism of the Malagasy military force through International Military Education and Training (IMET) programs. FY 2002 IMET courses (\$170,000 requested) will reinforce respect for human rights and the rule of law and provide guidance in the administration of military justice systems and the role of the military in a democratic society. Madagascar will be eligible in FY 2002 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act of 1961,

Mauritania
(\$ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
IMET	0	100	100
NADR-HD	461	400	230
Peace Corps	1,561	1,565	1,541

National Interests:

The primary U.S. national interests in Mauritania is democracy. Mauritania's emerging democracy requires support in its pursuit of economic reform, development of democratic institutions and increased respect for human rights. Internal stability is essential for Mauritania's continued support for the Middle East Peace Process (MEPP).

Objectives & Justification:

The Mauritanian government is increasingly supportive of U.S. foreign policy goals, including counter-terrorism efforts, the MEPP, respect for human rights and pursuit of sound, market-based economic policies. The United States supports democratization through both diplomacy and small grants from the African Regional Democracy and Human Rights funds. Assistance from regional FY 2002 Nonproliferation, Anti-Terrorism, Demining, and Related Programs (NADR) will enable the Mauritanian government to continue effective de-mining operations that will allow for development of an area in the northern part of the country with potential for mineral extraction. Peace Corps programs assist with health projects, including efforts to reduce HIV/AIDS infections.

A modest Expanded International Military Education and Training (E-IMET) program for Mauritania in FY 2002 will serve U.S. interests by encouraging military support for democratically elected civilian government and respect for human rights. The Mauritanian government recognizes the value of such training and actively seeks it.

Mauritania was declared by the President in September 2000 to be eligible to receive trade benefits under the Africa Growth and Opportunity Act and has been declared by the IMF and World Bank to be eligible to receive debt relief under the enhanced Highly Indebted Poor Countries (enhanced HIPC) initiative. It is pursuing credible economic reforms that encourage investment and development of a market economy, and enable it to use debt relief to reduce poverty and stimulate economic growth.

Mauritania will be eligible to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. Transfer of grant EDA to Mauritania, the only member of the Arab League to maintain its ambassador in Israel throughout the recent crisis in the Middle East, will support our foreign policy goal of enhanced engagement with a moderate Islamic state that is pursuing economic reform and political liberalization. It will also enhance U.S. influence on the development of Mauritanian armed forces, whose officers are eager to engage with the United States.

National University of Rwanda, and national dialogue on sensitive but critical post-genocide issues.

High rates of HIV/AIDS infection and infant and child mortality threaten economic and political progress in Rwanda. FY 2002 Child Survival and Development (CSD) funds will continue to support child survival, polio and infectious disease treatment and eradication, HIV/AIDS prevention, and other health-related programs.

International Military Education and Training (IMET) to Rwanda has been suspended since June 2000. Rwanda may be eligible during FY 2002 for Expanded IMET (E-IMET) training in human rights and military justice. The IMET program offers training in the United States to Rwandan military students, allowing for daily contact and positive, long-term influence. This influence will assist the United States in pushing for peaceful resolution of conflict in the Democratic Republic of Congo, civilian control and direction of the military, and a constructive role for the military in the development of a democratic and prosperous Rwanda.

Nonproliferation, Anti-Terrorism, Demining, and Related Programs (NADR) funds have supported demining efforts in Rwanda since FY 1997. As a result of a vigorous mine awareness program and of minefields cleared, the number of landmine victims has decreased from 233 in 1994 to only 2 in 2000. Approximately 400,000 refugees have been resettled, and a tea plantation was cleared and returned to production. FY 2002 NADR demining funds will ensure the continued expansion of safe land for resettlement, agriculture, and cattle grazing.

Rwanda may be eligible in FY 2002 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act, if the Department of State determines that the "countries in conflict" restriction on military-to-military contacts no longer applies to Rwanda. Grant EDA items such as vehicles and radios would give the government greater confidence in its army's ability to respond swiftly to infiltration by hostile elements, reducing Rwanda's motivation to remain in the Democratic Republic of Congo and adding to pressure for a peaceful resolution of that conflict.

Diseases and their effects significantly hamper economic growth. Zambia is struggling to deal with high fertility rates and infectious diseases, including the HIV/AIDS epidemic. One-fifth of the adult population is HIV positive. FY 2002 CSD funds will support governmental and non-governmental efforts to prevent and treat HIV/AIDS, establish sustainable community-response mechanisms for orphans and vulnerable children, expand malaria prevention and treatment programs, reduce vitamin deficiencies, further consolidate immunization services, and prevent and treat diarrheal diseases. Assistance will also be provided to local-level Zambia health management teams. Peace Corps programs also help to reduce the spread of HIV/AIDS.

International Military Education and Training (IMET) support to Zambia will further the program's goals of improving regional stability and instilling democratic values in foreign militaries. Zambia is situated next to two ongoing civil conflicts (in Angola and the Democratic Republic of Congo) and returned to multi-party democracy after nearly two decades of autocratic rule. FY 2002 IMET funds will enable Zambian military personnel to attend courses at the Defense Institute of International Legal Studies and U.S. military staff colleges and receive training in peacekeeping, logistics, defense resources management, and tactics. Zambia will be eligible in FY 2002 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act of 1961, as amended. Grant EDA will support Zambia's peacekeeping activities.

Consistent with our interest in regional stability and humanitarian assistance, the U.S. supports refugee protection and assistance activities for the nearly 250,000 Angolans and Congolese who have been provided asylum in Zambia. FY 2002 Migration and Refugee Assistance (MRA) funds will be channeled to the United Nations High Commissioner for Refugees (UNHCR), the World Food Program (WFP) and non-governmental organizations.

Mongolia
(\$ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
ESF	6,000	11,959	12,000
FMF	0	1,990	2,000
IMET	512	650	650
Peace Corps	1,557	1,698	1,648

National Interests:

As the first communist country in Asia to simultaneously reform its economy and political system, strategically located Mongolia provides an important example of democratization to all of Asia. The United States has a clear national interest to support Mongolia's transformation into a secure, democratic, and stable country that can positively contribute to the security and prosperity of the Asia Pacific region. U.S. assistance is fostering Mongolia's transformation to a market-oriented democratic society. It is in the U.S. interest to provide support for projects that will enhance Mongolia's ability to act responsibly and independently in the regional economy and participate in regional fora that address security, narcotics, transnational crime, environmental protection and other important issues.

Objectives & Justification:

U.S. ESF assistance to Mongolia is helping to establish a market-oriented and democratic society by accelerating and broadening environmentally sound private sector growth, with a particular focus on bringing change to rural areas, and consolidating Mongolia's democratic transition. Mongolians are committed to the development of democracy and a market economy, and the government continues to pursue aggressive reforms. The government's reform policies have focused on sound macroeconomic management of the economy and key issues in the banking, power, and pension sectors.

U.S. assistance is contributing to sustainable economic growth through programs targeted at market and agricultural development, human capacity development and democratic institution building. U.S. assistance is helping to overcome obstacles to growth, which include undeveloped transportation and energy supply systems, inefficient public and state-run institutions, inadequate judicial and enforcement services, and inexperienced civil society organizations. Under the economic growth program, U.S. assistance is funding programs to (1) transfer productive assets to the private sector; (2) increase the efficiency of the banking sector and financial markets; (3) improve the business environment and promote competitiveness; (4) improve the management of natural resources, and (5) promote rural sector sustainable development addressing land use, private agriculture and herder management issues. The successful implementation of these programs will lead to longer-term banking sector, tax policy, administration, regulatory debt management, and rural sector reforms. Under the democracy program the U.S. will help to (1) strengthen rural civil society and (2) improve the effectiveness of the parliament and the judiciary.

The U.S. country team and the Mongolian Ministry of Defense have identified communications resources as the most critical infrastructure requirement in the border areas. The \$2 million in FMF funding for FY 2002 will be used to support an ongoing program to provide basic communications equipment to border troops. This will allow the border posts to communicate with their regiments and allow the Mongolians to respond to border incursions and natural disasters in a timely manner. This project will greatly reduce the number of cross-border violations as well as support stability and rule of law within the region. It is imperative that Mongolia be able to protect and maintain its own borders - Mongolia's border with Russia is over 3,500 kilometers long and its border with China is over 4,500 kilometers.

The promotion of civilian control of the military, military justice, respect for international human rights standards and preparation for participation in peacekeeping operations are contained in our IMET training for Mongolia's armed forces. Mongolia is eligible to receive Excess Defense Articles (EDA) under Section 516 of the Foreign Assistance Act. EDA will be used toward the U.S. objectives of supporting Mongolia's successful transition to democracy, improving its self-sufficiency, improving disaster management, providing humanitarian assistance/relief, and promoting closer ties with the U.S. military. Mongolia was approved for grant transportation of EDA in FY 2001; without the grant transportation EDA is cost-prohibitive for Mongolia. We will be seeking that authority from Congress for FY 2002.

Mongolia was named a recipient of EIPC funding in FY 2001. That funding will provide computers to Mongolia's Peace Keeping Operations (PKO) battalion and to the PKO Office of the General Staff. EIPC funds will establish an English language training program and equip a language lab in the PKO battalion. They will also fund an assessment by the Center for Civil-Military Relations of the Elite Battalion that will plot a course for future development of PKO capabilities. The short-term goals are to build a small corps of observers Mongolia can field as soon as possible and to have a platoon-sized force ready to field by summer of FY 2002.

Fostering a solid democratic basis of government is also an important priority for engagement in Albania. SEED programs will continue to encourage respect for human rights in Albania's domestic political institutions and help develop a vibrant civil society. Funds will continue support for initiatives such as: the democracy commission, which gives grants to NGOs; an enhanced international visitor program to bring future leaders to the United States; the Ron Brown program, which provides graduate scholarships in fields such as law and economics; a university management training program; efforts to curb trafficking in women and children; programs for "the successor generation;" training for journalists; civic education; and English teaching. We will also work to solidify the rule of law under the new constitution, as well as the growth of a viable NGO sector in coordination with Friends of Albania, other international fora, and NGOs.

Foreign Military Financing (FMF) and the International Military Education and Training (IMET) program have supported defense reorganization and training consistent with the U.S. and NATO goal of restructuring and modernizing the Albanian military. The Albanian government has taken several steps over the past year to reform its armed forces, including approval of new national security and defense policies and the accompanying re-development of basic command structures. FMF will continue to support this process by helping to build the capabilities of the Albanian armed forces according to parameters contained in Albania's NATO Membership Action Plan and consistent with a major U.S. Defense Assessment completed in April 2001. Albania's FY 2002 FMF program will provide non-lethal equipment, focused on improving communications, ensuring mobility of forces and sustainability of equipment, and upgrading the English language and management skills of the professional military.

Albania's FY 2002 IMET program will continue to provide numerous officers with the training and English language instruction necessary to function effectively in a modern, professional military, as well as to familiarize themselves with NATO procedures. Albania will be eligible in FY 2002 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. Transfer of EDA will assist Albania to meet its defense requirements and further interoperability.

Finally, as part of its efforts to prevent the proliferation of weapons of mass destruction, their delivery systems, related technologies, and other weapons, the United States is providing NADR Export Control and Related Border Security assistance funds for a cooperative program to help establish fully effective export controls in Albania. FY 2002 NADR funding will focus primarily on an initial assessment of capabilities and needs.

Multinational Force and Observers
(\$ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
PKO	15,902	16,000	16,400

National Interests:

Attaining a comprehensive peace between Israel and all of its neighbors is essential to protecting U.S. security interests in the Middle East and is a long-standing goal toward which we must sustain our vigorous diplomacy and support. The Egyptian-Israeli Peace Treaty and its security arrangements monitored by the MFO are the cornerstone of our efforts to achieve peace in the Middle East. The MFO is a key component of the Israeli-Egyptian peace treaty. It provides a measure of confidence and security that both parties consider essential.

Objectives & Justification:

The MFO is an important part of the peace between Egypt and Israel. In addition to an established system to monitor treaty compliance, the MFO offers an effective liaison system between the Egyptian and Israeli defense forces. The United States has a firm political commitment to finance one-third of the annual MFO budget, with the other two thirds provided by Israel and Egypt. Subject to Congressional authorization and appropriations, the U.S. is committed to support the MFO's mission until the Parties to the agreement that created the MFO mutually agree that it is no longer necessary. The MFO's long-standing effectiveness is apparent in the continued compliance with the treaty and in the excellent cooperation between Egyptian and Israeli officials in the treaty's liaison system.

Paraguay
(\$ in thousands)

Account	FY 2000 Actual	FY 2001 Estimate	FY 2002 Request
DA	5,175	6,345	5,375
ESF	1,000	3,488	3,500
IMET	210	200	300
Peace Corps	2,925	3,291	3,396

National Interests:

The primary United States national interest in Paraguay is the consolidation and strengthening of democracy. Other interests, which depend on progress on democracy, include fighting transnational crime – intellectual property rights violations, drug trafficking and terrorism – and promoting responsible regional environmental management. Humanitarian interests include promoting public health and sustainable development.

Objectives & Justification:

Economic Support Funds (ESF) and Development Assistance (DA) funds will be used to strengthen democracy, help protect the environment, and improve child and maternal health. Funding will promote democracy by strengthening local governments, encouraging the adoption of national reforms, and supporting civil-military dialogues and a vigorous civil society. Funding also will offer Paraguay assistance in managing key environmental areas and supporting the environmental community in managing regional environmental concerns. DA funds will be used to make family health care more accessible and improve grass-roots provision of health services at the community level. ESF will also be used for health education for marginal and rural families. These efforts will help stabilize population growth, improve women's health, and reduce maternal and infant mortality and other poverty-related problems.

The International Military Education and Training (IMET) funds will help promote democracy in Paraguay and regional stability by increasing the professionalism of military personnel and continuing to develop military respect for civilian authority. IMET funds will be used to train Paraguayan officials at various military schools. Anticipated courses include the international officers' school, civil-military operations, and sustaining democracy. By increasing military professionalism, such training also reduces the likelihood that civilians will seek to involve the military in politics.

Paraguay is a transshipment point for an estimated 15-30 metric tons of cocaine per year, some of which reaches the United States. International Narcotics Control and Law Enforcement (INCLE) funds from a Western Hemisphere regional account will be used for training, technical assistance, and equipment to help Paraguayan officials to develop a law enforcement capability to confront cocaine trafficking and money laundering.

Paraguay will be eligible in FY 2002 to receive Excess Defense Articles (EDA) on a grant basis under Section 516 of the Foreign Assistance Act. Transfer of grant EDA to Paraguay will increase interoperability of Paraguayan forces with U.S. forces and increase the likelihood that Paraguayan forces will participate in global peacekeeping activities. Such participation would strengthen Paraguay's military as a democratic institution, both by providing an external mission and by increasing contact with modern, apolitical military forces.