



DEPARTMENT OF STATE AND OTHER INTERNATIONAL PROGRAMS

Since 2001, the Administration:

- Promoted freedom, political rights, and civil liberties in the world by advancing democratic institutions and values, supporting cultural exchanges, increasing broadcasts to developing and oppressed countries, and doubling funding for the National Endowment for Democracy;
- Initiated the President's Emergency Plan for AIDS Relief. To date, the Emergency Plan has funded life-saving antiretroviral treatment for over 822,000 people in 15 nations heavily afflicted with HIV/AIDS and provided care services and prevention awareness to millions;
- Provided humanitarian assistance to people affected by the crisis in Lebanon, the continuing violence in the Darfur region of Sudan, the drought in the Horn of Africa, the 2004 tsunamis in Southeast Asia, and other natural and manmade disasters;
- Transformed America's diplomatic presence overseas, constructing 41 new secure overseas diplomatic facilities, repositioning staff overseas to higher priority locations, and developing an active response corps within the Department to deploy quickly to crises;
- Established the Millennium Challenge Corporation to promote sustainable economic growth in countries that rule justly, invest in their people, and encourage economic freedom;
- Established a Director of U.S. Foreign Assistance who sets strategic direction for foreign assistance to increase strategic coherence, transparency, and accountability for results; and
- Directed \$434 million to international avian and pandemic influenza efforts, and established the Avian Influenza Action Group at the Department of State to coordinate government-wide international activities to address avian influenza and the pandemic threat.

The President's 2008 Budget:

- Strengthens democracy and self-sufficiency in Iraq and Afghanistan and builds the capacity of America's allies to fight terrorists through anti-terrorism and security assistance;
- Expands the number of people in Africa and the Caribbean receiving life-saving treatment for HIV/AIDS to two million by 2009 and meets the President's commitment to fight malaria in Africa;
- Helps recipient nations to reduce poverty by promoting health, education, economic growth, and democratic governance;
- Provides \$3 billion for the Millennium Challenge Account for promoting sustainable economic growth in some of the world's poorest countries; and
- Transforms the U.S. diplomatic posture overseas by repositioning diplomats to critical locations and countries, enhancing diplomatic activities, and increasing America's capacity to respond to crises.

FOCUSING ON THE NATION'S PRIORITIES

Securing Peace

Supporting Freedom in Iraq. The President has stated “a successful strategy for Iraq goes beyond military operations. Ordinary Iraqi citizens must see that military operations are accompanied by visible improvements in their neighborhoods and communities.” The President’s Budget assists the Iraqi government in implementing a new strategy to improve security, promote national reconciliation, and spur economic growth. While Iraqis are increasingly taking the lead in defining their own future, assistance from the United States and other countries remains critical to help them increase governmental capacity, promote civil society, and stabilize the economy. The 2007 supplemental request will help Iraqis create jobs, strengthen governing capacity, accelerate economic reforms, and support the rule of law. The Budget continues efforts to accelerate the transition to full Iraqi self-reliance. The total 2008 request provides nearly \$1.4 billion for programs supporting a wide range of projects to advance Iraq’s political, security and economic goals. Included in this request is over \$950 million in emergency assistance programs that will complement U.S. military objectives.

Building a Stable Afghanistan. The United States is committed to supporting Afghanistan in its transition to a free and modern nation. Although Afghanistan is led by a democratically elected government, the country continues to face opposition from terrorist forces seeking to establish safe havens in the border regions of Afghanistan and Pakistan. Assistance from the United States is vital to ensuring that the Afghan government can defeat the terrorists and stabilize their country. The 2007 supplemental proposal provides funds to help the Afghan government cope with the insurgents by supporting key infrastructure and governance projects. The 2008 Budget provides \$1.4 billion to stimulate economic growth, generate jobs for local Afghans, and extend the reach of the central government into distant areas of the country. Funds will be used to build roads, expand power generation, develop the capacity of elected leaders, and invest in health and education of the Afghan people. This funding will also be used to help the government fight the drug trade, interdict drug-trafficking networks, and develop the rural economy to expand the areas where Afghan farmers have viable alternatives to poppy cultivation. Included in the 2008 Budget is \$370 million for emergency assistance programs that will complement U.S. military objectives.

Strengthening Lebanon. The United States is committed to support the democratic government of Lebanon. In July 2006, as nearly one million Lebanese fled their homes, the United States provided immediate assistance to those requiring humanitarian support and is providing over \$230 million in post-conflict assistance. The 2007 supplemental request and 2008 Budget continue America’s support for Lebanon with resources to strengthen government capacity, promote economic reform, and support Lebanese security forces.

Spreading Hope and Freedom

Promoting Democratic Transition. In his second inaugural address, the President stated, “The survival of liberty in our land increasingly depends on the success of liberty in other lands.” The Budget supports countries that have committed to democratic reforms by helping them strengthen governance and the rule of law. The President also stated that it is “the policy of the United States to seek and support the growth of democratic movements and institutions in every nation and culture, with the ultimate goal of ending tyranny in our world.” To advance this goal, the 2008 Budget supports programs that foster independent media, pluralist political parties, voter education and election monitoring, and human rights. The Budget also includes \$80 million for the National Endowment for Democracy to promote democratic movements and institutions.

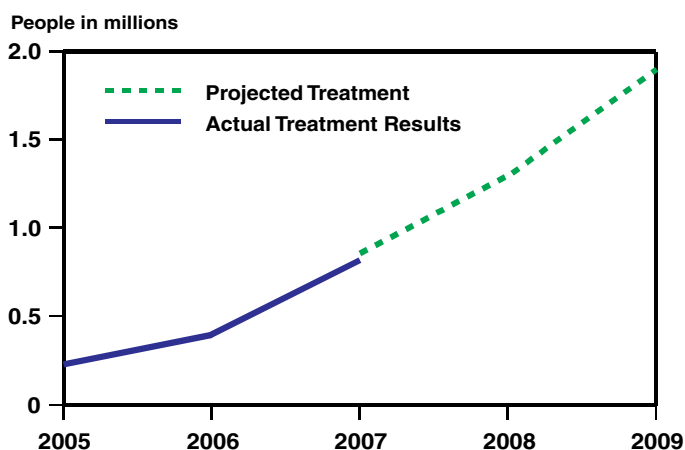
Winning the War of Ideas. International broadcasting and educational and cultural exchange programs are key to winning the war of ideas. The President's Budget funds broad outreach programs to developing and oppressed countries around the world. The Budget supports the Broadcasting Board of Governors' radio, television, and internet broadcasting to a worldwide audience, with a specific focus on broadcasting throughout the Middle East and to people living under tyranny in North Korea, Iran, and Cuba. The 2008 Budget also provides \$486 million to foster mutual understanding between the United States and the world through educational and cultural exchanges.

Preventing and Responding to Global Challenges and Humanitarian Needs

Leading the Response on HIV/AIDS: The President's Emergency Plan for AIDS Relief (PEPFAR). A key priority of the Emergency Plan is providing life-saving antiretroviral treatment to people living with HIV/AIDS.

When the President announced his Emergency Plan for AIDS Relief, he committed to an ambitious five-year target to support antiretroviral treatment for two million HIV-infected individuals in the 15 countries that are home to approximately half of the world's HIV-positive people. As of September 2006, the Emergency Plan had already supported treatment for approximately 822,000 people. The 2008 Budget meets the President's commitment by providing \$4.2 billion to fund treatment, prevention, and care activities in these 15 countries, and an additional \$1.2 billion for HIV/AIDS programs worldwide, research on the disease, and contributions to multilateral partner organizations.

PEPFAR Goal: Treatment of 2 Million People



Fighting Malaria. The President's Malaria Initiative for Africa has increased malaria prevention and treatment in Angola, Tanzania, and Uganda, benefiting over two million people. In June 2006, Malawi, Mozambique, Rwanda, and Senegal were added to the program. In December 2006, President Bush announced an additional eight countries: Ghana, Madagascar, Mali, Zambia, Kenya, Liberia, Ethiopia, and Benin. The 2008 Budget provides \$300 million for this initiative, as well as funding for ongoing malaria programs worldwide.

Responding to Needs in Sudan. The United States continues to be the world's leader in providing food, shelter, water, sanitation, and other assistance to the people of Sudan. The Budget continues strong support for the victims of violence in the Darfur region of Sudan, providing both humanitarian and peacekeeping assistance.

Protecting Refugees. The 2008 Budget includes funding for basic life support and protection of refugees, conflict victims, and internally displaced persons overseas. Through international and non-governmental organizations, the United States provides protection, shelter, safe water, and health care, among other services. In cases where voluntary return for refugees is not a viable option, the United States continues to lead the international community in resettling refugees.

Promoting International Energy Cooperation. The Asia-Pacific Partnership, in concert with its partners Australia, China, India, Japan, and South Korea, which account for more than half of the world's economy, population, and energy use, has initiated nearly 100 projects and actions to

substantially increase and accelerate investment in the promotion of energy security, reduce air pollution, and address climate change in ways that foster sustainable economic growth and poverty reduction. The 2008 Budget continues to support this effort by including \$30 million to sustain and increase activities through this partnership.

Supporting Transformational Diplomacy and Development

The Secretary of State has described Transformational Diplomacy and Development as “working with our many partners around the world to build and sustain democratic, well-governed states that will respond to the needs of their people—and conduct themselves responsibly in the international system.”

Extending Our Reach. The State Department has repositioned and restructured its personnel and resources to address critical emerging priorities in the post September 11th environment. From 2006 through 2008, the Department will reposition 300 officers overseas to meet priority Transformational Diplomacy requirements. The 2008 Budget supports additional training, especially in critical languages such as Arabic, enhanced security and consular demands, and a deployable cadre of staff prepared to respond quickly to stabilization missions overseas.

Delivering Results. The U.S. Government has restructured how it manages foreign assistance to better meet today’s challenges and achieve results. With the goal of increasing accountability for impact, strategic coherence, and transparency, the newly created Director of Foreign Assistance sets strategic direction for foreign assistance to ensure that U.S. resources are leveraged effectively to help countries become self-sufficient, meet the needs of their people, strengthen democratic institutions, and sustain strategic partnerships.

Protecting and Supporting our People. To ensure the safety of U.S. Government employees abroad, the Administration continues to implement the Capital Security Cost-Sharing Program. This program will fund the construction of 150 new embassy and consulate compounds over 14 years (2005–2018). Since 2001, the State Department has relocated more than 11,000 Government employees to safer facilities. The 2008 Budget supports the construction of 11 new secure facilities.

Promoting Development through Good Governance. In 2004, the Millennium Challenge Corporation was created to reduce poverty in some of the world’s poorest countries who are committed to ruling justly, investing in their people, and encouraging economic freedom. Representing a new approach to development assistance, the Millennium Challenge Corporation has awarded funding to 11 countries. Building on its successes to date, the President’s Budget provides \$3 billion to the Millennium Challenge Corporation.

Supporting Private Sector Engagement in Development. The Export-Import Bank provides financing to U.S. companies exporting to developing and emerging markets that lack sufficient private sector financing and that face government-sponsored foreign competition. In the interest of upholding the President’s pledge to support an active, but limited government role, the Budget provides for the Export-Import Bank to be self-financed starting in 2008. The Bank will rely on fees collected from borrowers to cover its costs of operations. The Bank will continue to provide competitive financing and fulfill its mandate of supporting U.S. jobs through exports, while operating on a self-sustaining basis.

Department of State and Other International Programs

(In millions of dollars)

	2006 Actual	Estimate	
		2007	2008
Spending			
Discretionary Budget Authority:			
Diplomatic and Consular Programs	4,285	4,460	4,943
Education and Cultural Exchange Programs	450	425	486
Embassy Security, Construction, and Maintenance	1,470	1,183	1,599
International Peacekeeping	1,022	1,022	1,107
International Organizations.....	1,151	1,122	1,354
Economic Support Fund	2,575	2,604	3,320
Emergency Plan for AIDS Relief.....	1,975	1,853	4,150
International Narcotics and Law Enforcement.....	584	704	635
Andean Counterdrug Initiative	722	570	443
Migration and Refugee Assistance	783	750	774
Non-proliferation, Anti-terrorism, Demining Programs.....	396	393	464
Foreign Military Financing	4,452	4,455	4,536
Assistance for Eastern Europe and Baltic States.....	288	269	289
Assistance for Independent States of the Former Soviet Union	427	435	352
Child Survival and Health	1,598	1,518	1,564
Development Assistance	1,499	1,508	1,041
International Disaster and Famine Assistance	362	349	297
USAID Operating Expenses.....	624	641	609
Broadcasting Board of Governors.....	646	644	668
Millennium Challenge Corporation.....	1,752	1,135	3,000
Export-Import Bank.....	103	50	1
Overseas Private Investment Corporation	-142	-124	-160
Peace Corps.....	319	324	334
Multilateral Development Banks.....	1,277	1,066	1,499
Other State and International Programs	1,612	1,297	1,693
Total, Discretionary budget authority	30,230	28,653	34,998
<i>Memorandum:</i>			
Budget authority from enacted supplementals.....	4,068	20	—
Emergency funding for the Global War on Terror	—	5,610	3,302
Total, Discretionary outlays	29,530	34,331	35,615
Total, Mandatory outlays	-4,210	-1,817	-255
Total, Outlays	25,320	32,514	35,360

Department of State and Other International Programs—Continued

(In millions of dollars)

	2006 Actual	Estimate	
		2007	2008
Credit activity			
Direct Loan Disbursements:			
Export-Import Bank.....	64	35	133
All other programs.....	607	714	541
Total, Direct loan disbursements	671	749	674
Guaranteed Loan Disbursements:			
Export-Import Bank.....	10,691	12,100	12,650
All other programs.....	1,467	2,654	2,626
Total, Guaranteed loan disbursements	12,158	14,754	15,276