UNITED STATES OF AMERICA	)	**Supplement to Government Addendum to**
	)	**Motion to Take Judicial Notice dated**
v.	)	**16 November 2012**
	)	
Manning, Bradley E.	)	**Enclosure 23**
PFC, U.S. Army,	)	
HHC, U.S. Army Garrison,	)	**11 January 2013**
Joint Base Myer-Henderson Hall	)	
Fort Myer, Virginia 22211	)	

U.S. DEPARTMENT of STATE

Chapter 5 -- Terrorist Safe Havens (7120 Report)

Country Reports on Terrorism
OFFICE OF THE COORDINATOR FOR COUNTERTERRORISM
April 30, 2007
Report

Update of Information Originally Reported Under Section 7120(b) of the Intelligence Reform and Terrorist Prevention Act

Section 2656f(b) requires that this report include "an update of the information contained in the report required to be transmitted to Congress under Section 7120(b) of the 9/11 Commission Implementation Act." Section 7120(b) includes certain reporting requirements relating to terrorist "sanctuaries" in addition to other reporting requirements. [We have integrated the terrorist sanctuary reporting required under Section 7120(b) in the present chapter. Because the term "sanctuary" is commonly associated with places of worship, we have, for greater clarity and for consistency with the terminology used elsewhere in *Country Reports on Terrorism*, referred instead here to terrorist "safe havens." We interpret terrorist "safe haven" to have the same meaning as terrorist "sanctuary" for purposes of Section 7120 (b).

The 7120 report includes:

1. Terrorist Safe Havens: Strategies, Tactics, Tools for Disrupting or Eliminating Safe Havens
2. Support for Pakistan
3. Collaboration with Saudi Arabia
4. Struggle of Ideas in the Islamic World
5. Outreach through the Broadcast Media
6. Visas for Participants in United States Programs
7. Basic Education in Muslim Countries
8. Economic Reform

5.1. Terrorist Safe Havens

Terrorist safe havens are defined in this report as ungoverned, under-governed, or ill-governed areas of a country and non-physical areas where terrorists that constitute a threat to U.S. national security interests are able to organize, plan, raise funds, communicate, recruit, train, and operate in relative security because of inadequate governance capacity, political will, or both. Physical safe havens provide security for terrorist leaders, allowing them to plan acts of terrorism around the world. Global communications and financial systems, especially those created by electronic infrastructure such as the internet, global media, and unregulated economic activity, further allow terrorists to carry out activities, particularly the dissemination of propaganda and misinformation, without the need for a physical safe haven. These "virtual" havens are highly mobile, difficult to track, and difficult to control, and are not based in any particular state. This part of the report, however, will not address virtual safe havens, focusing instead on physical safe havens.

Africa

Somalia. A small number of al-Qaida operatives found safe haven in East Africa, particularly Somalia, where they continued to pose a serious threat to American and allied interests in the region. Although these elements were severely disrupted at year's end as a result of Ethiopian and Somali Transitional Federal Government military actions, AQ continued to operate in Somalia and elsewhere in East Africa. Somalia remains a concern given the country's long unguarded coastline, porous borders, continued political instability, and proximity to the Arabian Peninsula all of which provide opportunities for terrorist transit and/or safe haven. AQ remains likely to make common cause with Somali extremists.

The Trans-Sahara. The Algeria based Salafist Group for Preaching and Combat (AQIM/GSPC) officially merged with al-Qaida in September, and subsequently changed its name to al-Qaida in the Islamic Maghreb (AQIM). The AQIM/GSPC continues to operate in the Trans-Sahara region, crossing difficult-to-patrol borders between Mali, Mauritania, Niger, Algeria, and Chad to recruit extremists within the region for training and terrorist operations in the Trans-Sahara, and possibly for operations outside the region. Its new alliance with Al-Qaida potentially has given it access to more resources and training.

Northern Mali served as a potential safe haven for terrorists, traffickers, and smugglers because the region's remoteness and harsh desert climate discouraged effective assertion of central government control. The al-Qaida-aligned AQIM/GSPC maintained a small-scale presence using sparsely populated areas in northern Mali as a safe haven, although the group does not maintain permanent facilities and is constantly on the move. Since a brief exchange of gunfire in April 2004, during which four Malian armed forces personnel were wounded, there have been no confrontations between the Malian military and the AQIM/GSPC. In September and October, a group of Malian Tuareg rebels, known as the Alliance for Democracy and Change (ADC), engaged in two fire-fights with the AQIM/GSPC in northern Mali. The Malian government has announced no official position on the violence between the ADC and AQIM/GSPC, nor did it attempt to confront AQIM/GSPC elements in the North or prevent their use of Malian territory in 2006.

The Government of Mauritaniaaggressively pursued AQIM/GSPC members on its territory, and several AQIM/GSPC members who attempted to infiltrate the

country were arrested. In contrast with 2005, there were no terrorist attacks on Mauritanian soil. However, fighting between the AQIM/GSPC and Tuareg rebels in Northern Mali occasionally threatened the border region.

East Asia and Pacific

The Sulu/Sulawesi Seas Littoral. Southeast Asia includes a safe haven area composed of the Sulawesi Sea and Sulu Archipelago, which sit astride the maritime boundary between Indonesia, Malaysia, and the Philippines. The geography of the thousands of islands in the region makes them very difficult for authorities to monitor. The range of non-terrorist activities, both licit and illicit, that are occurring in this maritime area pose another challenge to identifying and countering the terrorist threat. Although Indonesia, Malaysia, and the Philippines have improved their efforts to control their shared maritime boundaries, the area remained difficult to control. Surveillance is partial at best, and traditional smuggling and piracy groups provided an effective cover for terrorist activities in the area, such as movement of personnel, equipment, and funds. This area represents a safe haven for the AQ-linked Jemaah Islamiya (JI) organization and the Philippine Abu Sayyaf Group (ASG).

In 2006, Malaysian authorities arrested several members of a JI support cell in Sabah, Malaysia, who were facilitating JI activities across the tri-border area. In December, the Malaysian Defense Minister/Deputy Prime Minister and his Indonesian counterpart announced an initiative to enhance bilateral police cooperation along the land border on Borneo

- **The Southern Philippines.** The Abu Sayyaf Group (ASG), responsible for multiple bombings and kidnappings throughout the southern Philippines in recent years, remained active, although weakened. Several key operatives, including ASG leader Khadaffy Janjalani and his lieutenant Abu Solaiman, were killed during a counterterrorism offensive by the Armed Forces of the Philippines. JI and ASG operatives continued to enjoy safe haven in the Southern Philippines, but sustained, effective counterterrorist field operations by Philippine military forces on key islands of the Sulu archipelago have had a marked impact on the terrorists' freedom of action. Development programs, civil-military affairs projects such as infrastructure construction, medical and dental clinics, and other measures have undermined public sympathy for terrorist groups and boosted popular support for the government.
- **Indonesia.** Although Indonesia has made significant progress in weakening the JI terrorist organization, JI continues to operate in Indonesia, a geographically widespread archipelago country with porous borders and CT resource constraints. Key JI operational planner Noordin Mat Top remains on the run, although aggressively pursued by Indonesian CT authorities.

Near East Asia

Iraq. Iraq is not currently a terrorist safe haven, but terrorists, including Sunni groups like al-Qaida in Iraq (AQI), Ansar al-Islam (AI), and Ansar al-Sunna (AS), as well as Shia extremists and other groups, view Iraq as a potential safe haven and are attempting to make it a reality.

The June 7 death of AQI leader, Abu Musab al-Zarqawi, damaged the group's leadership but did not diminish attacks against Coalition Forces, Iraqi civilians and infrastructure nor did it halt overall increasing attack trends by the group and other affiliated groups. Senior Iraqi officials, including Iraqi President Talabani, traveled to Iran throughout the year encouraging the Iranian government to support Iraq's political process and to stop material support of terrorist groups and militias. Although efforts by the Iraqi government, the United States, Coalition partners, and the international community are helping to thwart the terrorists' ambitions, the battle is not over. Prospects for increasing stability in Iraq over the next year will depend on: the extent to which the Iraqi government and political leaders can establish effective national institutions that transcend sectarian or ethnic interests and, within this context, the willingness of the security forces to pursue extremist elements of all kinds; the extent to which extremists, most notably AQI, can be defeated in their attempt to foment inter-sectarian struggle between Shia and Sunnis; and the extent to which Iraq's neighbors, especially Iran and Syria, can be persuaded to stop the flow of militants and munitions across their borders

- **Northern Iraq.** The Kongra-Gel/PKK maintains an active presence in northern Iraq, from which it coordinates attacks in the predominantly ethnic Kurdish areas of southeastern Turkey and provides logistical support to forces that launch attacks into Turkey, primarily against Turkish security forces, local Turkish officials, and villagers who oppose the organization. In an effort to demonstrate further that the Iraqi government would not allow Iraq to become a safe haven for terrorist organizations, Prime Minister Nuri al-Maliki appointed the Minister of State for National Security, Shirwan al-Waeli, as the Iraq coordinator for PKK issues.

Lebanon. In accordance with UNSC Resolution 1701, the Lebanese Armed Forces (LAF) strengthened its border presence and deployed 15,000 troops to patrols in the south, establishing itself in this region for the first time in 30 years. The LAF was assisted by UNIFIL, authorized to deploy up to 15,000 international peacekeepers south of the Litani River. Also, the Internal Security Force created a special unit to combat terrorism and established branches of this unit to preempt terrorist activity in northern and central Lebanon. Despite these steps, Lebanon remains a safe haven for terrorist activities. Hizballah remains the most prominent and powerful terrorist group in Lebanon, with a strong influence among Lebanon's large Shia community. Hizballah maintains offices in Beirut and elsewhere in the country, has official liaison officers to the security services, is represented by elected deputies in parliament, and has two ministers in the cabinet (although they have suspended their participation in the government). Hizballah is still recognized by the Lebanese government as a legitimate "resistance group" and political party.

The unstable political situation in Lebanon also contributed to enabling foreign Sunni extremists with links to AQ to infiltrate Lebanon and to set up cells, including within the Palestinian refugee camps. Palestinian extremist groups also have exploited the absence of Lebanese government authority within the 12 refugee camps, which have become terrorist safe havens and LAF no-go zones. We believe that some of these groups, such as AQ-associated Asbat al-Ansar, and Fatah al-Islam, have used the safe haven within the camps to train for terrorist attacks in Lebanon proper

See Chapter 3, State Sponsors of Terrorism, for discussions on **Iran** and **Syria**, which provide safe haven to Hizballah and Palestinian terrorist groups, and are used as safe havens by al-Qaida-linked operatives and groups.

Yemen. AQ's operational structure in Yemen has been weakened and dispersed, but concerns remain about the organization's attempts to reconstitute operational cells there. Yemen continues to increase its maritime security capabilities, but land border security along the extensive frontier with Saudi Arabia remains a problem, despite increased Yemeni-Saudi cooperation on bilateral security issues.

Southwest Asia

Afghan-Pakistan Border. Historically, Islamabad and Kabul have not exerted comprehensive control over the mountainous and sparsely populated Afghan-Pakistan border - the famed "Durand Line." Fiercely independent Pashtun and Baluch tribes straddle the border, which is routinely crossed by militants and extremists.

Pakistan. The Federally Administered Tribal Areas (FATA) of Pakistan have become a safe haven for AQ terrorists and Afghan insurgents since the fall of the Taliban in December 2001. Islamist Deobandi groups and many local tribesmen in the FATA continue to resist the government's efforts to improve governance and administrative control at the expense of longstanding local autonomy. Despite Pakistan's efforts to eliminate threats and establish effective governance in the FATA, these tribal areas continued to be terrorist safe havens and sources of instability for Pakistan and its neighbors. The government maintains approximately 80,000 troops, including Army and Frontier Corps (FC) units, along the Afghanistan border. The U.S. plans to help modernize and increase the capacity of the Frontier Corps so they can become a more effective force. The Pakistani government expects to close four Afghan refugee camps-in which terrorists and violent extremists often hide - this year. Pakistan Army and FC units have targeted and raided AQ and other militant safe havens in the FATA. The failure of the tribal leaders in the FATA to fulfill their promises to the government under the terms of the North Waziristan agreement signed in September, failed to stem insurgent infiltration into Afghanistan.

In order to increase the central government's writ in the FATA, the Government of Pakistan is implementing a comprehensive approach with three prongs: political, security, and developmental. For the political prong, Pakistan seeks to bolster effective governance by empowering local officials. For the security prong, Pakistan's objective is to increase the capacity and efficacy of local security forces. For the developmental prong, the Government of Pakistan has designed a comprehensive sustainable development plan for the region. The plan concentrates on four sectors (basic human services, natural resources, communication/ infrastructure, and economic development) and, if fully implemented, would cost $2 billion. The plan was developed with the extensive grassroots participation of all stakeholders and will provide essential economic and livelihood opportunities while upgrading and expanding social services to a population at risk for recruitment by extremist and terrorist organizations.

- **Afghanistan.** The Afghan government, in concert with ISAF/NATO forces and the international community, continues efforts to build security on the Afghan side of the border. The border areas remain contested , however, with ongoing insurgent and terrorist attacks, to include al-Qaida activity. Taliban terrorist attacks, alongside with those of associated extremist movements such as Hizb-e-Islami Gulbuddin (HIG) and the Haqqani network, continued throughout Afghanistan. Taliban-sponsored insurgency, terrorism, and related narcotics cultivation remained particularly prevalent in the South and East of the country.

Western Hemisphere

Colombia Border Region. This region includes the borders between Colombia on one side, and Venezuela, Ecuador, Peru, Panama, and Brazil on the other. Rough terrain, dense forest cover, low population densities, and lack of government authority and presence in this area create an area of safe haven for insurgent and terrorist groups, including especially the Revolutionary Armed Forces of Colombia (FARC). Brazil, Ecuador, Peru, and Panama have adopted an tacit policy mix of containment and non-confrontation with Colombian narcoterrorist groups, with, however, some confrontations occurring. Much of this depends on local decisions and relations. The FARC uses remote areas in Colombia's border regions to rest and regroup, procure supplies, and stage and train for terrorist attacks. In addition, the FARC and another designated terrorist organization, the National Liberation Army (ELN) regard Venezuelan territory near the border as a safe haven and often use the area for cross-border incursions. Splinter groups of the FARC and breakaway members of another designated terrorist organization, the United Self-Defense Forces of Colombia (AUC), operate in various parts of Venezuela and are involved in drug trafficking.

The Tri-Border Area (Argentina, Brazil, and Paraguay). The United States remains concerned that Hizballah and HAMAS are using the Tri-Border area as a safe haven in which to raise funds by participating in illicit activities and soliciting donations from extremists within the sizable Muslim communities in the region and elsewhere in Argentina, Brazil, and Paraguay. Although there was no corroborated information that these or other Islamic extremist groups used the region for military-type training, or planning of terrorist operations, suspected supporters of Islamic terrorist groups, including Hizballah, take advantage of loosely regulated territory and proximity to Muslim communities in Ciudad del Este, Paraguay, and Foz do Iguacu, Brazil, to engage in illegal activity and illicit fundraising. The governments of the TBA have long been concerned with arms and drugs smuggling, document fraud, money laundering, and the manufacture and movement of contraband goods through this region. In the early 1990s, the governments established a mechanism to address these illicit activities.

Strategies, Tactics, Tools for Disrupting or Eliminating Safe Havens

Corruption, poverty, a lack of civic institutions and social services, politically repressive governments, inadequate or unjust law enforcement and legal systems are conditions terrorists exploit for recruitment, operational planning or physical safe haven. Efforts to build partner capacity and encourage states to cooperate more effectively at the local and regional level are key to denying terrorists safe haven. U.S. Ambassadors, as the President's personal representatives abroad, have a unique responsibility to bring all elements of national power to bear against the terrorist enemy. They lead interagency Country Teams that develop strategies to help host nations understand the threat and to strengthen their political will and capacity to counter it.

Defeating the terrorist enemy requires a comprehensive effort executed locally, nationally, regionally and globally. Working with partner nations, we must eliminate terrorist leadership, but incarcerating or killing terrorists will not achieve an end to terrorism. We must simultaneously eliminate terrorist safe havens, tailoring regional strategies to disaggregate terrorist networks, breaking terrorist financial, travel, communications and intelligence links. Finally, and most challenging, we must address the underlying conditions that terrorists exploit. These include geo-political issues, lack of economic opportunity and political participation, ethnic conflict, ungoverned space, or political injustice.

Regional Strategic Initiative. Building on this understanding, we have worked to develop the Regional Strategic Initiative (RSI), an effort to develop flexible regional networks of interconnected Country Teams. The State Department's Bureau of Counterterrorism (S/CT) is working with ambassadors and interagency representatives in key terrorist theaters of operation to assess the threat and devise collaborative strategies, action plans, and policy recommendations.

The RSI is a key tool in promoting cooperation between our partners in the War on Terror - for example with Malaysia, Indonesia and the Philippines as they

confront terrorist transit across the Sulawesi Sea; or among Mauritania, Algeria, Morocco, Niger, Chad, and Mali, to counter a GSPC/AQIM enemy recruiting and hiding in the desert that sits astride national borders. Terrorists are highly adaptable; defeating them requires both centralized coordination and field authority. Resources and responses must be applied in a rapid, flexible, and focused manner. The RSI helps achieve this coordinated approach.

As of December 2006, RSI strategy groups were in place for Southeast Asia, Iraq and its neighbors, the Eastern Mediterranean, the Western Mediterranean, and the Horn of Africa. These groups are chaired by Ambassadors, with interagency representatives participating. RSI programs focus on developing a common understanding of the strategic situation in a region. Using this shared perspective, networked Country Teams then identify opportunities for collaboration and pool resources not only to eliminate terrorism safe havens, but also to address the conditions that terrorists exploit for recruitment.

Terrorists operate without regard to national boundaries. To effectively counter terrorists, we are working to strengthen our regional and transnational partnerships and increasingly operate in a regional context. Denying safe haven plays a major role in undermining terrorists' capacity to operate effectively and forms a key element of U.S. counterterrorism strategy as well as the cornerstone of UN Security Council Resolution 1373, adopted in September 2001. UNSCR 1373 specifically targets terrorists' ability to move across international borders and find safe haven, to solicit and move funds, and to acquire weapons. It also calls on UN member states to enact laws criminalizing terrorist activity and support to enact such laws.

Countering Terrorism on the Economic Front

Since the terrorist attacks of September 11, 2001, the United States has acted to block funding of terrorists and their supporters and to promote international cooperation against them. On September 23, 2001, the President signed E.O. 13224, giving the United States a powerful tool to impede terrorist funding. This executive order provides a means to disrupt the financial support network for terrorists and terrorist organizations by authorizing the U.S. government to designate and block assets of foreign individuals and entities that commit, or pose a significant risk of committing, acts of terrorism. In addition, because of the pervasiveness and expansiveness of the financial base of foreign terrorists, the order authorizes the U.S. government to block the assets of individuals and entities that provide support, offer assistance to, or otherwise associate with designated terrorists and terrorist organizations. The order also covers their subsidiaries, front organizations, agents, and associates.

The Secretary of State, in consultation with the Attorney General and the Secretary of the Treasury, continues to designate Foreign Terrorist Organizations (FTOs) pursuant to Section 219 of the Immigration and Nationality Act, as amended. These designations play a critical role in the U.S. fight against terrorism and are an effective means of curtailing support for terrorist activities and pressuring groups to get out of the terrorism business. Among the consequences of such a designation, it is unlawful for U.S. citizens or any persons subject to the jurisdiction of the U.S. to provide funds or material support to a designated FTO. U.S. financial institutions are also required to freeze the funds of designated FTOs.

Executive Order and Foreign Terrorist Organization designations support U.S. efforts to curb the financing of terrorism and encourage other nations to do the same. They internationally stigmatize and isolate designated terrorist entities and individuals. They also deter donations or contributions to, and economic transactions with, named entities and individuals. In addition, they heighten public awareness and knowledge of terrorist organizations and signal to other governments U.S. concerns about named entities and individuals.

International cooperation remains fundamental to our common endeavors for the simple reason that most of the funds used to support terrorism are located outside the jurisdiction of the United States. International cooperation is essential to initiatives in fields ranging from intelligence and law enforcement coordination to targeted financial sanctions to norms and standards of financial regulation.

United Nations Security Council Resolution 1267 and successor resolutions require member states to impose financial and other sanctions on listed groups and individuals associated with Usama bin Ladin, the Taliban, or al-Qaida. In 2006, UNSCR 1735 was adopted, clarifying procedures for both listing and delisting terrorist groups and entities under 1267 in an effort to increase transparency. UNSCR 1735, also encourages member states and the 1267 Committee to update the Taliban section of the 1267 consolidated sanctions list, both by submitting additional names for inclusion on the Consolidate List of individuals and entities associated with the Taliban, especially those responsible for the recent upsurge of Taliban violence in Afghanistan, as well as considering petitions to remove listed members and/or associates no longer associated with the Taliban. In December 2006, the United States and France co-sponsored UNSCR 1730 in response to a call for improving procedures for delisting individuals and entities from the 1267 Committee's Consolidated List.

In 2006, the United States and other UN members designated a number of individuals and entities:

- On February 8, the United States designated five individuals and four entities for their role in financing the Libya Islamic Fight Group (LIFG), an AQ affiliate known for engaging in terrorist activity in Libyan and cooperating with AQ worldwide. Abd Al-Rahman Al-Faqih, Ghuma Abd'rabbah, Abdulbaqi Mohammed Khaled, Tahir Nasuf, and Mohammed Benhammedi were designated pursuant to E.O.13224 as were the four entities Sara Properties Ltd., Meadowbrook Investments Ltd., Sanabel Relief Agency Ltd., and Ozlam Properties, Ltd. On February 7, the UN 1267 Sanctions Committee added these individuals and entities and entities to its list of individuals and entities associated with Usama bin Ladin, the Taliban, or al-Qaida.
- On March 23, the United States designated Al-Manar, a satellite owned or controlled by the Iran-funded Hizballah terrorist network. Also designated were Al-Nour Radio and the Lebanese Media group, the parent company to both Al-Manar and Al-Nour.
- On April 13, the United States designated four top leaders of the al-Qaida-linked Southeast Asian terrorist organization Jemaah Islamiya (JI) pursuant to E.O. 13224: Abdullah Anshori, Abu Bakar Ba'asyir, Gun Gun Rusman Gunawan, and Taufik Rifki
- On July 20, the United States designated Abu Sufian Al Salambai Muhammed Ahmed Abd Al-Razziq for high level ties to and support for the al-Qaida network pursuant to E.O 13224.
- On August 4, the United States designated the Indonesian and Philippine branches of the Saudi-based International Islamic Relief Organization (IIRO) for facilitating fundraising for al-Qaida and affiliated terrorist groups pursuant to E.O. 13224. The Executive Director of the Eastern Province Branch of IIRO in Saudi Arabia, Abd Al Hamid Sulaiman Al-Mujil, was also designated for using his position to bankroll the al-Qaida network in Southeast Asia. On August 4, the UN 1267 Sanctions Committee added Abd Al Hamid Sulaiman Al-Mujil and the Philippine branch of the IIRO to its list of individuals and entities associated with Usama bin Ladin, the Taliban, or al-Qaida.
- On August 30, the Islamic Resistance Support Organization (IRSO), a key Hizballah fund-raising organization, was designated under E.O.13224.

- On September 7, the United States designated two financial companies and one individual that provided financial support to the Iran funded Hizballah terrorist network. Bayt al-Mal and the Yousser Company as well as Husayn al-Shami, the head of Bayt al-Mal and a senior Hizballah leader, were designated under E.O 13224.
- On December 6, the United States designated nine individuals and two entities located in the triple frontier of Argentina, Brazil and Paraguay that provided financial and logistical support to Hizballah. Muhammad Yusuf Abdallah, Hamzi Ahmad Barakat, Hatim Ahmad Barakat, Muhammad Fayez Barakat, Muhammad Tarabain Chamas, Saleh Mahmud Fayad, Sobhi Mahmud Fayad, Ali Muhammad Kazan, and Farouk Omairi, and two businesses, Casa Hamze and Galena Page; were designated under E.O. 13224.
- On December 7, the United States designated five individuals under E.O.13224 for providing financial support to al-Qaida and other terrorist organizations as well as facilitating terrorist activity. Mullah Krekar, Hamed Al Ali, Jaber Al Jalamah, Mubarak Al Btahali, and Mohamed Moumou were designated. On December 7, the UN 1267 Sanctions Committee approved the request that Mohamed Moumou and Mullah Krekar be added to its list of individuals and entities associated with Usama bin Ladin, the Taliban, or al-Qaida.
- December 12, Mohammed Al-Ghabra, a British citizen who provided material and logistical support to al-Qaida and other terrorist organizations, was added to the UN 1267 Sanctions Committee list. On December 19, the United States designated Mohammed Al-Ghabra under E.O. 13224.
- As of December 31, 2006, the United States has designated a total of 469 individuals and entities as terrorists, their financiers, or facilitators, since 2001. The global community has frozen more than $153 million in terrorist-related assets

Bringing Terrorists to Justice. The Rewards for Justice(RFJ) Program continues to be one of America's most valuable assets in the War on Terror. Through RFJ, the Secretary of State may offer rewards for information that prevents or successfully resolves an act of international terrorism against the United States. Rewards of up to $25 million have been authorized for information leading to the capture of Usama bin Laden and other key al-Qaida leaders. Since its inception in 1984, RFJ has paid more than $62 million to over 40 people who provided credible information. In 2006, rewards totaling $1.1 million were approved for the successful resolution of terrorist cases in Afghanistan and the Philippines. In January, the Department of State paid a reward of $500,000 to an individual who assisted U.S. authorities in resolving a terrorist case involving al-Qaida operative Habis Abdulla al-Saoub.

In January and May, two public rewards ceremonies were jointly sponsored by the U.S. Embassy in Manila and the Government of the Philippines. In January, the Department paid a reward of $100,000 to an individual who helped the Government of the Philippines bring to justice Abu Sayyaf Group member Toting Craft Hanno. In May, the Department paid rewards of $250,000 each to two persons who supported Filipino authorities in their efforts to bring Rajah Solaiman Movement leader Ahmad Santos to justice.

New initiatives included adding five new reward offers at $1 million each for key al-Qaida leaders. In June, Abu Ayyub al-Masri was added to the RFJ program upon the death of Abu Musab al-Zarqawi, the former leader of al-Qaida in Iraq. In addition, the Secretary approved a reward of up to $1 million for the American-born al-Qaida terrorist Adam Gadahn. In October, the Bureau of Diplomatic Security and the FBI conducted a joint press conference announcing the RFJ reward offer and the indictment of Gadahn on charges of treason.

Bilateral and Multilateral Efforts to Identify and Address Terrorist Safe Havens

Throughout the year, the United States worked closely with multilateral partners in numerous counterterrorist financing efforts, including the Counterterrorism Committee of the United Nations, the Egmont Group of Financial Intelligence Units, the Financial Action Task Force (FATF), the G8's Counterterrorism Assistance Group (CTAG), and international financial institutions. In addition, the United States continued its regular dialogue on terrorism finance with the European Union. Since its launch in September 2004, the dialogue has served as the framework for ongoing exchanges to promote information sharing and cooperation on FATF and on technical assistance issues.

European nations are active participants in a variety of multilateral organizations that contributed to counterterrorist efforts, including the G8, NATO, the Financial Action Task Force (FATF), the Organization for Security and Cooperation in Europe (OSCE), the International Maritime Organization (IMO), and the International Civil Aviation Organization (ICAO). The United States and its partners worked through these organizations to establish and implement best practices, build the counterterrorism capabilities of "weak but willing" states, and institutionalize the War on Terror globally. The World Bank and International Monetary Fund also have pledged to provide countries with training to increase their capacity to combat money laundering and terrorist financing.

The United Nations. The United Nations continued to devote energy to the fight against terrorism. The Security Council adopted four resolutions related to terrorism.

- Resolution 1673, adopted in April, reauthorized and improved the mandate of the 1540 committee, which deals with nonproliferation and preventing terrorist access to WMD.
- Resolution 1686, adopted in June, extended the mandate of the International Independent Investigation Commission and supported its intention to extend further technical assistance to the Lebanese authorities regarding their investigations in terrorist attacks in Lebanon since October 1, 2004.
- Resolution 1699, adopted in August, endorsed and encouraged increased cooperation between the UN and INTERPOL to help facilitate the implementation of sanctions, including counterterrorism sanctions.
- Resolution 1735, adopted in December, strengthened the current sanctions regime against the Taliban, Usama bin Laden, and al-Qaida.

The Counter-Terrorism Committee (CTC) was established by Security Council Resolution 1373 after September 11, 2001, with the goal of enhancing the ability of UN member states to combat terrorism. The Counter-Terrorism Committee's Executive Directorate (CTED), established by Resolution 1535 in 2004, became fully operational in December 2005. CTED's mandate is to enhance the Committee's ability to monitor the implementation of Resolution 1373 and to continue its capacity-building work by facilitating technical assistance to member states and promoting closer cooperation and coordination with international, regional, and sub-regional organizations. It also conducts visits in member states to assess the implementation of Resolution 1373. CTED visited ten states in 2006, and the CTC has approved another 17 visits for the future. Resolution 1624 (2005), concerning incitement to terrorism and denial of safe havens, also directs the CTC, among other things, to include implementation of Resolution 1624 (2005) in its dialogue with states. CTED is doing so in its visits to member states.

The 1267 Sanctions Committee, also established by the Security Council, maintains a list of individuals and entities associated with al-Qaida, the Taliban, and/or Usama bin Ladin who are subject to international sanctions -- assets freeze, travel ban, and arms embargo -- that member states are obligated to implement. The Committee entered into an agreement to exchange information with Interpol with the goal of better enforcing the sanctions.

In 2006, the UN General Assembly took several important steps to counterterrorism. The General Assembly negotiated and adopted three terrorism-related resolutions, 61/40, 61/86, and 61/161, and continued work on the negotiation of a Comprehensive Convention on International Terrorism. The General Assembly concluded the International Convention for the Suppression of Acts of Nuclear Terrorism in 2005, and, by July 2006, 106 states had signed this important new instrument. In September 2006, the United Nations General Assembly adopted the United Nations Global Counter-Terrorism Strategy.

Then-UN Secretary General, Kofi Annan continued to use his office to focus the international community on terrorism. He took steps to institutionalize the Counterterrorism Implementation Task Force, which brings together 23 United Nations system entities that address different aspects of terrorism. He also established a focal point within the Secretariat to help coordinate a civil society campaign to counterterrorism and suggested the creation of an informal group of UN technical assistance providers, donors and recipients to exchange information and coordinate efforts.

UN Secretariat staff of the Terrorism Prevention Branch in Vienna, Austria, continued to help countries build the legal framework necessary to become party to and implement the international counterterrorism conventions and protocols

UN Specialized Agencies are also involved in the work of fighting terrorism. For example, the International Civil Aviation Organization adopted passport security standards, and the International Maritime Organization engaged in security-related activities designed to make it harder for terrorists to operate in the commercial shipping arena. In February, a new protocol to the 1988 Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation and a new protocol to the 1988 Protocol for the Suppression of Unlawful Acts against Fixed Platforms on the Continental Shelf opened for signature. The International Atomic Energy Agency (IAEA) launched a nuclear security action plan to combat the threat of terrorism involving nuclear and other radioactive materials. The IAEA also promoted more rigorous standards for securing radioactive sources and released the first international export control framework for radioactive sources. In February, under a global security initiative, an IAEA-supported operation safely conditioned, packaged, and shipped radioactive neutron sources from three African countries to the United States for ultimate disposition. In April, the IAEA supported the removal of potentially weapon-usable highly enriched uranium from a civilian research reactor in Uzbekistan. In July, two potentially dangerous radioactive devices were successfully secured in the Republic of Georgia. In December, the IAEA supported the return to Russia of over 200 kg of highly enriched uranium from a research reactor in Germany.

G8 Counterterrorism Actions. The Group of Eight (G8), the United States, Canada, France, Germany, Italy, Japan, Russia, and the United Kingdom, has been instrumental in developing cutting-edge counterterrorism standards and practices. These included enhanced travel document security standards, as well as strengthened controls over exports and stockpile security to mitigate the threat to airports from illicit acquisition of shoulder-fired anti-aircraft missiles (man portable air defense systems, or MANPADS).

G8 counterterrorism initiatives often have an impact well beyond the borders of G8 member states since the group actively seeks to promulgate the standards and practices it develops to international standard-setting organizations. In 2006, the G8 completed the Secure and Facilitated International Travel Initiative (SAFTI) and produced two counterterrorism-related documents for the St. Petersburg Summit.

Since 2004, G8 leaders have expressed their commitment to defending against bioterrorism. Through the work of the Bioterrorism Experts Group (BTEX), G8 efforts to counter bioterrorism include strengthening national and international biosurveillance capabilities, increasing protection of the global food supply, and improving bioterrorism response and mitigation capabilities.

Securing Critical Energy Infrastructure. At the July 2006 St. Petersburg Summit, President Bush and the other leaders of the G8 announced a plan of action to secure global critical energy infrastructures, including:

- Defining and ranking vulnerabilities of critical energy infrastructure sites;
- Assessing emerging and potential risks of terrorists attacks; and
- Developing best practices for effective security across all energy sectors.

Counterterrorism Action Group (CTAG). At the June 2003 Evian Summit, G8 leaders adopted a plan to build political will and capacity to combat terrorism globally, and established the Counterterrorism Action Group (CTAG) to implement this plan. CTAG supports the UN Counter-Terrorism Committee's efforts to monitor and promote implementation of UNSCR 1373 by developing an active forum for donors to coordinate counterterrorism cooperation with, and assistance to, third countries. CTAG promotes counterterrorism by prioritizing needs, and targeting and coordinating assistance to expand counterterrorism capacity in recipient countries. CTAG also encourages all countries to meet their obligations under UNSCR 1373 and, for states party to them, the 13 international counterterrorism conventions and protocols.

Under the leadership of the rotating G8 presidency, CTAG meets three times per year with the active participation of G8 member states, the European Commission, the UN Counterterrorism Committee, and other countries and organizations. Coordination meetings hosted by the local embassy of the G8 presidency were also held among CTAG members' diplomatic missions in recipient countries.

In 2006, CTAG coordinated diplomatic, donor cooperation, and donor assistance efforts, including:

- Cooperated with the UN Counterterrorism Committee Executive Directorate (CTED) during country visits by contributing significantly to the preparation of the visits, meeting with CTED during those visits, and monitoring the implementation by visited countries of the CTC's recommendations;
- Facilitated universal adherence to the 13 international counterterrorism conventions and protocols by encouraging more than a dozen countries to approve unratified instruments;
- Focused counterterrorism donor assistance on needs in the Asia-Pacific Economic Cooperation (APEC) region, especially port and maritime security gaps, in concert with APEC's Counterterrorism Task Force;

- Coordinated donor assistance to help countries in the Asia and South America assess and improve airport security; and
- Promoted and assisting implementation of travel security and facilitation standards and practices being developed by the G8 under its Secure and Facilitated International Travel Initiative (SAFTI).

Financial Action Task Force (FATF). Under the Department of Treasury's leadership, the United States played a strong role in developing new initiatives within FATF to meet evolving anti-money laundering and counterterrorism finance threats. The United States became a co-chair, with Italy, of the newly created International Cooperation Review Group to examine AML/CTF systemic threats and participated in major FATF studies (e.g., Trade-Based Money Laundering) and FATF mutual evaluations.

European Union (EU). The United States and the European Union's Judicial Cooperation Unit (Eurojust) agreed to improve cooperation and information exchange among investigators and prosecutors, posting a U.S. Liaison Prosecutor at Eurojust. We continue to make progress toward ratification and entry into force of the U.S. - EU Extradition and Mutual Legal Assistance Agreements between the United States and EU member states. Expert level discussions have begun on mutual recognition of the EU Authorized Economic Operator provisions and the U.S. Customs -Trade Partnership Against Terrorism. We have begun a pilot project to the Container Security Initiative for feeder ports, to increase security of goods transiting our ports, and continue to work jointly to refine our risk assessments. A pilot in Southampton under the U.S. Secure Freight Initiative should improve detection and response capabilities for high-risk container traffic.

In October, the United States and the EU concluded an interim agreement on the processing of passenger name record data. We are studying the comparability of our airport assessment programs and will continue to refine international airport security measures, as in our successful joint effort to establish a common standard for liquids in carry-on baggage.

The United States and the EU continued to improve procedures for information sharing and for proactively implementing FATF Special Recommendations, including enforcing cash declaration regulations for travelers and getting private sector financial institutions to improve implementation of asset freeze measures. We continue to exchange information and best practices in expert-level discussions. In 2006, conferences on terrorism finance and money laundering issues were held with sanctions implementers, analysts, and prosecutors and investigators. We are working on a public outreach statement on fairness and transparency in the implementation of sanctions regimes.

Organization for Security and Cooperation in Europe (OSCE). The United States worked with the OSCE to establish and implement best counterterrorism practices and help build the capacity of OSCE members. OSCE members committed themselves to becoming parties to the 13 UN terrorism conventions and protocols, to work together to modernize travel documents and shipping container security, to prevent and suppress the financing of terrorist organizations, and to implement UNSC Resolution 1540 to counter WMD (related materials and the means of delivery) proliferation. The OSCE also held two regional workshops on ICAO's minimum security standards for handling and issuance of passports, sponsored visits by ICAO and other experts to provide technical advice to requesting countries on new travel document security features, and increased OSCE countries' cooperation with Interpol in reporting lost or stolen passports. The OSCE, in conjunction with the UNODC, held its second experts workshop in 2006 on promoting legal cooperation in criminal matters as related to terrorism, which covered such issues as extradition and mutual legal assistance. The OSCE also held a conference on countering the use of the Internet for terrorist purposes.

North Atlantic Treaty Organization (NATO). The North Atlantic Treaty Organization (NATO) plays a key role in combating terrorism at the regional level in Europe. First and foremost, NATO is contributing to the War on Terror by leading security and stability operations in Afghanistan and continuing Operation Active Endeavor (OAE), a naval operation that aims to combat terrorism by monitoring maritime traffic in the Mediterranean. The Alliance is also engaged in a far-reaching transformation of its forces and capabilities to better deter and defend against 21st Century threats, including terrorism, and is working closely with partner countries and organizations to ensure interoperability of forces and broad cooperation.

Trans-Sahara Counterterrorism Partnership (TSCTP). The Trans-Sahara Counterterrorism Partnership (TSCTP) is a multi-faceted, multi-year strategy aimed at defeating terrorist organizations by strengthening regional counterterrorism capabilities, enhancing and institutionalizing cooperation among the region's security forces, promoting democratic governance, discrediting terrorist ideology, and reinforcing bilateral military ties with the United States. The overall goals are to enhance the indigenous capacities of governments in the pan-Sahel (Mauritania, Mali, Chad, and Niger, as well as Nigeria and Senegal) to confront the challenge posed by terrorist organizations in the region, and to facilitate cooperation between those countries and our Maghreb partners (Morocco, Algeria, and Tunisia) in combating terrorism. See Chapter 2, *Country Reports, Africa*, for further information on the TSCTP.

The African Union. The African Union (AU) has several counterterrorism legal instruments, including a Convention on Prevention and Combating of Terrorism (1999), a 2002 *Protocol to the Convention, and a 2004 Plan of Action*. See Chapter 2, *Country Reports, Africa*, for further information on the AU.

Association of Southeast Asian Nations (ASEAN) and the ASEAN Regional Forum (ARF). The United States works closely with the ten-member Association of Southeast Asian Nations (ASEAN), comprising Brunei, Burma, Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand, and Vietnam to enhance counterterrorism cooperation. In July 2006, Secretary of State Rice and her ASEAN counterparts signed the "Framework Document for the Plan of Action to Implement the ASEAN-U.S. Enhanced Partnership." The Plan of Action identifies a range of measures to strengthen cooperation on maritime security, law enforcement, border security, information sharing, suppressing illicit money transfers and terrorist financial flows, curbing the abuse of NGOs and charities, as well as on other transnational crime issues. The United States actively participates in counterterrorism-related activities of the 26-member ASEAN Regional Forum (ARF), including the annual meetings on counterterrorism and transnational crime. The United States has continued efforts to increase maritime security cooperation by co-chairing with Singapore an ARF confidence-building measure in 2005 focused on preventing and countering terrorist attacks and other unlawful acts. This event built on earlier efforts to strengthen agreement on the key elements of maritime security among participants. Subsequent events, hosted by India and Japan respectively, have focused on expanding cooperation in capacity building for maritime security. In July of 2005, ARF Foreign Ministers adopted the "Statement on Information Sharing and Intelligence Exchange and Document Integrity and Security in Enhancing Cooperation to Combat Terrorism and other Transnational Crimes" in which ministers committed to improve cooperation among participants in these areas.

Asia Pacific Economic Cooperation (APEC). The 21 member economies of APEC (Australia, Brunei, Canada, Chile, China, Hong Kong, Indonesia, Japan, Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, Philippines, Russia, Singapore, Chinese Taipei, Thailand, the United States, and

Vietnam) are committed to creating a safe environment for the movement of goods, services, and people throughout the region. The APEC Counterterrorism Task Force (CTTF) was established in 2003 to coordinate implementation of Leaders' and Ministers' statements on counterterrorism and non-proliferation. The United States works within APEC to dismantle transnational terrorist groups and to eliminate the severe and growing danger posed by proliferation of weapons of mass destruction and their means of delivery

In 2006, with Australian and Chilean co-sponsorship, the United States introduced the first bioterrorism/biodefense initiative in APEC to protect the food supply from deliberate contamination. The United States co-hosted an experts-level workshop in Bangkok in November to share experiences and develop best practices. APEC is also committed to bolstering regional maritime and port security, and to strengthening international non-proliferation regimes. In 2005, APEC members adopted the Framework for Secure Trade and provided capacity building to seven economies to assist with implementation of the International Ship and Port Facility Security code. APEC export control systems were strengthened through capacity building initiatives, such as the 2005 Export Control Conference for APEC Economies. APEC also ensured the safe handling of radioactive sources through an agreement to implement the International Atomic Energy Agency (IAEA) Code of Conduct and Import/Export Guidelines for Radioactive Sources by the end of 2006. Airport Security was further enhanced through APEC members' agreement to undertake Man Portable Air Defense Systems (MANPADS) Vulnerability Assessments at international airports based on ICAO or similar international guidelines. APEC enhanced travel security through improvements in travel document security standards and the launch of a pilot project to share lost and stolen passport data between Australia, New Zealand, and the United States. APEC also continues to combat terrorist financing in APEC economies through efforts to strengthen financial intelligence units.

OAS Inter-American Committee against Terrorism (CICTE). CICTE delivered more than $5 million in counterterrorism capacity-building assistance in the region. CICTE provided training to nearly 500 port and airport security officials from 29 member states to help meet the requirements of the International Maritime Organization's International Ship and Port Facility Security (ISPS) code, and the International Civil Aviation Organization's (ICAO) new air security standards. CICTE advised 15 member state governments on how to meet the requirements of UNSCR 1373, the 13 international conventions and protocols relating to terrorism, and the Inter-American Convention against Terrorism (IACAT), which complements and expands on international conventions and protocols. CICTE also organized its sixth annual regular session in Bogota, Colombia.

Three Plus One Group on Tri-Border Area Security (3+1). Argentina hosted a meeting of the 3+1 Group (Argentina, Brazil, Paraguay, and the United States) in December. Delegates highlighted the importance of early warnings among States and the immediate exchange of information to prevent and combat illegal activities, and to deny refuge to those who finance, plan, or commit acts of terrorism. In November, Brazil inaugurated a new Regional Intelligence Center, in Foz do Iguacu, dedicated to coordinating intelligence activities of the police forces of Argentina, Brazil, and Paraguay, and invited Argentina and Paraguay to send official representatives to help staff the center.

Long-Term Goals and Programs/Actions Designed to Reduce Conditions that Allow Terrorist Safe Havens to Form

The Middle East Partnership Initiative. As President Bush noted, when an "entire region sees the promise of freedom in its midst, the terrorist ideology will become more and more irrelevant, until that day when it is viewed with contempt or ignored altogether." Conversely, systems characterized by an absence of political choice, transparent governance, economic opportunities, and personal freedoms can become incubators for extremism, hate, and violence.
To this end, in 2006, the State Department's Middle East Partnership Initiative (MEPI) continued to provide tangible support to reformers in the region so democracy could spread, education could thrive, economies could grow, and women could be empowered. Working in 16 countries and the Palestinian territories, MEPI invested in programs ranging from campaign schools to civic education to an Arab businesswomen's network. Despite a difficult political environment in the region throughout the year, reformers continued to provide reasons to believe that positive change is possible for the people of the Middle East. Examples of MEPI's work with reformers include the following:

Political

- MEPI-supported local and regional election monitors in Yemen reported a process with an absence of the violence of previous electoral contests in the country and with an opposition candidate garnering over 20 percent of the vote against the incumbent leader, a rarity in the region. Technical support also was provided to all parties contesting provincial and municipal elections on the same day;
- MEPI-supported domestic monitors in Bahrain observed the most competitive elections in the kingdom's history with a turnout of more than 70 percent and without the opposition boycotts that undermined the last round of elections.;
- Provided technical assistance to women candidates and voter awareness campaigns in Kuwait's first parliamentary elections through universal suffrage as Kuwait joined Oman, Bahrain, Qatar, and the UAE in enfranchising women in electoral processes;
- Continued to provide technical assistance to parties and candidates across the region in anticipation of new rounds of municipal and parliamentary elections in 2007;
- Strengthened the role of civil society in the democratic process by facilitating dialogue among activists, NGOs, and their respective governments within the framework of the G8's Broader Middle East and North Africa Initiative and by awarding direct grants to numerous civil society organizations across the region to advance the Freedom Agenda; and
- Trained journalists in free and independent media techniques to support greater transparency and accountability in their countries.

Economic

- Provided technical and other assistance in support of successfully completed free trade agreements with Bahrain and Oman;
- Expanded trade capacity of Arab countries with training and technical assistance; a number of Gulf countries are drafting new labor laws and updating new customs codes and agricultural import/export standards;
- Provided entrepreneurial training for more than 300 participants, almost half of them women, from 16 Middle Eastern and North African countries, with 35 alumni going on to start or expand businesses. At least 500 new jobs have been created following their participation in MEPI programs;
- Extended credit and services to small- and medium-sized businesses through peer consultation and training for regional banks and financial organizations;
- Established self-sustaining Junior Achievement chapters in 12 countries throughout the Middle East, with more than 10,000 students participating. Created

public-private partnerships that assisted in the sustainability of Junior Achievement chapters; and

- Expanded commercial and legal reform efforts in the Gulf by working to update legal curricula at law schools in Qatar and Oman, update commercial codes to meet international standards in Bahrain and Oman, and provide continuing education programs for the judiciary

Education

- Provided English language study to more than 4,500 underserved youth from 13 countries in the Middle East through a micro-scholarship program, bringing the total number of students reached with MEPI support to more than 12,000;
- Empowered young, highly motivated Arab men and women with leadership, problem-solving, and entrepreneurial skills through intensive five-week institutes. More than 200 students have participated, and most have started their own civic projects back home;
- Supported a regional civic-education network that promotes youth civic awareness and involvement. Examples of resulting youth-led projects included starting after-school classes for poor students and improving health services at local hospitals. The program is being widely accepted and adopted; for example, education officials committed to adopting Project Citizen in all schools in Marrakesh, Morocco; and
- Promoted critical thinking and independent reading with an initiative to provide more than 80 titles of high-quality American children's books to more than 3,000 schools in three Middle Eastern countries.

Women's Empowerment

- Strengthened the technology, business and advocacy skills of women across six Gulf nations,
- Established the first U.S.-Middle East Partnership for Breast Cancer Awareness and Research, which activated women across the region in private-public partnerships, civic engagement, and networking;
- Established business network hubs in six countries, focusing on training, professional development, and information sharing on laws, business opportunities, skills, and the global economy; and
- Focused on women's rights, particularly family law, in three Gulf states and Morocco.

Antiterrorism Assistance Program (ATA). The Antiterrorism Assistance Program (ATA) provides partner countries with the training, equipment, and technology needed to increase their capabilities to find and arrest terrorists, and to build the kind of cooperation and interactivity between law enforcement officers that has a lasting impact.

At the operational level, ATA alumni have led the investigation of a number of recent terrorist attacks. In Indonesia, a special unit trained and equipped by DS/ATA tracked SE Asia's most wanted terrorist, Dr. Azahari. The suspect refused to give himself up and was killed along with another accomplice. Azahari and his accomplice were responsible for the Bali bombing in 2002, the J.W. Marriott attack in 2003, and the bombing of the Australian Embassy in 2004. The ATA program has also been crucial in helping local initiatives take root. In Tanzania, ATA assistance mapped out the foundation for the establishment of a counterterrorism center and the implementation of an innovative mechanism to regularly communicate with Kenyan counterparts. In Colombia, ATA financed a training facility in Sibate, which has become an international training hub for officials across the Hemisphere.

ATA sponsored 289 courses and technical consultations and trained approximately 4,816 participants from 77 countries in 2006. In its two-decade long existence, ATA has trained more than 57,116 students from 151 countries, providing programs tailored to the needs of each partner nation and to local conditions. Such training included crisis management and response, cyber terrorism, dignitary protection, bomb detection, airport security, border control, kidnap intervention and hostage negotiation and rescue, response to incidents involving weapons of mass destruction, countering terrorist finance, and interdiction of terrorist organizations. All courses emphasized law enforcement under the rule of law and respect for human rights.

Terrorist Interdiction Program (TIP). The Terrorist Interdiction Program (TIP) assisted priority countries at risk of terrorist activity to enhance their border security capabilities. TIP provided participating countries with a computerized watch listing system to identify suspect travelers at air, land, or sea ports of entry. TIP further promotes expanded cooperation and close liaison with host governments in the areas of rule of law, anticorruption, and law enforcement. Since 2001, the State Department has provided TIP assistance to more than 20 countries, assistance that was instrumental in impeding terrorist travel. Hundreds of individuals traveling on stolen passports in Pakistan, as well as wanted criminals, narcotics smugglers, and human traffickers have been identified and intercepted worldwide. The Terrorist Interdiction Program complements other counterterrorism-related U.S. Government efforts to enhance aviation, border, cyber, maritime, and transportation security

Counterterrorist Finance Training. In response to the development of new international standards against the growing threat of illicit cash couriers and bulk cash smuggling, the State Department worked with its interagency partners to develop a training course on interdicting bulk cash smuggling. This course provided operational training to foreign customs officers, investigators, and other officials on the detection, interdiction, analysis, investigation, and seizure of illicit cross-border cash used to facilitate terrorism and criminal activities. The training, conducted in three Middle Eastern countries, emphasized the need to investigate the source, destination, and organization behind cash smuggling, and stressed FATF requirements on reporting of outbound/inbound currency and working with Financial Intelligence Units. Based on the vulnerabilities uncovered during this training, one country moved aggressively to implement new laws and regulations. Due to high demand, the State Department is planning to increase the number of courses offered and to provide this training to countries in other geographical regions.

Increasing Economic Development. Development is central to the President's National Security Strategy. Expanding the circle of prosperity is critical to our national security. Poverty, weak institutions, and corruption can turn nations of great potential into recruiting grounds for terrorists. Well-conceived targeted aid is a potential leveraging instrument that can help countries implement sound economic policies, helping to improve the conditions that terrorists exploit.

The Millennium Challenge Account, established by Congress in 2004 based on President Bush's concept, represents a new model for achieving transformational development by providing assistance to those countries that rule justly, invest in their people and encourage economic freedom. The prospect of an MCA Compact provides a powerful incentive for the poorest countries to reform. Good governance and sound policies, not foreign aid, are the keys to economic development. U.S.

private sector flows to the developing world, including trade and investment ($450.2 billion in 2004), dwarf our foreign aid ($19.7 billion). Unutilized capital in developing countries, owing to weak policies and poor property rights, is estimated to be as high as $9 trillion.

Debt relief for the poorest is another element of our development strategy. Our long-standing support for the Heavily Indebted Poor Countries (HIPC) initiative, as well as for the Multilateral Debt Relief Initiative (MDRI) introduced in 2006, promotes debt sustainability, reduces the likelihood of debt distress and enables the poorest countries to devote additional resources to reducing poverty and promoting economic growth. Our aggressive multilateral and bilateral trade agenda to open agricultural and non-agricultural markets and liberalize financial services, transportation, telecommunications, and government procurement all support development.

The U.S. Agency for International Development (USAID), carries out foreign assistance programs that support key U.S. foreign policy interests and have a positive public diplomacy impact for many people in the developing world. USAID's humanitarian aid programs and its activities in the areas of economic growth, agriculture, trade, health, democracy, and conflict prevention help reduce the risk of countries becoming breeding grounds for terrorism. In Afghanistan, USAID is helping to build a safe, stable society that meets the needs of its people and eliminates an environment in which terrorist groups have flourished. USAID has been on the front lines of support to tsunami-affected countries, garnering goodwill toward the United States among people in the hardest-hit areas. Our rapid humanitarian assistance and generous reconstruction pledge in response to the devastating South Asian earthquake helped Pakistan in its hour of need, tangibly changing hearts and minds about the U.S. role in this predominately Muslim country.

5.2. Support for Pakistan

The 9/11 Commission recommended that the United States "make the difficult long-term commitment to the future of Pakistan" and "support Pakistan's government in its struggle against extremists with a comprehensive effort that extends from military aid to support for better education, so long as Pakistan's leaders remain willing to make difficult choices of their own."

Composition and Levels of Assistance, Including Security and Other Assistance

The USG commitment to a long-term relationship with Pakistan is highlighted by President Bush's pledge to Pakistani President Musharraf to seek from Congress $3 billion in Economic Support Funds (ESF) and Foreign Military Financing (FMF) for Pakistan during the five-year period from FY-2005 through FY-2009. In addition to Economic Support Funds and Foreign Military Financing, the United States Government is also providing other forms of assistance to Pakistan, including funding for Child Survival and Health (CSH), Development Assistance (DA), International Military Education and Training (IMET), International Narcotics and Law Enforcement (INCLE), Anti-Terrorism Assistance (NADR-ATA), Export Control and Border Security (NADR-EXBS), Small Arms and Light Weapons (NADR-SALW), Terrorism Interdiction Programs (NADR-TIP), Food for Peace (P.L. 480 Title I & II), and Emergency Refugee and Migration Assistance (ERMA). The chart below offers a comparison of levels.

Assistance to Pakistan

($ in millions)

Account	FY-2005 (Includes Supplemental.)	FY-2006	FY-2006 Supplemental	FY-2007 Request	FY-2008 Request
CSH	21.000	22.757	5.300	21.700	39.800
DA	29.000	26.990	10.500	29.000	18.000
ESF	297.600	296.595	40.500	350.000	382.900
FMF	298.800	297.000	-	300.000	300.000
IMET	1.885	2.037	-	2.075	2.000
INCLE	32.150	34.97	-	25.500	32.000
NADR-ATA	6.051	6.885	-	8.590	8.000
NADR-CTF	-	-	-	0.100	0.400
NADR-EXBS	1.000	0.700	-	0.600	0.500
NADR-SALW					0.500
NADR-TIP	0.900	1.000	-	1.000	0.900
P.L. 480 Title I & II	-	17.675	-	TBD	TBD
ERMA	-	0	-	-	-
IDFA	-	-	70.000	-	-
TOTAL	688.386	706.609	126.300	738.565	785.000

Approximately $706.6 million in U.S. assistance was provided to Pakistan from monies appropriated for Fiscal Year 2006. In addition, the Administration received a supplemental Fiscal Year 2006 appropriation from Congress for $126.3 million for Pakistan to meet relief needs from the devastating October 8, 2005, earthquake. The Administration requested $738.565 million in assistance for Pakistan for Fiscal Year 2007 and is requesting $785 million for Fiscal Year 2008.

The mix of U.S. assistance for Pakistan reflects the diverse ways that the U.S. Government is cooperating with Pakistan in pursuit of critical U.S. policy goals. These include prosecuting the War on Terror; countering nuclear proliferation; building a stable and democratic Afghanistan; ensuring peace and stability in South Asia through the continuation of the India-Pakistan reconciliation process; supporting Pakistan's efforts to become a modern, prosperous, democratic state; and assisting it in recovering from the October 8, 2005, earthquake.

U.S. Foreign Military Financing (FMF) funding for Pakistan is designed to enhance Pakistan's capabilities in the War on Terror; help it to better control its borders; meet its legitimate defense needs; and make Pakistan more secure so that it can more readily take the steps necessary to build a durable peace with all its neighbors-thus fostering security and stability throughout the South Asia region. FMF is being used by Pakistan to purchase helicopters, aircraft, weapons systems, munitions, and other equipment, which, *inter alia*, has enabled Pakistan's armed forces to operate effectively against foreign terrorists and militants in the rugged border areas along the Pakistan-Afghanistan border. The Pakistani military is continuing major military operations along that border, which to date have resulted in the capture or death of several hundred foreign terrorists and militants, at the expense of the lives of several hundred Pakistani servicemen.

International Military Education and Training (IMET) assistance for Pakistan complements Foreign Military Financing by providing training to Pakistani officers with the aim of promoting military-to-military cooperation, increased professionalism, and enhanced military interoperability between Pakistan and the United States. IMET also assists Pakistan in developing expertise and systems to more effectively manage its defense establishment; builds technical skills for better operation and maintenance of U.S.-origin equipment; and promotes military subordination to democratic civilian rule and respect for human rights. For Fiscal Year 2008, the Administration's International Military Education and Training request is $2.0 million, a slight decrease over the $2.075 million requested for Fiscal Year 2007.

Measures to Ensure that Assistance Has the Greatest Long-Term Positive Impact on the Welfare of Pakistani People and Their Ability to Cooperate Against Terror

Economic Support Funds, Development Assistance, and Child Survival and Health assistance is being used to improve the lives of ordinary Pakistanis; lay the groundwork for the country's sustained economic growth; and strengthen social, political, and economic institutions, thus alleviating the conditions that breed extremism while demonstrating that the U.S. interest in Pakistan extends beyond the War on Terror to concern for the Pakistani people as a whole. Economic Support Funds reduced Pakistan's bilateral debt to the United States by $1 billion in Fiscal Year 2003 and a further $460 million in Fiscal Year 2004. This debt reduction, together with prior comprehensive donor debt rescheduling, enabled Pakistan to reduce its total sovereign debt from 89 percent of gross domestic product in 2000 to 64 percent of gross domestic product in 2004, laying the groundwork for the implementation of economic reforms designed to stabilize its macroeconomic environment, boost economic growth, and reduce poverty.

During Fiscal Year 2007, $200 million in Economic Support Funds are being provided to the Government of Pakistan as budget support to enable the country to carry out further economic and social reforms, expand its poverty alleviation programs, and reform and expand access to public education and health care. Pakistan's use of this money is guided by the Shared Objectives agreed to with the U.S. Government.

A total of approximately $61 million in Fiscal Year 2007 Economic Support Funds and Development Assistance funds ($69 million in Fiscal Year 06) were requested to implement education reform programs in Pakistan and support the Government of Pakistan's education sector reform initiative. Pakistan's literacy rate greatly hampers its ability to develop and expand its economic base. Literacy averages 49 percent nationwide, and in Pakistan's remote tribal areas can be as low as 0.5% for women. The dearth of good public schools results in thousands of youth attending private madrassas, schools teaching only religious subjects, some of which also inculcate a radical, jihadist ideology. To tackle these problems, U.S. Government-funded education programs in Pakistan are aimed at improving the quality of education in Pakistani primary and secondary schools, especially in Baluchistan and Sindh provinces; improving early childhood education; training teachers; increasing parental and community involvement in schools, ensuring that teachers have adequate classroom materials; and promoting the development of a new generation of Pakistani leaders by providing scholarships for disadvantaged students to obtain a higher education. Adult and youth literacy education programs are targeting out-of-school youth and illiterate adult populations, with a focus on women and girls. In addition, student exchanges play a large part in our education efforts, with Pakistan's Fulbright program being the largest in the world.

Democratization is a key focus of U.S. Government assistance toward Pakistan. One of the fundamental tools for combating terrorism over the long-term is democracy. The programs include several mutually reinforcing components: legislative training to increase the effectiveness, transparency, and accountability of Pakistan's provincial and national parliaments; political party strengthening focused on identifying and training young reformers - tomorrow's political leadership; support for increased women's political participation; civil society development designed to increase the capacity of indigenous nongovernmental organizations to serve as policy watchdogs and promote human rights; and independent media training for journalists.

Pakistan trails its South Asian neighbors in almost all key health areas: maternal and infant mortality; safe, affordable family planning; and control of infectious diseases. Fiscal Year 2007 Child Survival and Health funds will be used to increase availability of maternal and child health services, especially in rural areas; to improve healthcare at the provincial and district level through better resource management; to help maintain Pakistan's low human immunodeficiency virus prevalence rate by increasing awareness; to control other infectious diseases; and to improve water and sanitation.

Throughout 2007, Economic Support Funds, Development Assistance, and Child Survival and Health will support reconstruction efforts to rebuild, furnish, and supply health and education sector infrastructure and human resource capacities; to re-establish the livelihoods of earthquake victims; to relocate displaced victims; and to train skilled and unskilled individuals in vocational training, agriculture and livestock development, asset formation, enterprise development, micro-credit, and market restoration.

The Administration is requesting $382.9 million in Economic Support Funds and $39.8 million in Child Survival and Health for Pakistan for Fiscal Year 2008, a combined increase of $51 million from its Fiscal Year 2007 request. This increase is designed to complement Musharraf's Federally Administered Tribal Areas Sustainable Development Plan to improve governance, provide security, and encourage economic development of the border area between Afghanistan and Pakistan. These funds will also help meet earthquake reconstruction needs, with a focus on rebuilding education, economic, social and health care infrastructure, including human capital, in the earthquake zone. The Administration is requesting for Fiscal Year 2008 $18 million in Development Assistance and $39.8 million in Child Survival and Health funds, a decline from the $29 requested for Development Assistance and an increase from the $21.7 requested for Child Survival and

Health in Fiscal Year 2007.

International Narcotics and Law Enforcement funds for Pakistan continue to strengthen border security and enable law enforcement access to remote areas along the Pak-Afghan border - thus enhancing the country's capability to interdict traffickers in narcotics, arms, persons, and contraband, as well as terrorists. International Narcotics and Law Enforcement funds are used to reform, strengthen, and improve cooperation among Pakistan's law enforcement agencies, all of which play an important role in the War on Terror. International Narcotics and Law Enforcement funds support a counternarcotics Air Wing based in Quetta, Baluchistan, operated by Pakistan's Interior Ministry, which includes fixed-wing surveillance aircraft and Huey II helicopters. International Narcotics and Law Enforcement funds are used to procure vehicles and communications, surveillance, and related equipment for border control and counter-narcotics activities. Border security roads that facilitate law enforcement access to inaccessible parts of Pakistan's Federally Administered Tribal Areas are also funded by International Narcotics and Law Enforcement, as are an Automated Fingerprint Identification System and National Criminal Database, and training and equipment to expand law enforcement investigative skills and forensic capacities. In tackling poppy cultivation, International Narcotics and Law Enforcement funds also support crop control, alternative livelihood, and demand reduction programs.

Nonproliferation, Anti-terrorism, Demining, and Related Programs/Export Control and Related Border Security assistance strengthens Pakistan's export control system and thus prevents weapons of mass destruction and related technology transfers that raise proliferation concerns. Nonproliferation, Anti-terrorism, Demining, and Related Programs/Export Control and Related Border Security funds are used for nonproliferation export control training addressing legal/regulatory reform, export licensing systems, and customs enforcement; for general inspection and weapons of mass destruction detection training for border control personnel, and for procuring specialized radiation/chemical-detection equipment. The Administration's $500,000 Fiscal Year 2008 request in Nonproliferation, Anti-terrorism, Demining, and Related Programs/Export Control and Related Border Security assistance represents a slight decrease from the $600,000 requested for Fiscal Year 2007.

Nonproliferation, Anti-terrorism, Demining, and Related Programs/Anti-terrorism Assistance funding for Pakistan enhances the capabilities of elite national police units responsible for counterterrorism investigations and tactical operations. Nonproliferation, Anti-terrorism, Demining, and Related Programs/Anti-terrorism Assistance trained the Special Investigation Group and crisis response teams that were integral in making arrests after the December 2003 assassination attempts on President Musharraf and the May 2004 car bombs near the U.S Consulate in Karachi. The Administration's Fiscal Year 2008 request of $8 million for Nonproliferation, Anti-terrorism, Demining, and Related Programs/Anti-terrorism Assistance represents a decrease from the $8.59 million requested in Fiscal Year 2007.

Nonproliferation, Anti-terrorism, Demining, and Related Programs/Terrorism Interdiction Programs funding for Pakistan is being used to support the Personal Identification Secure Comparison Evaluation System automated border control system, including to sustain ongoing program operations and to expand coverage to additional Pakistani ports-of-entry. The Administration is requesting $900,000 in Nonproliferation, Anti-terrorism, Demining, and Related Programs/Terrorism Interdiction Programs funds for Pakistan for Fiscal Year 2008, a slight decrease from the $1 million requested for Fiscal Year 2007

The Administration is requesting $400,000 in Nonproliferation, Anti-terrorism, Demining, and Related Programs/Counter-Terrorism Finance funds for Fiscal Year 2008, an increase from the $100,000 requested in Fiscal Year 2007, to support assignment of a resident legal advisor to U.S. Embassy Islamabad. The legal advisor will assist the Pakistani government in establishing the counter-terrorist finance infrastructure needed to prevent money flows to terrorist groups.

Measures to Alleviate Difficulties, Misunderstandings, and Complications in U.S.-Pakistani Relations

The United States and Pakistan engage in extensive consultations to ensure that U.S. foreign assistance has the greatest long-term benefit for Pakistanis and also enhances the country's ability to cooperate in the global War on Terror. This is exemplified by the annual consultations that result in mutually-agreed Shared Objectives for the Government of Pakistan's use of $200 million in Economic Support Funds in direct budget support. The United States also participates in the annual Pakistan Development Forum, which brings together the Government of Pakistan and bilateral and multilateral donors to discuss Pakistan's development priorities and assistance needs. The United States holds regular consultations with major donors, including the European Union, Japan, and World Bank, to ensure that assistance to Pakistan is effectively coordinated and that its impact is maximized.

U.S. public diplomacy programs in Pakistan play a critical role in improving mutual understanding, garnering Pakistani support for United States policies, supporting Pakistani reforms; and laying the foundation for a stable, productive, long-term U.S.-Pakistan relationship. U.S. public diplomacy efforts include: people-to-people exchanges to bring Pakistani students, journalists, academics, politicians, and other opinion leaders to the U.S. for academic programs and study tours; placement of articles and opinion pieces in the Pakistani media and interaction with Pakistani journalists to explain U.S. policies; and public speeches and appearances by the U.S. Ambassador to Pakistan, other U.S. mission staff, and American exchange visitors.

5.3. Collaboration with Saudi Arabia

Steps to Institutionalize and Make More Transparent Government-to-Government Relations

The U.S.-Saudi Strategic Dialogue, inaugurated in November 2005 by Secretary Rice and Foreign Minister Saud al-Faisal and reporting to President Bush and King Abdullah, continues to be the highest level institutionalized forum for coordinating U.S. and Saudi interests. The Strategic Dialogue consists of six working groups focusing on human development, economy, energy, consular affairs, military cooperation, and counterterrorism. These Strategic Dialogue working groups meet periodically to address issues ranging from reform to human rights to visas to child custody cases to security cooperation. Ministerial-level meetings, dealing with bilateral issues of strategic importance, are held as part of the Strategic Dialogue.

Intelligence and Security Cooperation in the Fight against Islamic Terrorism

The United States and Saudi Arabia have an ongoing and robust dialogue on a full range of counterterrorism issues, including regular high-level discussions and close working-level collaboration. Saudi cooperation in this area is significant, and U.S. law enforcement and intelligence agencies have benefited and continue to

benefit greatly from Saudi information and intelligence on individuals and organizations. U.S. law enforcement agencies have provided counterterrorism training to Saudi security services in both Saudi Arabia and in the United States. We hope to continue to build upon past cooperation and training through additional CT initiatives.

In 2006, Saudi Arabia improved its capabilities to disrupt terrorist organizations and operations and attempted to preempt the resurgence of al-Qaida and any potential attacks. Since May 2003, the Saudi government has killed or captured al-Qaida's operational Saudi-based senior leadership, as well as almost all of the network's key operatives and many of the Kingdom's most wanted individuals. Saudi security forces killed or captured within four months all of the members of the al-Qaida cell that conducted the February 2006 attack on Aramco's Abqaiq facility. On August 21, five wanted terrorists surrendered in response to government assurances in the media that they would receive mitigated sentences. The Saudi government continues to arrest individuals associated with terrorism, including nascent operational cells and members of facilitation networks for terrorist groups in Iraq and South Asia, including al-Qaida.

In November 2006, the Saudi government announced that security forces had captured 136 known or suspected terrorists or those who supported terrorist networks during the previous three months, continuing a trend in which hundreds of terrorist suspects have been killed or captured since 2003. However, the United States continues to urge Saudi Arabia to take action against additional key terrorist financiers and facilitators in the Kingdom. The U.S. and Saudi Arabian cooperation on designations in the UN 1267 Committee has also been good. The Saudi Arabian Monetary Authority circulates to all financial institutions under its supervision the names of suspected terrorists and terrorist organizations on the UNSCR 1267 Sanctions Committee's consolidated list.

Saudi Contribution to Stability in the Middle East and Islamic World, Including the Middle East Peace Process, by Eliminating Support for Extremist Groups

Saudi Arabia was one of the first countries to condemn the September 11 attacks and provided key logistical support to U.S. forces in Afghanistan. Saudi Arabia has been an important partner in the War on Terror, particularly since the onset of the al-Qaida-sponsored terror campaign inside the Kingdom in 2003. Saudi Arabia also has strengthened its border controls and security and, in particular, its border with Iraq. These efforts have hampered the flow of terrorists and weapons across the border

The United States and Saudi Arabia have worked closely to combat extremist groups and tendencies in Saudi Arabia. The government continued its wide-ranging re-education and training program that requires all government-sponsored religious leaders to attend courses designed to eliminate extremist ideology from mosques. Those who fail to abide by government directives have been fired or reassigned. Several religious leaders were fired or subjected to punitive action for failure to abide by government instructions to avoid provocative speeches against non-Muslims and non-Sunni Muslims. In previous years in some mosques, a second preacher would appear after the main preacher during the Friday prayer and speak provocatively against Americans, Jews, or non-orthodox Muslims. This practice is less prevalent now, due in large part to the government's efforts to combat extremism in the mosques.

In the cultural arena, official visits by a number of U.S. officials, including Ambassador-at-Large for International Religious Freedom John Hanford, highlighted the government's efforts to remove references in textbooks that promote hatred towards non-Muslims and Muslims of different sects. Senior Saudi officials have acknowledged the need to combat extremism by addressing comprehensive education reform. In November 2006, the King Abdul Aziz Center for National Dialogue held the Sixth National Dialogue Forum in Al-Jawf called "Education: Reality and Promises." The Dialogue produced a "road map" for educational reform, including revision of textbooks, curricula, and teaching methods to promote tolerance. The government also initiated the National Campaign to Counter Terrorism, which includes publications, lectures, and workshops intended to educate school-age girls and boys about the evils of terrorism. Additionally, The Ministry of Education recently issued a new regulation that allows only Ministry-approved summer camps to operate.

Political and Economic Reform in Saudi Arabia and Throughout the Islamic World

Since 2005, Saudi Arabia has taken incremental steps toward political reform through holding municipal city council elections and allowing women to both vote in and compete for seats in chamber of commerce elections and the Saudi Engineer's Council. The United States welcomed the municipal elections as an opportunity to increase citizen participation in government and to increase government accountability. However, in the future the United States hopes to see the inclusion of women in the municipal elections, further expansion of citizen participation in politics, and the development of independent political and civil society institutions.

In 2006, there was also greater involvement in government activities by the Majlis Al-Shura (the Consultative Council) and the 178 municipal councils. Despite increased public and media discourse about human rights, the overall human rights environment remained poor.

The United States sponsors a variety of initiatives focused on increasing freedom and opportunity for Saudi citizens, including the Middle East Partnership Initiative (MEPI), support to the Middle East Democracy Assistance Dialogue and the Broader Middle East and North Africa (BMENA) Civil Society Dialogue, and a broad variety of public diplomacy educational, exchange, and outreach programs of the State Department's Bureaus of Educational and Cultural Affairs and International Information Programs. With MEPI support, Junior Achievement International--a program to educate youth on the benefits of free enterprise, business, and economics--will focus on opening a new chapter in Saudi Arabia this summer. MEPI also is supporting the creation of a women's business hub in the kingdom to expand the participation and variety of economic opportunities for women.

Higher oil prices bolstered the Saudi economy in 2006, resulting in a budget surplus of roughly $71 billion. In addition to reducing the national debt, Saudi Arabia is re-investing much of the surplus revenue in ambitious social development and massive infrastructure projects. The government also has supported investments to diversify the economy away from petroleum and the petrochemical industry. Saudi Arabia's accession to the World Trade Organization in December 2005 strengthened the Kingdom's ability to attract foreign investment.

Ways to Promote Greater Tolerance and Respect for Cultural and Religious Diversity in Saudi Arabia and Throughout the Islamic World

In November 2006, the Secretary of State designated Saudi Arabia a "Country of Particular Concern" pursuant to the International Religious Freedom Act. This is an important element of our bilateral dialogue with the Saudi government. The United States is working to promote religious and cultural diversity in Saudi Arabia

and counter the spread of extremist ideology through high-level engagement and through exchange programs aimed at reaching key population groups. We also support efforts to promote moderation and tolerance, such as King Abdullah's National Dialogue initiative.

On April 25, 2005, following the visit of then-Crown Prince Abdullah to Crawford, Texas, the United States and Saudi Arabia issued a joint declaration noting that "future relations must rest on a foundation of broad cooperation. We must work to expand dialogue, understanding, and interactions between our citizens." The declaration noted that such cooperation would include programs designed to:

- Increase the number of young Saudi students traveling and studying in the U.S.;
- Increase military exchange programs so that more Saudi officers visit the U.S. for

military training and education; and

- Increase the number of Americans traveling to work and study in Saudi Arabia.

In 2005, Saudi Arabia initiated a scholarship program to increase the number of young Saudi men and women pursuing undergraduate and graduate studies in the United States. By 2006, more than 15,000 Saudis were studying in the United States on government scholarships.

Ways to Assist Saudi Arabia in Reversing the Impact of Financial, Moral, Intellectual, or Other Support to Extremist Groups in Saudi Arabia and Other Countries, and to Prevent this Support from Continuing in the Future

The United States and Saudi Arabia work closely together to combat terrorism in Saudi Arabia and abroad. This includes collaboration on countering terrorist financing. The United States and Saudi Arabia have established a Joint Task Force on Terrorism Finance (JTFTF) that has strived to improve cooperation on combating terrorist financing. However, the Saudis still have not established a High Commission for Charities to oversee all charities in Saudi Arabia. Although the Saudis have increased oversight and monitoring of domestic charities, the government does not subject the foreign activities of Saudi-based international charities to the same level of scrutiny. Additionally, although the Saudis announced plans to establish the Commission for Relief and Charitable Works Abroad to oversee the activities of Saudi charities overseas, this body is not yet functioning.

The United States and Saudi Arabia have worked together to jointly designate entities to the UN 1267 Committee, and the Saudis have submitted over 20 names. To combat terrorist financing, Saudi Arabia has instituted new anti-money laundering and counterterrorism finance laws and regulations, including removing charity boxes from mosques, restricting the amount of cash that can be carried into or out of the Kingdom, and establishing a Financial Investigations Unit (FIU) in the Ministry of Interior to investigate money-laundering cases. However, the Customs authorities have not yet implemented the new regulations governing the movement of cash across Saudi Arabia's border.

5.4. The Struggle of Ideas in the Islamic World

Public diplomacy is essential to a successful foreign policy and to America's national security. The United States recognizes that the global and generational challenge of countering terrorism is, at its heart, a contest of ideas and values, and that America is more secure when people around the world share the same hopes and freedoms.

Goals for Winning the Struggle of Ideas

The State Department's public diplomacy work is guided by three strategic imperatives. First and foremost, it continues to offer a positive vision of hope and opportunity rooted in the enduring U.S. commitment to freedom. It promotes the fundamental and universal rights of free speech and assembly, the freedom to worship, the rule of law, and rights for women and minorities. It strives to isolate and marginalize violent extremists and undermine their efforts to exploit religion to rationalize their acts of terror. Finally, it fosters a sense of common interests and common values between Americans and people around the world.

Tools to Accomplish Such Goals

The United States advances these strategic objectives by vigorously engaging foreign publics to explain and advocate American policies. Reaching foreign audiences with core policy messages on democracy, tolerance, and the universal values of liberty, justice, and respect are at the center of U.S. efforts to counter extremist rhetoric and disinformation coming from hostile groups.

The United States is promoting increased exchanges, which exemplify the transformative power of American global engagement. The significance of people-to-people exchanges has never been more clear or compelling. The 9/11 Commission Report recognizes the essential contribution exchanges make to national security. The National Intelligence Reform Act of 2004 reaffirms the importance of America's commitment to exchanges.

The United States is expanding educational opportunities as the path to hope and opportunity. English language programs not only provide crucial skills but also open a window to information about the United States, its people, and its values. Americans must also better educate themselves about the world; the President's National Strategic Languages Initiative will encourage more American students to study critical languages such as Chinese and Arabic.

Responding to and quickly debunking misinformation, conspiracy theories, and urban legends is crucial for success in the war of ideas. The State Department maintains a public "Identifying Misinformation" website, in English and Arabic, devoted to countering false stories that appear in extremist and other web sources. The site focuses on disinformation likely to end up in the mainstream media. Embassies have used information from this site to counter disinformation in extremist print publications in Pakistan and other countries. One article, "A Trio of Disinformers," was the subject of a 1,100-word front-page article in an issue of the influential pan-Arab newspaper al-Sharq al-Awsat. "Identifying Misinformation" is featured on the usinfo.state.gov website, and is listed first of 17.6 million sites in a Google search for the term "misinformation." At least 49 websites have direct links to it.

The Internet, radio, television, and video products remain powerful tools for bringing America's foreign policy message to worldwide audiences. The State Department produces a wide array of print and electronic materials describing for foreign audiences, in their own languages, the need to counter those who have

committed or wish to commit terrorist acts, as well as the achievements made in that struggle.

The State Department's premier web page to explain U.S. counterterrorism policy is "Response to Terrorism," created more than seven years ago and featured on usinfo.state.gov. The site is listed third out of 241 million sites in a Google search for the terms "terrorism U.S." At least 133 websites link directly to it.

In addition to featuring articles, texts, and transcripts from key policymakers, this site provides valuable links to the Electronic Journals series, the National Strategy for Combating Terrorism, the designated Foreign Terrorist Organization list, and the State Department's Country Reports on Terrorism. "Response to Terrorism" is located on the Internet at: http://usinfo.state.gov/is/international_security/terrorism.html.

Support for and understanding of the United States go hand-in-hand with strengthening and empowering the voices most credible to speak out in favor of tolerance and rule of law to counter the violent extremists' message of hate and terror. One of public diplomacy's greatest assets is the American people. Empowerment of individuals and groups--from all walks of life--is a key aspect of the Department's public diplomacy efforts.

As we actively prosecute the struggle of ideas, we need to recognize that this will require a long-term effort spanning years and generations. For that reason, we are placing increased emphasis on programs directed at younger audiences, including undergraduate and, in select cases, high school students.

The U.S. Government's assistance programs, administered through USAID, the Middle East Partnership Initiative, the Millennium Challenge Corporation, and other U.S. entities, advance U.S. interests in this area directly through programs to increase access to education, improve health care and empower people to build better lives. Civic engagement is an important component. Assistance programs to strengthen and professionalize independent media and civic society contribute to opening the "marketplace of ideas," as well as support development and reform across the board.

Through the $66 million in FY 2006 supplemental funds for civil society development, broadcasting, and exchange efforts related to Iran, we have dramatically increased our ability to speak directly to the Iranian people and Diaspora. This supports efforts to clarify U.S. policy objectives to the Iranian people and to increase pressure on the Iranian regime to suspend its funding of extremist activities abroad.

Benchmarks for Measuring Success and Linking Resources to Accomplishments

In 2004, State established the Public Diplomacy Evaluation Office (PDEO). Its mandate is to evaluate all major public diplomacy and exchange programs individually as well as provide an overall strategic framework for public diplomacy assessment.

The PDEO has researched other government public diplomacy evaluation and measurement tools and it is considered one of the most advanced in terms of measuring outcomes of public diplomacy. Organizations as diverse as the Peace Corps, Department of Defense, the British Council, the World Bank, and non-profits in Italy, Japan, and the Netherlands have all consulted with the PDEO on how to measure public diplomacy activities.

The measures used by the PDEO are based upon recognized social and behavioral science methodologies and include measuring changes in audience attitudes (knowledge, skills, perceptions, and understanding), behavior, and condition. Examples include:

- Improved or increased understanding of the United States, its policies and values;
- Initiated or implemented "positive" change within an individual's organization--positive referring to changes that support U.S. ideals and values;
- Institutional partnerships and linkages and on-going collaboration; and
- Changes in editorial content in major media.

Participation in International Institutions for the Promotion of Democracy and Economic Diversification

The United States is a leading participant in many international organizations, such as the United Nations and NATO, that are important to the struggle of ideas and the War on Terror. We also play a leading role in other initiatives, such as the Forum for the Future and the Community of Democracies, which stimulate cooperation with other nations to advance the agenda of freedom. For the first time since its creation in 2000, the Community of Democracies, in response to U.S. recommendations, created regional dialogues which brought together governmental and non-governmental organization representatives from each region, including the Middle East, to discuss the particular challenges and solutions unique to their area. We will continue to seek opportunities to build on the momentum coming out of the April ministerial, particularly in support of the Forum for the Future and the Broader Middle East and North Africa (BMENA) processes.

U.S. Assistance Sufficient to Convince Allies and People in the Islamic World that the United States is Committed to Winning This Struggle

U.S. assistance programs are intended to improve economic conditions and opportunities in developing countries around the world, thereby serving the U.S. national interest in a more prosperous and secure international community. Our assistance can have the additional impact of demonstrating our commitment to help poorer countries or countries in special need, as we saw after the tsunami of 2004, and the Pakistan earthquake of 2005. There is, however, no set amount of money or time that we could identify as being sufficient to win the struggle of ideas.

5.5. Outreach through Broadcast Media

This section is provided by the Broadcasting Board of Governors (BBG).

Broadcasting Board of Governors Initiatives: Outreach to Foreign Muslim Audiences

The Broadcasting Board of Governors (BBG) continues to build its capacity to broadcast to Muslim populations in the Middle East and other parts of the world. In the past four years, the establishment of the Middle East Broadcasting Networks (MBN) illustrates the urgency and gravity of the broadcast priorities associated with the nation's War on Terror. Radio Sawa and Alhurra television's 24/7 Arabic broadcasts reach audiences in 22 countries in the Middle East as well as throughout

Europe.

In 2006, the BBG made further progress in implementing its broadcast strategy across the broad geographical and cultural landscape of the Middle East and beyond. A dramatic increase in the Persian language television programming of the Voice of America has been a singular accomplishment, providing four hours of original television news and information each day to the people of Iran. A 12-hour stream of programming is expected to be on line by April 2007. At the same time, Radio Free Europe/Radio Liberty strengthened its 24/7 Persian broadcasts via Radio Farda by adding 30 minutes of additional daily news programming, as well as creating a more substantive, interactive website that enhances our ability to communicate directly with the Iranian people.

Through the combined skills of broadcasters at MBN, VOA, RFE/RL, and Radio Free Asia, the BBG is securing a public diplomacy strategy that mirrors U.S. national security priorities and focuses on nations that may suffer from, or contribute to, the scourge of terrorism. The implementation of this strategy focuses on building BBG's reach and impact within the Islamic world; facilitating citizen discourse; engaging the world in conversation about America; enhancing program delivery; helping audiences understand the principles of democratic societies; and employing modern communication techniques. The rigorous use of research, more frequent program review and oversight, and more compelling broadcast formats that will resonate in competitive, but critical, international markets remain crucial to this strategy. But underlying these techniques, the journalistic product and integrity remain the same. BBG broadcasters provide accurate, objective, and comprehensive news and information.

As BBG resources have shifted from areas of the world where the local media are increasingly free and robust to the Middle East and Southwest Asia, the BBG has created a new broadcast entity, MBN, and refocused the broadcasts of others. RFE/RL is now a major broadcaster to Iran, Iraq and Afghanistan. RFE/RL reaches audiences in the Muslim countries of Uzbekistan, Kazakhstan, Turkmenistan, Kyrgyzstan, Tajikistan, and Azerbaijan as well as the majority Muslim populations of Tatarstan, Bashkortostan, and the North Caucasus. VOA has similarly reduced its broadcasts to Europe, increasing its focus on Iran, Afghanistan, Indonesia, Pakistan, and other critical nations.

During the past year, BBG's broadcasters harnessed their broad journalistic resources to fully report on issues such as the Israeli-Hezbollah conflict in Lebanon, to provide a program perspective that is often lacking in media outlets abroad. BBG correspondents in the Unites States and around the world contribute to coverage available in 58 languages. Live, simultaneous interpretation of Presidential speeches, such as the State of the Union, and of Congressional hearings enables Muslim audiences to hear the President's message, as well as the Democratic response.

Arabic Broadcasting. To effectively communicate with the predominantly young audiences in the Middle East, the BBG created a new concept in international broadcasting - Radio Sawa - a 24/7 network of stations specifically designed to reach the large segment of the Arabic-speaking population under the age of 35. Radio Sawa went on the air in March 2002, quickly attracting and sustaining a loyal audience throughout the Middle East, as new transmission sites were added throughout the region. In 2007, Radio Sawa continues to broadcast accurate, authoritative, comprehensive, and timely news about the Middle East, the United States, and the world. In addition to 325 newscasts per week, Radio Sawa offers discussion and informational programs such as the popular "Sawa Chat" interactive feature and the "Free Zone," a weekly review and discussion of democracy and freedom as they relate specifically to the Middle East. Feature programs encourage discussion of key social and political issues in a manner very different from indigenous Arab media.

Radio Sawa broadcasts on FM in Morocco (Rabat, Casablanca, Tangier, Meknes, Marrakesh, Agadir and Fes), Jordan (Amman and Ajlun), the Palestinian Territories (Ramallah and Jenin), Kuwait (Kuwait City), Bahrain (Manama), Qatar (Doha), U.A.E. (Abu Dhabi and Dubai), Iraq (Baghdad, Nasinya, Basra, Mosul, Kirkuk, Sulimaniya and Erbil), Lebanon (Beirut, North Lebanon, South Lebanon and Bekaa Valley), and Djibouti. Radio Sawa broadcasts on medium wave to Egypt, Yemen, Saudi Arabia, and Sudan. However, Radio Sawa recently received permission from Sudan to expand its reach in that country and broadcast Radio Sawa on FM transmitters throughout Sudan. By broadcasting on FM, Radio Sawa increases the number of listeners who can receive objective news and information about Sudan, the Middle East, and the world.

Building on the success of Radio Sawa, the BBG launched Alhurra Television on February 14, 2004, covering 22 countries in the Middle East via the same satellites used by major indigenous Arabic channels. In the three years Alhurra has been broadcasting 24/7, the channel has provided in-depth coverage of historic events, such as elections throughout the Middle East including Iraq, the Palestinian Territories, Egypt, U.A.E., Kuwait, Bahrain, and Israel. Alhurra has been a consistent leader reporting on and analyzing new democratic trends in the Middle East. Through objective and accurate reporting, Alhurra has been an example of a free press to the region and has become a trusted source of news for its estimated 20 million weekly viewers. In 2006, Alhurra expanded its live and breaking news coverage to provide viewers with the latest news and information as it is happening.

Alhurra also gives its audience insights into life in America and the American system of government. During the U.S. electoral campaign in 2004 and the midterm elections in 2006, Alhurra provided daily in-depth coverage of the candidates and the issues that impacted the U.S. elections. Broad coverage of the U.S. elections provided an opportunity to showcase the political institutions of the United States. Alhurra also dramatically increased its live news coverage of events and speeches by President Bush, Secretary of State Rice, and members of Congress. Additionally, Alhurra has reporters that cover the White House, Congress, State Department and the Pentagon. Alhurra's current affairs programs also highlight the U.S. Inside Washington takes viewers behind the scenes of the political process in Washington with guests such as Supreme Court Justice Antonin Scalia, former Secretary of State Alexander Haig, and Representatives Howard Berman, Ileana Ros-Lehtinen, Tom Lantos, and Peter Hoekstra. The network also produced a documentary series on American culture and values, and Americans, which proved to be a popular program with audiences and the Arabic press.

Alhurra is also producing programs to provide a forum for discussion on sensitive issues such as human rights and the rights of women. Current affairs programs like Alhurra's Equality continue to be unique in the region's media, due to the limitations imposed by the countries that finance regional television networks. Hosted by Saudi journalist Nadine Al-Bdair, the program discusses the rights of women and tackles subjects such as young girls being forced into marriage, the right of women to drive and the rights of women in Islam. There has been incredible feedback on this program and others, some praising the courageousness of this program and others condemning Alhurra for discussing these topics. In 2006, Alhurra also launched Eye on Democracy focusing on democratic efforts throughout the Middle East and human rights abuses in the region.

Throughout its three-year history, Alhurra has provided a forum for discussion of important topics by a wide variety of experts including the all-important voices of

moderation. Alhurra's talk shows, roundtables, and documentaries have routinely tackled vital topics that are taboo on many other stations in the region, including the struggle for human rights, the position of women in Arab society, religious freedom, freedom of the press, and freedom of expression.

Radio Sawa and Alhurra Television continue to grow in popularity and credibility and now reach a total unduplicated audience of 35 million adults 15 and older according to international research firms such as ACNielsen and Ipsos. The surveys show that, despite high levels of anti-American sentiment throughout the region, both Alhurra and Radio Sawa are regarded as credible sources of news and information by their audiences.

Iraq. Alhurra Iraq, a special television stream containing more concentrated news and information to and about Iraq, began broadcasting in April 2004. Through satellite and terrestrial broadcasting in Iraq, Alhurra has gained a foothold in one of the most competitive TV marketplaces in the world. Alhurra's goal is to help its viewers make educated and informed decisions about political, social, and economic events affecting their lives. To this end, during the historic elections in Iraq, Alhurra produced and broadcast the first televised electoral debate in Iraq's history, featuring six candidates representing the major political parties. This historic debate brought about a candid discussion among the candidates and provided a forum for the viewers to be able to compare and contrast each of the parties' candidates.

RFE/RL's **Radio Free Iraq** continues to provide the Iraqi people with breaking news and in-depth coverage of developments in Iraq and the Middle East. RFI appeals to a wide spectrum of listeners in Iraq, covering the most significant political issues in the country through its extensive network of stringers reporting through its Baghdad bureau. During 2006, the editors in Prague continued to develop thematic programming focused on democracy-building, and an enhanced website has shown strong growth topping more than 170,000 page views in December. A December 2005 survey showed listening rates for RFI at a weekly level of 21.6 percent.

Radio Free Iraq provided extensive coverage of President Bush's trip to the Middle East in November 2006, and aired a special broadcast on President Bush's talks in Jordan with Iraqi Prime Minister Nuri Kamal al-Maliki. The program included reports from RFI correspondents in Amman on the President's joint press conference with al-Maliki, with lengthy excerpts of statements by the two leaders, analysis and reactions within Iraq.

Throughout December, RFI devoted substantial airtime to the report of the Iraq Study Group. Coverage focused on the report's content, analysis by experts, and local and international reactions to its findings. RFI presented the positions of Iraqi national and regional leaders, and statements by leaders in the United States, Britain, Israel, Jordan, Syria, and Egypt. RFI correspondents interviewed political analysts, commentators and advisers to politicians in Baghdad, Damascus, Tel Aviv, Washington, Arbil, and Kut, airing a range of views and responses.

Weekly programs such as "Human Rights in Iraq" provided a forum for extensive coverage of the trial of Saddam Hussein, in addition to the daily coverage of the trial when it was in session. On November 5, RFI broke into regular programming to bring a live report with the verdict, followed by a special half-hour program of live reactions from five Iraqi cities--Baghdad, Tikrit, Mosul, Amara, and Basra--and statements from President Bush and Iraqi government officials. The same format was used the day of the execution.

Arabic In Europe. In August 2006, Alhurra Europe was launched to bring together the best programs of Alhurra and Alhurra-Iraq to the Arabic-speaking population in Europe. Alhurra Europe can be seen on the Hotbird satellite system that reaches all of Europe.

Kurdish. Broadcasting four hours of daily radio programming, VOA's Kurdish Service remains highly popular. According to a 2006 survey conducted by InterMedia Research, VOA's Kurdish Service scored a 31 percent audience share among the Kurds of Iraq. The survey stated: "In fact, no radio station ranks higher in terms of reliability," and added: "VOA occupies a unique position among Iraqi Kurds as it is the only major international broadcaster offering programs in the Kurdish language." VOA Kurdish focuses on the Iraqi scene through a network of stringers, with special programs and call-in shows devoted to combating extremism inside the country and the surrounding region. Special coverage highlighted the debate among Kurds on the role of Islam in the regional and national constitutions of Iraq. In interviews with VOA Kurdish, moderate Kurdish-speaking clerics tried to calm the passions raised by the Pope's comments on Islam. The Iranian regime's nuclear ambitions and its support for extremist groups in Iraq and in the Middle East received particular coverage in the form of interviews and panel discussions.

Iran. Broadcasting to Iran remains a key BBG priority. Pursuant to increased funding, VOA Persian television to Iran essentially doubled its broadcast hours over 2005 levels by June 2006, and expanded fourfold by October 2006. This programming has been met in Iran with open arms.

VOA's current television lineup includes: NewsTalk, a discussion program with a panel of experts who examine the day's headlines; News and Views, VOA Persian's flagship program featuring live news coverage of the latest headlines from Iran and the world; Roundtable, a call-in and discussion program on politics and current affairs; and Late Edition, a daily nightly wrap-up of the day's news, which is targeted to a younger audience. Programming on human rights, democratic governance, freedom of speech, the rights of women and ethnic minorities, the issue of nuclear energy vs. nuclear weapon development, and news and analysis are constant features of our programming.

This year, Persian television featured an impressive array of prominent guests including Under Secretary of State Nicholas Burns; Principal Deputy Assistant Secretary for Near Eastern Affairs James Jeffrey; Nobel Peace Prize laureate Shirin Ebadi; journalist Akbar Gandji, recently released from jail; Holocaust survivor Elie Wiesel; and many U.S. senators and representatives. VOA TV has also covered Senate and House hearings on Iran. In the near future, the Service will launch a series on 28 years after the Islamic Revolution in Iran and the impact it has had on that country and the region.

Other program examples include: an interview with Ted Koppel about his documentary, "Iran - the Most Dangerous Nation," which explored the generation gap in Iran between aging clerics and the 70 percent of the population below the age of 30; an interview with former CIA Director James Woolsey at the American Foreign Policy Council conference, "Understanding the Iranian Threat"; coverage of testimony by General John Abizaid, Senior Advisor to the Secretary of State and Coordinator for Iraq David Satterfield, and CIA Director Michael Hayden before the Senate Armed Services Committee; live broadcast, with simultaneous translation into Persian, of President Bush's January 11 address to the nation about increasing the number of troops in Iraq; commentaries from Iraqi government officials welcoming President Bush's new strategy for their country; U.N. Secretary-General Ban Ki-Moon's statement that the UN backs any genuine efforts to improve security for Iraqis and to stabilize the country; and commentaries from Capitol Hill on the President's new Iraq strategy.

VOA devotes significant effort to hard-hitting topics on the role of religion in society, including Iranian regime's use or abuse of Islam to solidify its control of power, as well as to justify the oppression of women and limit free speech, free association and freedom of religion. These stories generate massive email response and other feedback from Iran, as well as from Persian-speaking populations in Kuwait, the UAE, Qatar, Saudi Arabia, Iraq, Turkey, Syria, and Lebanon.

In 2006, **Radio Farda,** a joint service of RFE/RL and VOA, continued to broadcast to Iran 24 hours a day, with a goal of providing Iran's predominantly young population news and information. As Radio Farda has matured, and as funding has supported the addition of larger blocks of news and information, it has done so in its tradition as a "surrogate" broadcaster, presenting news about the country to which it broadcasts. Current broadcasts include over eight hours of news and information programming daily, with popular Persian and western music drawing in the younger audience. Radio Farda finds direct sources of information from within Iran in spite of the challenging environment for journalism.

Radio Farda reaches significant audiences in Iran, in spite of Iran's consistent jamming. Listening remained stable at 13.5 percent -- the highest weekly reach rate of any international broadcaster, and more than double that of BBC's Persian service. Among its key target group, youth aged 18-29, Farda's weekly reach was 28.7 percent. Utilizing new resources provided by the U.S. Congress, Radio Farda has augmented its website to expand breadth of content -- more stories to read, more images to view, and more opportunities to comment on news and information. December 2006 was the first full month of operations for the revamped Farda site, which showed a million-page increase in usage over the previous month.

The Internet will become increasingly important in the lives of Iranians seeking objective news and information about Iran and the world. Radio Farda's new site also brings a new level of interactivity to Radio Farda. This includes the "Most Popular and Most Emailed Stories" and "Farda Club" - for moderated discussions and blogs, providing immediate feedback from users to Radio Farda and other users During the first 30 minutes that the site was live, about 500 visitors viewed a story on a protest at the Amir Kabir University.

Farda also provided thorough news coverage and analysis of the December 15, 2006, Assembly of Experts and municipal elections held throughout Iran, widely considered a setback for conservative forces aligned with President Mahmoud Ahmadinejad. In addition to pre-election analysis and hour-by-hour coverage of the voting from correspondents in all provinces on Election Day, Radio Farda broadcast comments from both Iranian party leaders and international experts on Iran.

Radio Farda provides Iranians with both breaking news and updates on social and political movements and unrest in their country, including such issues as the strikes by Iranian workers. Farda aired comments from student leaders, who proclaimed their solidarity with striking workers, as well as an exclusive eyewitness account from an Iranian trade union official of the surprise arrest of union leader Mansour Osanlou in Tehran. Radio Farda has provided ongoing coverage of ethnic unrest among the Azeri and Kurdish population of Iran.

In its human rights reporting, Radio Farda covered government attacks against women, including the Tehran police dispersing a gathering to mark International Women's Day by beating the assembled women. On December 11, 2006, within minutes of receiving word that students at Tehran's Amir Kabir University were heckling President Ahmadinejad during a speech he was giving, Radio Farda reported the news to its listeners around the country.

Pakistan. Since VOA introduced a new, youth-oriented, 12/7 radio station called ***Radio Aap ki Dunyaa*** *(Your World)* in 2004, the station has continued to attract a growing number of listeners with its contemporary format that includes news, information, roundtable discussions, call-in shows, interviews, features, and music. Research indicates that *Radio Aap ki Dunyaa's* audience has doubled since its debut. The programs target Pakistani listeners between the ages of 15 and 39 - which account for some 60 million of Pakistan's 150 million residents - as well as millions more potential listeners in India, the Gulf, and the Diaspora. To increase *Radio Aap ki Dunyaa's* reach, VOA introduced a bilingual web page that offers live audio streaming of news and entertainment programming.

Stories of interest to VOA's Muslim audience are a central part of the Urdu Service's programming on radio, the Web, and television. The Service provided detailed coverage of the 2006 U.S. mid-term elections, with a particular focus on the perspectives of American Muslims, both Republican and Democratic. VOA followed the campaign and successful election of Congressman Keith Ellison (D-MN), the first Muslim member of Congress. The Urdu Service also covered the observations by American Muslims of Ramadan, the month of fasting, with daily television features, including special packages on iftar (breaking of the fast) at the White House, and on the participation of Karen Hughes, Under Secretary of State for Public Diplomacy, in Washington-area celebrations of Eid, the last day of Ramadan and the most important holy day in Islam. A five-part interfaith discussion underscored freedom of religion in the United States.

VOA's Urdu Service entered the television market in November 2005 with a 30-minute program, "Beyond the Headlines," a news magazine featuring current affairs, discussions of issues behind the news, and feature stories illustrating shared values between Pakistanis and Americans. The show airs every weekday during prime time on GEO, Pakistan's most widely watched satellite TV channel. The program includes in-depth reports from VOA's Islamabad bureau on Pakistani politics and cultural issues; hard-hitting interviews with newsmakers, policy experts, diplomats and journalists; and stories examining the similarities between life in Pakistan and the United States, including Pakistani-American life and its contribution to both cultures. "Beyond the Headlines" newsmaker interviews have generated widespread coverage in the Pakistani press. According to GEO-TV's market research, "Beyond the Headlines" is the most widely watched program in Pakistan during the 7:30 to 8:00 p.m. local time slot.

Afghanistan. Since 9/11, the BBG increased radio broadcasting to Afghanistan pursuant to the Radio Free Afghanistan Act. Together RFE/RL and VOA provide a 24-hour daily radio service in the Dari and Pashto languages that has a vast audience reach in Afghanistan. In addition, VOA provides a one hour daily program of branded TV news and cultural features to state-owned Kabul TV.

An InterMedia survey in September 2006 found **RFE/RL's Radio Free Afghanistan** to have the highest weekly reach of any communications medium in Afghanistan, including domestic radio and TV, at 58.0 percent. Afghanistan is the only country in the RFE/RL broadcast region where a U.S. government-funded broadcaster is the dominant media.

With its wide audience and high level of public trust, Radio Free Afghanistan is a key media outlet in Afghanistan for both U.S. and Afghan officials. For example, during the last year, Radio Free Afghanistan covered President Bush's March 1 visit to Afghanistan, the surprise first stop his tour of South Asia. Radio Free Afghanistan provided a simultaneous translation of his joint press conference with President Karzai after their meeting at the presidential palace in Kabul. On June

28, U.S. Secretary of State Rice's exclusive interview to Radio Free Afghanistan during her visit to Kabul assured the Afghan people that "the American people are committed to Afghanistan's future..."

The Service provides reports from Washington, Prague, and Kabul, exclusive interviews and roundtables, and ongoing coverage of the efforts by Coalition Forces to subdue the insurgency. During June, Radio Free Afghanistan reporters in the Kandahar and Helmand provinces went out with Afghan and Coalition Forces in southern Afghanistan to report on the launch of the second phase of Operation Mountain Thrust, the largest counterinsurgency operation in the country since the Taliban regime was toppled in 2001.

An example of Radio Free Afghanistan's thought-provoking programming was its comprehensive coverage of the apostasy case of Abdul Rahman, from his arrest in mid-March for his conversion to Christianity, to his release March 28 and request for asylum in Italy. Correspondents in Kabul interviewed Ministry of Justice and Afghan Supreme Court officials about the charges and the specific laws on apostasy. Radio Free Afghanistan aired statements from Afghan judicial officials, reactions from ordinary Afghans, and from leaders around the world including President Bush and Pope Benedict XVI. Radio Free Afghanistan's weekly live call-in show March 30 was dedicated to the Rahman case, inviting listeners to exchange views on religious tolerance.

Human rights programming provides interviews with senior U.S. officials, and features Afghan citizens struggling with everyday issues, such as an interview with 14-year-old Zohra Amin, a student who was criticized for attending a music academy for women sponsored by the United Nations and the European Union because of prohibitions under Islamic law for women to play music. On October 12, Radio Free Afghanistan for the first time broadcast a call-in show conducted in three languages: Dari, Pashto, and English, featuring Mark Laity, the senior spokesman for NATO/ISAF in Afghanistan, as a guest in the Kabul bureau.

VOA shares the 24 hour radio broadcast clock with RFE/RL, providing up to the minute news and information to large Afghan audiences. In addition, VOA has also launched new television and radio programming to engage broad Afghan audiences and to focus on the Pashto-speaking people in the Afghanistan-Pakistan border region. In September, VOA launched "TV Ashna", a Saturday through Thursday 60-minute TV news program (30 minutes each in Dari and Pashto) broadcast directly to viewers nationwide via satellite and its affiliate Radio and TV Afghanistan (RTA). This coverage now complements VOA's 12 hours of extensive radio programming to the country. TV and Radio Ashna feature regular segments on American Muslims and Civil Rights, Islam in America, and Islam and Democracy through the segment's interviews and daily live call-in programs.

Ashna provided extensive coverage of the first Muslim Member of Congress being sworn into office, using the Koran that belonged to Thomas Jefferson. Highlights of Ashna's information programming in 2006 included:

- An exclusive interview with General Richard Myers, former General Chief of Staff, in which he said NATO and Coalition Forces will respond to any attack across the border of Pakistan only when they are under attack;
- An interview with General David Richards, Commander of ISAF forces in Afghanistan in Kabul, who said that NATO and Afghan forces are preparing themselves for anticipated Spring attacks by the Taliban, and described efforts by NATO and the PRT (Provincial Reconstruction Team) to help the Afghan people rebuild their country;
- A profile of Zinedine Zidane, the world champion soccer star for the French national team, and his return to Algeria for the first time in 20 years to be honored by President Bouteflika; and
- Interviews with both the Imam and Chairman of the Mustafa Center in Virginia, and the president of the Afghan Academy in Virginia, regarding the freedom of practicing Islam in America.

The Pakistan/Afghanistan Border Region. In August, VOA introduced **Radio Deewa** (Light), a new broadcast stream aimed at the 40 million Pashto-speaking people living in the Afghanistan-Pakistan border region. This three hour daily program offers local, regional, and international news as well as features on Islam in America, including interviews with prominent Muslim leaders. VOA Pashto Deewa Radio features a daily segment called "Islam in America," and recently had live reports from Eid Celebrations by Muslims in America. Additionally, Deewa Radio focuses on the Islamic world through its daily call-in shows.

Deewa has interviewed dozens of Muslims of South Asian origin residing in America and has aired profiles of Islamic Centers and Mosques in its programming (i.e., the Islamic Center in Washington DC, the Mustafa Masjid in Virginia, and the Mustafa Mosque in New York). During the month of Ramadan, Deewa aired daily interviews with Muslims in America, from Washington, D.C., New York, the Carolinas and Texas. These interviews tackle the topic of freedom of religion in America, the observance of fasting, and attendance at area mosques for late night prayers and ceremonies.

Last month Radio Deewa had four call-in shows during Eid celebrations in America and its reporters reported live from area mosques on Eid Prayers. The Service also regularly interviews American Pashtuns, both men and women of every walk of life, to talk about their experiences of practicing their religion and culture in the United States. A call-in show on "Islamic Mysticism" featured a prominent mystic scholar, Tahir Bukhari, from the Northwest Frontier Province of Pakistan responding to questions posed by more than a dozen callers from Pakistan, Afghanistan and the Diaspora.

The Service regularly interviews the Pakistani Foreign Ministry spokesperson, Afghan officials, and Pakistani federal and state cabinet ministers and religious and tribal leaders on political and social issues.

Turkey. In recognition of media listening habits in Turkey, VOA's Turkish Service is moving to devote more of its existing resources to TV and the Internet. In 2006, VOA Turkish expanded its TV affiliation in Turkey by launching two weekly live broadcasts on TGRT News TV network, a 24-hour nationwide news network with a weekly audience share of over 30 percent of Turkey's estimated 25 million regular viewers. A 15-minute wrap of the latest developments in news and current affairs, VOA-TGRT Live is broadcast at 9:00 p.m. local time in Turkey on Tuesdays and Fridays. In addition, VOA Turkish Service produces a weekly 30-minute news and magazine program that is aired on TGRT News network 9:30 p.m. local time on Sundays. Managers of TGRT News TV are pleased with this cooperation and have indicated that they would like to increase the VOA-TGRT Live broadcasts to five days per week.

VOA Turkish radio broadcasts include two news shows (Mon-Fri) on NTV-FM, Turkey's largest FM news network. Discussions are underway with another Turkish network, TGRT-FM, to carry the 30-minute evening radio show. VOA has also been working to attract more users to the VOA Turkish website. The average number of monthly visitors to the VOA Turkish site has tripled this year to almost 65,000/month. VOA Turkish is also one of the first VOA languages to offer text versions of

top news stories for use on web-enabled handheld devices such as cell phones and PDAs (Personal Digital Assistants). This service was launched in June 2006.

VOA Turkish Service summarized the U.S. State Department's 2006 Annual Report on International Religious Freedom and reported on the reactions from Turkish officials and experts. In an exclusive interview to VOA in July 2006, Turkish Foreign Minister Abdullah Gul responded to questions about issues of religious tolerance in Turkey and shared his views on the so-called "clash of civilizations." The Service aired original radio and TV reports on how U.S. Muslims celebrated the month of Ramadan and other Muslim holidays last year. In a series of reports and interviews during Pope Benedict's highly sensationalized visit to Turkey in November 2006, Turkish Service focused on issues related to "the current lack of dialogue between Christianity and Islam." Those interviewed included Andrew Duff, member of British Parliament and Joost Lagendijk, Dutch member of the European Parliament and co-chairman of the EU-Turkey Joint Parliamentary Committee.

Indonesia. VOA expanded its reach to Indonesia's more than 200 million Muslims in 2006 by launching six news and information programs for Indonesia's top three TV networks. VOA also peppered the TV market with a dozen or more special series on subjects ranging from illegal arms sales by Indonesians to the diverse faces of Islam in America and how Americans celebrate the fasting month of Ramadan. VOA is now seen on five national TV networks and 16 regional TV stations. In late 2006, VOA conducted a five-week promotional campaign on Indonesian TV. The one-minute "VOA World News Quiz" spots aired several times a day on the top four national stations and attracted over 450,000 text and email quiz entries. Additionally, more than 200 radio stations now carry one or more of VOA's program offerings, including the youth-oriented "VOA Direct Connection" and "VOA Headline News." This year also saw greater VOA outreach to Indonesian youth. Three times a day the popular youth station, Prambors, airs "VOA Minute", a rapid-fire segment of breaking news and information of interest to youth. As a result of this growth in TV and radio, 7.9 million Indonesians now tune in to VOA regularly, making VOA the number one international broadcaster in Indonesia.

With more and more Indonesians jumping into digital communications, VOA has begun providing a range of information services including a dynamic webpage, a weekly electronic newsletter and daily email news bulletins direct to cell phones.

Finally, VOA's presence on the ground inside Indonesia solidified and grew in 2006, with its Jakarta news bureau becoming a valuable resource for coordinating VOA's local TV and radio news coverage and for developing new programs, especially for television.

Uzbekistan and Central Asia. VOA Uzbek reaches Muslim audiences in Uzbekistan, the most populous Muslim country in Central Asia, with a total population of 27 million. VOA broadcasts are carried on short wave, medium wave from Tajikistan, and two FM frequencies in Osh and Jalalabad, Kyrgyzstan. Both reach a key area of Uzbekistan, the Ferghana Valley, a hotbed of Islamic fundamentalism. VOA's daily 30-minute broadcasts feature high profile interviews with various U.S. and international sources discussing critical issues, such as the War on Terror and the future of U.S. relations with Uzbekistan. Interviews with Members of the U.S. Congress and key policymakers, bring U.S. policy and debate alive for listeners. Pegged to the State Department's annual report on religious freedom, VOA Uzbek aired two series on Islam in Central Asia and women's rights. When Uzbek-speaking Muslims living in the United States observed their religious holidays, VOA Uzbek covered their stories as examples of tolerance in the American way of life. On television, VOA continues to produce a weekly 30-minute feature magazine called *Exploring America*, which is being placed on a TV satellite network reaching Uzbek-speakers in Afghanistan and the rest of Central Asia, and on two local stations in the Uzbek-speaking area of Osh, home to Uzbek and Kyrgyz Muslims

RFE/RL's programming to Uzbekistan, Turkmenistan, Tajikistan, Kyrgyzstan and Kazakhstan continued despite various forms of harassment and even repression against its correspondents and editors. In Turkmenistan, an RFE/RL correspondent died while in prison. The recent death of President Saparmurat Niyazov of Turkmenistan may provide an opportunity for RFE/RL to register its in-country correspondents, and eventually open its first bureau in the country if there is a political realignment in Turkmenistan. In Uzbekistan, RFE/RL's bureau remains closed by Uzbek government order. The service continues to provide news coverage and democracy promotion under harsh conditions reminiscent of the Soviet era. In Kyrgyzstan, RFE/RL has been able to work with Kyrgyz National Television (KTR) to produce and air local television news programming.

Azerbaijan. According to a March 2006 InterMedia national survey in Azerbaijan, VOA Azerbaijani had emerged as the leading international broadcaster in Azerbaijan with an audience share of 34 percent. In addition to TV and radio offerings, VOA Azerbaijani maintains two web sites, one in Farsi to reach the large Azeri-speaking minority in Iran (estimated at 15 million). Azerbaijani Foreign Minister Elmar Mammadyarov was interviewed exclusively for TV by the VOA Azerbaijani Service in September 2006. Among other issues, he commented on "tensions between Muslims and followers of other faiths throughout the world." In November 2006, when an article published in an Azerbaijani newspaper was seen as denigrating Islam, leading Muslim clerics in neighboring Iran issued a religious order calling for the killing of its author. VOA's Azerbaijani Service interviewed several religious experts as well as men and women on the street both in Azerbaijan and Iran to get their reactions. This issue, and the U.S. State Department's Annual Report on Religious Freedom, were discussed in two separate live radio call-in shows produced by VOA's Azerbaijani Service.

RFE/RL's Azerbaijan service drew a 7.6 percent audience on radio only in 2006 maintaining its status as the lead international radio broadcaster in the country. RFE/RL lived through the same setbacks in local delivery of programming as VOA during the past year. Programming remains a mix of newscasts and democracy programming on political issues and civil society such as: human rights, media rights, minorities, judicial rights, religion and elections. Social issues of health care, pensions, public welfare, unemployment and drugs are increasingly a component of the programming. The service, working in concert with RFE/RL's Armenian Service, provided comprehensive coverage of intensified negotiations over a settlement to the longstanding dispute over Nagorno-Karabakh including on-the-scene coverage of summits in Rambouillet, France in February, and Brussels, Belgium in November.

Africa. VOA reaches a large percentage of the almost 250 million Muslims in Sub-Saharan Africa. One in every five Muslims in the world lives in Africa, and one-third of Sub-Saharan Africa's population is Muslim. VOA Hausa reaches 51 percent of the Hausa-speaking Muslim population in Nigeria (about 20 million), and about 65 percent of the Muslim population in Niger.

VOA's broadcasts serve an important role in easing tensions and presenting the facts about local, international, and U.S.-based news stories. For example, when Danish cartoons depicting Muhammed generated protests throughout the Muslim world, including many countries in Africa, VOA was able to provide needed perspective to the story. The Africa Division covered this major story from every angle, while giving special attention to the African reaction. In Nigeria, the northern city of Maiduguri was the scene of rioting. Muslims attacked Christians and burned churches and shops owned by Christians. The services contacted Muslim,

Christian and civic leaders as well as politicians, journalists and ordinary people in Africa, in the United States and in other parts of the world to ensure that listeners could evaluate the situation fairly.

Northern Nigeria. A VOA Africa Division program targeting Hausa speaking Muslims in northern Nigeria, "Political Crossfire" (Tsaka Mai Wuya), has been praised by ordinary listeners and many Muslim political leaders. In this lively program with listener participation, politicians representing different points of view discuss the hottest political issues of the day. In a ceremony in late June of 2006, many citizens, leading media outlets, leaders of several political parties, and the Nigerian Vice-President participated in a ceremony where a national Nigerian NGO with 2.5 million members, Friends of Nigeria, presented an award to "Political Crossfire," the first award of its kind. The leader of Friends of Nigeria called VOA Hausa "a watchdog of democracy in Nigeria."

Amharic. On December 28, 2006, the Horn of Africa Service added an additional half-hour morning radio news program in Amharic to cover the crisis in the predominantly Muslim country of Somalia. The program, whose centerpiece is an integrated newscast with correspondent reports and actualities, is broadcast on shortwave in the target area Monday through Friday. The program is heard in the region at 6:00 a.m. local time, with a repeat at 7:00 a.m. local time. The new program supplements the regular evening programs in Amharic, Afan Oromo and Tigrigna, which also give extensive coverage to Somalia-related news. VOA Amharic attracts an audience of 18 percent of the adult population of Ethiopia on a weekly basis.

New VOA Somali Broadcast. VOA is scheduled to begin a new half-hour, seven day a week Somali broadcast on Monday, February 12. The new program will be heard at 7:00 PM local time and again at 8:00 PM on shortwave, medium wave, and on FM through local affiliates. The program will follow fast changing news developments in Somalia and the sub-region; it will also include interviews with Horn newsmakers, U.S. policymakers and experts, interviews with the Somali Diaspora, analysis and cultural features and music. The re-launched VOA Somali-language programming to the Horn of Africa will aim to reach millions of Somali speakers in predominantly Muslim Somalia, Djibouti and in the greater Horn of Africa and will target listeners, ages 17 to 35.

Bangladesh. Bangladesh, with a population of over 140 million, has one of the largest Muslim populations in the world. VOA Bangla TV & Radio produced features regarding Muslim youth, Islamic Centers, Eid festivals and Ramadan. Interviews were aired with Nobel Peace Prize Winner Dr. Muhammad Yunus, Assistant Secretary of State for South Asia Richard Boucher, Congressman Joseph Crowley (D) from New York, U.S. Ambassador in Bangladesh Patricia Butenis, Bangladesh Foreign Minister Morshed Khan, Home Minister Lutfuzzaman Babar, and Bangladesh Ambassador in Washington Shamsher M. Choudhury.

India. With Muslims numbering over 145 million, India has the second largest Muslim population, after Indonesia. VOA Hindi TV and radio programming reaches them. Whether it is a discussion about the Iraq war, the situation in Afghanistan, the nuclear ambitions of Iran, the recent India-Pakistan peace initiatives, the situation in Kashmir, or the Bombay Blats of 7/11, the Hindi Service covers issues of interest to the Muslim world. In 2006, VOA Hindi offered exclusive TV interviews with U.S. UnderSecretary of State R. Nicholas Burns, Assistant Secretary of State for South and Central Asian Affairs Richard Boucher, dozens of U.S senators and representatives, and Muslim leaders, scholars, and experts regarding India's relations with Iran, Pakistan, and the United States.

Bosnia and Herzegovina. VOA broadcasts to Bosnia and Herzegovina include programming targeted to the 49 percent of the population that are Bosnian Muslims. Bosnian Service has a 15-minute daily live radio show; a half hour daily live television show (news and current affairs); a 4-minute daily satellite television feed; and a variety of short programs aired by the best rated Bosnian television station, BHT1. Programs are also aired by 15 television and 15 radio affiliate stations throughout Bosnia, and are available via satellite

The Service has been at the forefront of promoting reconciliation between the three ethnic groups in Bosnia, still widely divided, even twelve years after the signing of the Dayton Agreement, which ended the war. VOA's news and current affairs programs are tailored to address concerns of the Muslim population in Bosnia, providing exclusive interviews with religious leaders in Bosnia. Interviews such as those with the Grand Mufti of Bosnia Mustafa Ceric; Catholic Cardinal Vinko Puljic; Orthodox Metropolitan Nikolai Dabrobosanski; and Bosnian Jewish Community leader Jacob Finci, were aimed toward promoting inter-religious dialogue, and healing the wounds of war.

The Service continues to address the problem of terrorism, beginning with the allegations of a serious threat posed by foreign Islamic militants in Bosnia after the Bosnian war was over. Interviews with Ilan Berman of the American Foreign Policy Council; Juan Zarate, Deputy Assistant to the President and Deputy National Security Advisor for Combating Terrorism; Bosnian Americans Bajram ef. Mulic and Senad Agic; and Lorenzo Vidino with the Investigative Project have focused on the problem of terrorism in Europe. Recently Grand Mufti Ceric gave an exclusive interview to VOA Bosnian on his initiative for a new Islamic Declaration which would condemn Wahabism and its violent influence on Bosnian Muslim Community.

China. Radio Free Asia provides service to Muslim audiences through its Uigher language service launched in December 1998. It is the only international radio service providing impartial news and information to the Uighur Muslim population in Western China in the Uigher language. The Xinjiang Uigher Autonomous Region (XUAR) comprises roughly one-sixth of China's territory and an estimated 10 million Uigher speakers. Like Tibetans, the Turkic Uighers have faced extreme repression from the Chinese government since the People's Republic took control of their home territory. In recent years, Beijing has stepped up their control over Uighers, using the War on Terror to justify harsh crackdowns on religious practice and political and social dissent

Consistent with RFA's mandate, the Uigher service acts as a substitute for indigenous media reporting on local events in the region. The service, broadcasting two hours daily seven days a week, breaks many stories that go unreported by China's state-run media or foreign news organizations including programs on Sino-Central Asia, Sino-Russia, Sino-America relationship, democratic development in Central Asia, Uigher history, culture, literature, language, arts, human rights, corruption in the communist leadership system, the environment, AIDS and other health issues, as well as Internet control in China.

RFA provides a forum for a variety of opinions and voices from within the XUAR. Programming includes: breaking news, analysis, in-depth reporting, interviews, commentary, a hotline call-in show, weekly news review, and feature stories. A listener call-in hotline airs five days per week, allowing callers a platform to discuss current events in the region

RFA's Uigher service Web site, launched in September 2004, provides continuously updated news in all three writing systems used to convey the Uigher language - Arabic, Latin, and Cyrillic. RFA's site is the only non-Chinese Uigher news Web site and the only Unicode Uigher news Web site. The site streams the daily RFA

broadcast in Uigher and offers ongoing coverage of events in the XUAR in text, image and video. The archived audio files can be retrieved on a special page or downloaded via podcast. RSS feeds are also available, making it possible for people to automatically update their news readers or Web pages with RFA news content.

RFA continues to be confronted with unrelenting jamming of broadcasts and blocking of its Web site. Research conducted between June 2005 and August 2006 shows that fear is the main tool used to prevent Uigher people from accessing RFA, whether on air or online. RFA's confronts Chinese censorship by broadcasting on multiple short-wave frequencies and by regularly e-mailing instructions on accessing the banned **www.rfa.org** through proxy Web servers. Despite Chinese censorship and the dangers involved, research indicates that Uigher listeners and Web users consider RFA a lifeline in a hostile media environment - a station offering unique content worth taking risks to access.

Transmission. Since September 11, 2001, the BBG has transformed its transmission capabilities, continuing its move from a shortwave environment to one that uses AM, FM, satellite, and Internet capabilities to reach its audience. By bolstering transmission capabilities to the Muslim world, BBG has improved opportunities to deliver news and information clearly, reliably, and effectively. New transmission capabilities have been added, and assets reallocated from regions of lesser geopolitical importance and from technologies of declining effectiveness.

The BBG has worked to ensure that we deliver programming to in the media that are most effective in reaching local populations. Recent transmission enhancements include: the delivery of Persian television broadcasts to Iran through two satellites; transmission of Alhurra Europe on a new satellite channel widely viewable throughout Europe; the launch of two additional Alhurra TV transmitters in Iraq (Mosul and Al Hillah) bringing to four the total number of BBG-funded TV transmitters in that country; the construction of a new medium wave antenna in Tajikistan that is increasing the strength of VOA's Aap ki Dunyaa radio programs to Pakistan. In addition, a number of new FM transmitters became operational in 2006. Subsequent to an agreement with Sudan, we hope to establish FM radio transmitting stations in Khartoum and up to 11 other locations in Sudan.

The BBG is currently supporting the construction of three high power medium wave radio transmitters that should come on the air in the next year: one for Pashtun programming in Afghanistan, one for Radio Farda programs to Iran, and one for Aap ki Dunyaa programs to Pakistan. VOA's launch of **www.voamobile.com** provides an innovative service that offers news content on a mobile phone or Internet-enabled handheld device in ten languages including English, Persian, Turkish, and Indonesian.

U.S. international broadcasting must meet and serve U.S. national security priorities, and must also meet the needs and technological capabilities of the audiences and regions to which we broadcast.

Presenting the U.S. Point of View through Indigenous Broadcast Media

At the Department of State, the Bureau of Public Affairs, Office of Broadcast Services uses television and video products as strategic tools for bringing America's foreign policy message to Middle East and worldwide audiences. A state-of-the-art digital broadcast television facility enables the Department to deliver messages instantly, using the same technology as professional broadcast television networks. Public Affairs facilitates live and taped interviews with the Secretary of State and other State Department principals to all the major Arab networks such as Middle East Broadcasting Corporation (MBC), Al Arabiya, Al Iraqiya, Abu Dhabi TV, Dubai Television, Arab Radio and Television Network (ART), Al Hurra, Kuwait TV, Egyptian TV (ETV), and Lebanese Broadcasting Corporation (LBC). This investment in people and technology was developed to give senior U.S. government officials an opportunity to engage and inform the widest audiences possible about our foreign policy and public diplomacy objectives.

Furthermore, to specifically enhance the capacity of the U.S. Embassy in Iraq, the Department of State recently opened atelevision studio inside the U.S. Embassy in Baghdad. This fully functioning studio allows top U.S. officials to conduct live interviews via satellite with national and international media on a range of topics related to the current situation and future of Iraq as well as America's role in the greater Middle East.

The Department of State Near East Asia Public Affairs and Public Diplomacy Directorate's Arab/Regional Media Outreach Program has achieved tremendous success in directly engaging Middle East media and broadcast services. Since its creation, it has recorded an ever-increasing number of interviews with Arab and regional media outlets - during 2006, 820 interviews with 1200 Arab and regional journalists/media outlets occurred, with a record 486 conducted primarily in Arabic. Networks aired many of the interviews repeatedly and the broadcasts were often picked up by other outlets or wire services.

This capacity was further enhanced by the creation of *Regional Public Diplomacy Hubs* in London, Brussels and Dubai, key media markets where the full-time job of spokesmen is to advocate U.S. policies on regional media, especially television.

A Rapid Response Unit (RRU) was created within the Bureau of Public Affairs to monitor and translate major world media in real-time, produce an early morning daily report on stories driving news around the world, and to craft language to explain the U.S. position on these issues. It is distributed daily worldwide, to U.S. cabinet and sub-cabinet officials, U.S. ambassadors, public affairs officers, regional combatant commanders, and others across the U.S. Government.

The Department of State directly engages foreign audiences on the Internet through the Digital Outreach Team. The Team directly engages in discussions of policy issues and related developments on websites, primarily in the Arabic language. Openly representing the Department, but using informal language, the Team seeks to ensure that the U.S. perspective is heard in cyberspace, providing a counterpoint to extremist ideological arguments and misinformation. Other interagency public diplomacy efforts targeted at countering extremist use of the internet are coordinated through the interagency Public Diplomacy Working Group, chaired by the Bureau of International Information Programs.

In the absence of a U.S. embassy, the Bureau of International Information Programs manages a Persian-language website directing policy and general information into Iran. The website supports active engagement via web chats, web casts and listservs to connect U.S. policymakers and subject-matter experts and Iranian citizens.

Another tool used to enhance communications not just within the Middle East, but with the entire world, is the use of "Echo Chamber" Messages. These messages have given U.S. ambassadors and other U S Government officials clear, common-sense guidance that enables them to better advocate U S. policy on major news stories and policy issues Additionally, these messages are provided to the Voice of America Policy Office for use in crafting editorials reflecting the views of the U.S. Government.

The Strategic Speakers Initiative (SSI)identifies, recruits, and programs prominent U.S. experts to engage foreign opinion leaders on key strategic themes such as democracy/rule of law, terrorism/security, energy/environment and trade/development. Such speakers can be deployed rapidly to focus IIP resources where the need is greatest to address the most crucial U.S. policy priorities. Strategic Speaker participants are often part of a bigger public diplomacy package that includes webchats, DVCs and other outreach. This program represents collaboration throughout the State Department.

Major Themes of Biased or False Media Coverage of the United States in foreign countries and the actions taken to address this type of media coverage.

The Department of State is taking a leading role to counter misinformation and falsehoods about the United States and its policies or intentions. For example, recent false themes about the United States in foreign media included that the United States has devised an "American Koran," and it is pressing Muslims to adopt it, and that depleted uranium, which the United States uses in its anti-tank ammunition, has caused a massive upsurge in cancers and birth defects. Actions the Department of State has taken to address these false allegations include:

- Launching a Department of State webpage entitled "Identifying Misinformation," appearing in English and Arabic, provides truthful information and analysis to the public to debunk these false allegations. (English-language website url: http://usinfo.state.gov/media/misinformation.html)
- Instructing Public Affairs Officers at our Embassies around the world to use this information on the website to counter false stories in the local media.
- Creating the position of Counter-Misinformation Officer in the Bureau of International Information Programs (IIP) to respond to Embassy requests regarding false stories about the United States.

Potential incentives for and costs associated with encouraging United States broadcasters to dub or subtitle into Arabic and other relevant languages their news and public affairs programs broadcast in the Muslim world in order to present those programs to a much broader Muslim audience than is currently reached.

The single greatest incentive for U.S. broadcasters to dub or subtitle their news and public affairs programs would be evidence that there is adequate demand for the programming among the targeted foreign publics. The Office of the Under Secretary for Public Diplomacy and Public Affairs is working with the Bureau of Public Affairs and other elements within the Department to explore avenues to demonstrate that a potentially profitable market exists for this programming. These offices will continue to do such work, and if data emerges that indicates that this translation makes sense from a business standpoint, will present the data to broadcasters in an effort to encourage this activity.

Any recommendations the President may have for additional funding and legislation necessary to achieve the objectives of the strategy?

The President's budget and legislative requests for FY-2008, and supplemental request for FY-2007, include a number of authorities that would aid the strategic objectives of U.S. international broadcasting. The pending supplemental contains a request for $10 million for the Middle East Broadcasting Networks. As part of the Administration's strategy to counter violent extremism, Alhurra television would launch a signature three-hour daily program to provide additional information about American policies, people, institutions, and perspectives to its audiences across 22 countries in the Middle East. The three-hour daily program capitalizes on Alhurra's unique perspective in a growing market of over 200 channels, and would provide a format and information mix unavailable in the region today. The programming would focus on the news of the day, discuss compelling social issues, broadcast investigative reporting and a spectrum of information not presented in the region's media.

The Administration's budget and legislative requests for FY-2008 would provide ongoing support for this new Alhurra programming effort, increase Alhurra's newscast capability to 24 hours a day (expanding from the current 16 hour capability), and allow Radio Sawa to grow as a news source in the region. The FY-2008 budget also continues VOA's program initiative Somalia, begun in 2007, and maintains program strength in Iran, Afghanistan, and Pakistan. Further, our pending legislative request to the Congress to permanently adopt the BBG's pilot program for personal services contracting (PSC) authority - up to a ceiling of 200 PSCs at any given time - would assure the agency the flexibility to quickly meet staffing needs to respond to broadcast requirements.

6. Visas for Participants in U.S. Programs

According to the State Department's Bureau of Consular Affairs, current visa processing guidelines are sufficient to meet any requirements for the issuance of appropriate visas to individuals from predominantly Muslim nations to participate in any new exchange program, as envisioned by the Intelligence Reform and Terrorism Protection Act of 2004.

The Bureau of Consular Affairs' policy is to expedite all student and exchange visitor applications, with the goal of giving every student and exchange visitor applicant the opportunity to meet their program start date in the United States. This policy is in place at every embassy and consulate worldwide. In countries with a significant waiting period for a visa appointment due to high demand, this policy reduces the wait time for students and exchange visitors from weeks to mere days. In all cases requiring a separate security clearance, the average processing time is now about 25 days. Processing they can take longer, however, and applicants should allow additional time. Security clearances can be expedited when circumstances so warrant.

The most important factor in expediting visa applications is for the applicants, in conjunction with their program sponsors, to initiate their visa applications well in advance of their planned travel. Most problems in the visa process can be resolved given sufficient time. New exchange programs should be planned far enough in advance to allow the necessary time for visa processing. Candidates should be advised to obtain passports immediately; visit embassy websites for instructions on applying for U.S. visas; and ensure that they follow the instructions concerning required documents and procedures they must complete, as well as how to complete an EVAF and how to arrange an appointment as soon as all required documents are available to them.

The Bureau of Consular Affairs is prepared to work with the Bureau of Educational and Cultural Affairs, or any other government and/or private sector implementing agency to facilitate the timely issuance of visas to exchange visitors.

7. Basic Education in Muslim Countries

The Department of State, the U.S. Agency for International Development (USAID), and other United States agencies continue to support an increased focus on education in predominantly Muslim countries and those with significant Muslim populations. The ongoing U.S. approach stresses mobilizing public and private resources as partners to improve access, quality and the relevance of education, with a specific emphasis on developing civic-mindedness in young people. In many Muslim-majority countries, such as Afghanistan and Yemen, the challenge is to increase country capacity to provide universal access to primary education and literacy. Countries face increasing enrollments and low education quality in the classroom while struggling with limited budgets.

In the Middle East, USAID and the Department of State's Middle East Partnership Initiative (MEPI) are responding to these needs by promoting quality education through improved policy, teacher training, education finance/governance, and community participation. These U.S. efforts complement investments of partner countries and other donors. MEPI funding for projects in basic education totals $34.5 million (FY-2002-06).

In 2006, USAID/Asia Near East Bureau's total education assistance for the region was approximately $365 million, of which $336 million was targeted in predominantly Muslim countries -- Afghanistan, Bangladesh, Egypt, Indonesia, Jordan, Lebanon, Morocco, Pakistan, Philippines (Mindanao), West Bank/Gaza, and Yemen. Out of the $336 million total, approximately $237 million goes toward basic education programs.

In 2006, USAID/Africa Bureau's total education assistance for the region was approximately $185.4 million in DA Basic Education (includes the Africa Education Initiative, Fast Track Initiative and School Fees), of which $36.6 million benefits Muslim populations in Chad, Djibouti, Ethiopia, Kenya, Mali, Mauritania, Niger, Nigeria, Senegal, Somalia, Tanzania, and Uganda.

USAID/Europe and Eurasia (E&E) Bureau implements a regional program for primary and secondary education in the Muslim-majority countries of Tajikistan, Kyrgyzstan, and Turkmenistan. The program is approximately $3.5 million per year, of which $0.58 million was FY-2006 funding.

The U.S. Strategy to Meet Challenges in Education

To promote transformational diplomacy and development, the Department of State and USAID have articulated a common Foreign Assistance Framework. In the "Investing in People" objective of this framework, education is a major element with basic education as an important sub-element. This strategy is applied to programs worldwide, including Muslim countries.

Basic Education: USAID has an Agency-wide *Basic Education Strategy* that targets underserved populations and promotes free universal basic education. The goal is to help learners gain the general skills and knowledge needed to function effectively in life. Basic education programs focus on three areas:

- **Increasing Access:** Targeting groups that have been marginalized in the education system such as minority, rural, out-of-school youth, girls, and young adults, and those who have been impacted by conflict or disaster, thus helping ensure equitable access to education.
- **Improving Quality:** Improving the quality of education is pivotal for ensuring attendance and learning outcomes of basic education. Increasing attention is placed on curriculum reform and measuring learning outcomes.
- **Improving Relevance:** Education programs that develop human capacities and livelihood skills, and aim to link learning with skill development and employment opportunities, particularly in areas with high youth unemployment.

In designing and implementing basic education programs throughout the world, USAID works closely with host-country governments (national and local), non-governmental organizations, communities, and the private sector to maximize program impact and sustainability.

Working with the International Community. The U.S. Government continues to be an active member of several international bodies and activities to achieve universal basic education, including the International Working Group on Education, which originally proposed the "Education for All" (EFA) initiative begun in the late 1980s.

Coordination of the International Effort. USAID provides technical guidance to the EFA effort through the UNESCO-aligned International Institute for Educational Planning. The U.S. Director of Foreign Assistance represents the U.S. at the annual High Level Group meeting for "Education for All," and the USAID Office of Education participates in the annual EFA Working Group meeting. In 2004, USAID served as the G-8 co-chair of the global EFA Fast Track Initiative (FTI) focused on universal primary education; the Agency has participated in all FTI meetings since its inception in 2000.

In engaging the G-8 and Muslim country governments for Broader Middle East and North Africa (BMENA) initiatives, USAID collaborates closely with the State Department and key cooperating United States agencies, especially on literacy.At the Sea Island Summit, the G-8 launched the Broader Middle East and North Africa (BMENA) Literacy Initiative aimed at halving illiteracy rates in the region by 2015. This initiative launched a series of Literacy Working Group and Education Ministerial Dialogues in the BMENA region. Education Ministers from the BMENA region and the G-8 met in Jordan in May 2005 and in Egypt in May 2006, and confirmed their commitment to the process of cooperation under the umbrella of the Forum for the Future launched in Rabat in December 2004. Following the Egypt Ministerial, USAID took over as G-8 co-chair of the BMENA Literacy Task Force with Egypt as regional co-chair. USAID continues to collaborate closely with the State Department and the U.S. Department of Education on literacy reform. As part of the U.S. contribution to this international effort, USAID is supporting literacy assessments in the region and has developed the BMENA 'Literacy Hub' database of global best practices in promoting literacy. The 'Literacy Hub' will be transferred to the BMENA region by March 2008.

Leveraging Other Donors. Of all bilateral aid to the education sector in 2003-2004, the United States with France, Germany, Japan and the United Kingdom contributed 72 percent of the total, according to the *EFA Global Monitoring Report for 2007*." For basic education, over two-thirds were contributed by Canada, Japan, the Netherlands, the United Kingdom, and the United States." Both the United States and the United Kingdom have the greatest focus on basic education,

with over 80 percent of their resources focused on that level.

USAID coordinates closely with multilateral (e.g. World Bank and the Asian Development Bank) and other bilateral donors in each country often extending the reach of USAID programs. In Indonesia, for example, the Australian bilateral aid agency, AusAID, used USAID pilot education program as the basis for its new basic education project, using USAID's methodology for supporting local government management of education and for promoting active learning in classrooms. Collaboration with AusAID, as well as other donors such as UNICEF, continues during implementation in the form of jointly-prepared training materials and activities in communities to avoid duplication as well as combined approaches in working with local and national officials. This coordinated approach has extended donor program coverage in Indonesia in the education sector.

In Tajikistan, USAID-developed training modules on interactive learning and teaching methods and teacher trainers support the Government of Tajikistan's implementation of the "Education for All" Fast Track Initiative, leveraging funds of approximately $1.6 million. The USAID basic education project also complements World Bank and Asia Development Bank (ADB) projects in the area of education finance, curriculum revision, teacher training, and strengthening capacity of teacher training institutes. In Kyrgyzstan, USAID-supported independent testing organization won a World Bank tender to implement student assessments; USAID-developed teacher standards are used in revision of the teacher incentive system; and the basic education project collaborates with the ADB project by providing training for textbook authors.

Leveraging Contributions from the Private Sector and Civil Society Organizations. The U.S. Government uses its official development assistance to leverage other resources for education by developing alliances or partnerships with the private sector and non-governmental organizations (NGOs), including civil society organizations. USAID's Global Development Alliances (GDAs), also known as public-private partnerships, are tailored to country-specific needs and the private sector partners' interests. Between the years 2000-2006, USAID received on average a greater than a three-to-one match for education alliances in the Asia Near East region. Below are several examples of ongoing and new country-specific partnerships in the region:

In Western and Central Mindanao, as well as the Autonomous Region of Muslim Mindanao in the Philippines, there are currently six GDA partnerships to increase educational opportunities for children by ensuring access to quality education; to improve the capacity of teachers, and raise math, science and English skills among elementary school beneficiaries; to increase employment opportunities and engage young leaders; and, to provide business and skills training for out-of-school youth; and, to provide opportunity for school drop-outs and out-of-school youths to rejoin formal schooling through an accreditation and equivalency mechanism. With approximately $12 million in USAID funding, an additional $42.7 million was leveraged (more than a one-to-three leverage) from private businesses, local NGOs, foundations, and national government agencies.

In Indonesia, public private partnerships are being used to expand the reach of USAID activities and to respond in natural disaster situations. A partnership with BP is helping improve education quality in Papua, one of the most under-served and isolated areas of Indonesia. An alliance with ConocoPhillips is helping restore education services in communities affected by the May 2006 earthquake that struck Yogyakarta and Central Java.

In Morocco and Jordan, a USAID information technology partnership with CISCO, UNIFEM, and the Governments of Morocco and Jordan has introduced CISCO Certified Network Associate and job-readiness training to eleven Moroccan institutions (900 students, 49 percent women) and to over 600 students (all women) in Jordan. In both countries, there is a focus on job skills and placement for women. In Morocco, 900 students, more than 50 percent of whom are women, have benefited (or are still benefiting) from the CISCO Certificate programs combined with job-preparedness training. Fifty percent of the first student cohort who completed the program found jobs within six months after graduation.

USAID's Office of Middle East Affairs recently finalized a new GDA that will engage and support emerging youth leaders in five Middle Eastern countries Egypt, Jordan, Lebanon, West Bank Gaza and Yemen. Partnering with the Ford Foundation, Save the Children International will create a youth development toolkit and link emerging young leaders to a network of youth development workers and institutions that assist young people build leadership capacity and exercise positive, moderate leadership behaviors within a community development context.

In cooperation with the Middle East Partnership Initiative (MEPI), Scholastic Inc., is providing millions of Arabic-language classroom libraries to thousands of schools in the Middle East and North Africa Scholastic's substantive contribution allows MEPI to leverage its $12 million investment in this critical-thinking and independent reading skills development program. In another example, MEPI's partnership with the CISCO Learning Institute, is developing on-line English language curricular materials to complement the efforts of the private sector-based World Economic Forum (WEF) - sponsored Jordan Education Initiative.

USG Coordination to Reduce Duplication and Waste. The Department of State and USAID work closely together implementing their Foreign Assistance Framework, which includes education. Through this framework and a joint Operational Plan process, State, and USAID coordinate to reduce duplication of effort and/or waste.

USAID collaborates actively with the Department of State/Middle East Partnership Initiative (MEPI) to promote education in Muslim countries within the Near East region, with a focus on civic education. The MEPI education pillar supports education systems that enable all people, especially girls, to acquire the knowledge and skills necessary to compete in today's economy, participate actively and effectively in the civic arena, and improve the quality of their lives and that of their families. MEPI and USAID coordinate to minimize any potential duplication of efforts and investments. A modest number of MEPI-funded education programs, notably the support for the Arab Civitas network, are implemented in conjunction with USAID. Other examples of collaboration include: support for a women's literacy in Morocco; development of e-learning modules for civics in Jordan; and, in Yemen, pending funds availability, the design and implementation of an Internet communication and collaborative learning network for 20 high schools. (This program will end March 31, 2007; there is no additional funding for it.) MEPI is also providing funding for an Arabic version of the Global Learning Portal, a project under the auspices of the Broader Middle East and North Africa (BMENA) initiative; the Portal will provide new means for professional collaboration and benefit educators and idea leaders across the Arab world.

Training and Exchange Programs. Bridging both basic and higher education, USAID, State Department Bureau of Education and Cultural Affairs (ECA) and MEPI coordinate in the area of providing training and exchanges for students from Muslim-majority countries to the United States. In addition to the educational value of these kinds of interventions, participants are exposed to American values, culture, and democratic institutions. Many of these programs directly benefit basic

education. In Egypt, 100 scholarships will be awarded to enhance the Ministry's technical college instructor capacity through "Train-the-Trainer" teacher preparation programs, of which 25 will be financed by the current ECA community college scholarship program. In Pakistan, secondary school educators will attend a five-week program in the United States, focusing on mathematics, science, and classroom technology.

For younger students, there are some programs such as State Department's **English Microscholarship Access Program**, which provides English classes for deserving high school students from non-elite sectors in countries with significant Muslim populations. The program, funded by MEPI in the Middle East and North Africa region, delivers language instruction in a civic education context, and helps students compete for future job and educational opportunities. It also prepares them to be considered for a U.S. exchange program. During FY-2006, U.S. embassies selected schools in 45 countries to enroll approximately 10,000 students in the program. In addition to teaching English, the program provides an American classroom experience using U.S. materials and emphasizes active learning.

The State Department's **Youth Exchange and Study Program (YES)** and **Future Leaders Exchange Program (FLEX)** bring high school students from Muslim countries to live with American host families and attend American public high schools for an academic year. The FLEX students also receive special training in civics and work as volunteers. Similarly, MEPI's **Student Leaders/Study of the United States Institutes** provide young people with intensive training in civic engagement and leadership skills in both U.S. and regionally-based settings.

The State Department's **"Leaders in Education Program"** is specifically designed to bring K-12 educators and administrators from all regions of the world, including Muslim countries, to the United States to visit schools, meet with teachers, administrators, and representatives of Parent Teacher Associations and other community organizations. The **Teaching Excellence and Achievement Program** (TEA) provides secondary school teachers from Eurasia, South Asia, and Southeast Asia with unique opportunities to enhance their teaching skills and increase their knowledge about the United States. The participants participate in a professional teacher development program in the United States. The six-week program also includes a three-week internship at a secondary school where participants actively engage with American teachers and students. Also, the TEA program provides follow-on grants to the international teachers to purchase essential materials for their schools, to offer follow-on training for other teachers, and to conduct other activities that will build on the exchange visits.

USAID's **Training Future Leaders** initiative highlights the importance of U.S.- trained scholars and their unique role in developing their nations upon returning home. USAID is carrying out an analytical study on prior USG investments. This research will inform future program design and provide a "best practices" framework for long-term training programs. Currently, field research is being done in Yemen, Egypt, Nepal, and Indonesia. This program complements ongoing efforts carried out by State/ECA and MEPI.

Funds Needed to Achieve Universal Basic Education

UNESCO estimates that $5.6 billion are needed per year to achieve "Education for All" by 2015. Globally UNESCO estimated that 103 million children were out of school in 2002/2003. For the countries in the Muslim world, this figure is estimated to be around 45 million. Estimating that it costs roughly $50 per year per child to complete basic education (6 years of schooling), it would cost $2.2 billion per year in Muslim countries as a whole to achieve universal basic education.

Efforts to Encourage Development and Implementation of a National Education Plan

In countries with predominantly Muslim populations, the effectiveness of basic education systems is at the crux of their development future and potential to moderate the influence of low growth, joblessness, lagging social services and despair. The United States encourages countries to develop and implement national education plans by offering assistance to support education reform developments and program funding once reforms have moved into the implementation phase. The United States has influenced national education plans and reform by way of pilot programs that model best practices in education. These positive experiences galvanize support for broader change and can impact the education system beyond the pilots programs' localities. Model programs also potentially have an impact outside of targeted interventions. In Indonesia, USAID helped the provincial government of Aceh with its new long-term education strategy, developed after decades of conflict and the 2004 tsunami. This strategic plan was recently endorsed by the Government of Indonesia's Ministry of National Education.

In December 2006, the USAID basic education project in Central Asia organized a regional conference on school governance which gathered over 60 representatives from ministries of education and finance, local authorities, schools, and national and international organizations from Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan. The participants reviewed policy guidelines on community participation in education decision making developed by the USAID project, discussed relevant national and international legal frameworks and recommended changes which will help the decision makers in the region to increase community involvement in school activities and provide input to education reform.

Closing the Digital Divide and Expanding Vocational/Business Skills

To "close the digital divide" and expand vocational/business skills, USAID, State, and other agencies implement public-private partnerships, information technology in the classroom, school-to-work and workforce training programs, improved quality of basic and secondary education programs, scholarships and exchanges. A few programs are highlighted below.

-- USAID/ANE Bureau **Education and Employment Alliance** promotes private sector participation in Egypt, Morocco, Pakistan, India, Indonesia, and the Philippines to enhance skills and improve education and employment opportunities among over 1 million underserved youth. In addition to local partners (profit and non-profit), corporate partners include Chevron/Unocal, GE, Ink Media, Lucent, Microsoft, Nike, and Oracle.

-- The State Department's **Global Connections and Exchange Program** seeks to promote mutual understanding and civic education in countries with significant Muslim populations by bringing together more than 1,000 schools from 16 countries for online collaborative projects that focus on professional development, media literacy, and civic education. Teachers also develop skills needed to participate in collaborative activities with U.S. schools, and teachers and students are offered opportunities to travel to their partner schools as a way to strengthen mutual understanding and solidify virtual relationships through face-to-face meetings.

-- The USAID **Internet Access Training Program** (IATP), administered by the International Research and Exchanges Board (IREX) since 1995, provides free

internet access and training in 11 countries throughout Central Asia, the Caucasus, and Western Eurasia. From major cities to small communities, IATP encourages information sharing, network building, and collaboration among U.S. Government exchange alumni and other targeted audiences. IATP staff train alumni and other targeted audiences in the effective use of the Internet and sponsor the development of local language web sites. The centers also conduct training in basic civics, entrepreneurship, and English.

-- **USAID and the Intel Corporation** signed Memorandum of Understanding in December 2006 to broaden access and usage of information and communications technologies (ICT) in developing communities around the world. This alliance envisions collaboration and partnership in the following areas: enabling "last mile" internet connectivity and locally relevant applications; supporting ICT usage and deployment by small and medium-sized enterprises to enhance economic development opportunities; and increasing the use of ICTs to support education and health. Intel prior experience in the education sector includes software development and teacher training programs for K-12.

Countries Eligible for Assistance. USAID has education programs in Muslim-majority countries and countries with large Muslim populations, which potentially overlap those which might be targeted by the President under an International Youth Opportunity Fund [section 7114(b)]. Below is a list, though not exhaustive, of programs in the Asia Near East, Africa, Europe, and Eurasia regions.

The Asia Near East region contains several Muslim-majority countries with significant education needs. Basic education program highlights include:

In **Afghanistan**, because many children and youth lost years of formal schooling, students need to catch up to their appropriate grade level. USAID created an accelerated learning program, compressing two years of study into a single year through innovative teaching techniques. This program has trained around 10,500 teachers and enrolled nearly 170,000 students. More than half the students are girls. In addition, USAID has printed and distributed nationwide 48.5 million textbooks for grades 1-12. Since 2002, USAID in conjunction with the Ministry of Education has built or refurbished 622 schools, mostly in remote areas.

In Bangladesh, Sesame Street Bangladesh, known locally as Sisimpur, is USAID's most recognized activity in the country. The program began airing in April 2005 and is the first show of its kind in Bangladesh. The half-hour television programs provide access to literacy, numeracy, and critical thinking skills for almost half of the estimated nine million three to six-year-olds in Bangladesh. This prepares them for learning success and helps to combat traditionally low achievement and high drop out rates in the lower primary grades. Secondly, USAID supports the Early Learning for School Success Program (SUCCEED) operation of 1,800 preschools which prepare preschool-aged children for school by improving reading and mat skills and expanding access to primary schools. A further aim of the program is to increase children's confidence and to reduce high dropout rates by enriching early learning opportunities prior to formal education. The program has established 1,800 preschools across the country (600 are based in schools and 1,200 are based in homes) and trained over 1,800 preschool teachers in new interactive methodologies.

USAID/Egypt supports the Government of Egypt in sustaining improvements in learning outcomes in grades K-12. The program focuses on improving teaching and learning, increasing equitable access to education, and strengthening management and governance in seven governorates. Activities include in-service teacher training, school libraries, information technology, and some school construction in remote and densely populated areas. To date, USAID has also provided 5 million books to over 5,000 Egyptian primary schools. Over 39,000 students now have access to computer technology. USAID has built 70 new girls schools serving almost 40,000 students. USAID supported the development of the Egyptian Sesame Street, which helps over 85 percent of all children under age eight acquire early literacy and numeracy skills.

USAID works in **Indonesia,** the world's largest Muslim country. The USAID program there works with over 100 districts (25 percent of the nation), providing training and technical assistance to school officials, communities and local governments on education management and finance. This Presidential initiative also includes in-service teacher training, mentoring, and teacher resource centers to improve the quality of classroom instruction. Over 245,000 junior secondary students and out-of-school youth are learning employment-related life skills while working toward school completion or its equivalency. USAID is supporting the creation of an Indonesian *Sesame Street*, which will debut in 2007. Through direct assistance and dissemination of best practices, education programs are expected to reach 9,000 public and private schools, 2.5 million students, 90,000 educators and one million out-of-school youth by 2010.

In July 2003, the Government of **Jordan** launched a five-year, $380 million program, developed with USAID assistance, Education Reform for the Knowledge Economy (ERfKE) initiative. This initiative is one of the most ambitious education reform programs in the Arab region to date. Its goal is to re-orient education policy, restructure education programs and practices, improve physical learning environments, and promote learning readiness through improved and more accessible early childhood education. USAID, in coordination with Jordan and eight other donor nations and multi-lateral organizations, will provide $80 million during this strategy period to support reform efforts through ERfKE. USAID's efforts under this initiative (1) assist the Government of Jordan's early child care initiative, creating 100 public kindergartens, field-test curriculum, and develop an accreditation system; (2) develop school-to-work programs and an IT curriculum stream for high school students; (3) connect 100 'Discovery' schools to broadband and test e-learning modules for all subject; (4) expand youth and life skills programs to secondary schools in new underserved areas in Jordan; and, (5) construct up to 28 new schools and rehabilitate another 100 schools to create the appropriate learning environment that supports the reform efforts and accommodates the recent influx of refugees from the region.

In **Pakistan**, USAID supports the Government of Pakistan's education reform strategy by: (1) strengthening education policy and planning; (2) improving the skills and performance of teachers and administrators; (3) increasing youth and adult literacy; (4) expanding public-private partnerships; and (5) providing school improvement grants and involving parents and communities in public schools. Over 9,000 parent-teacher associations received school improvement grants helping communities to build over 3,000 new classrooms, reconstruct over 1,000 more classrooms, build over 1,200 toilets, and repair another 1,000. In addition, in the Federally Administered Tribal Areas, USAID is constructing and furnishing 65 primary, middle, and high schools. USAID is building or restoring water and sanitation facilities at 190 girls' schools. Scholarships have been awarded to 57 women from this area to attend a one-year, pre-service teacher education program.

In the **Philippines (Mindanao)**, USAID education programs aim at improving education quality and access, and providing livelihood skills training for out-of-school youth. USAID and the U.S. Peace Corps jointly help improve instruction in English, science, and math by training over 21,000 elementary and secondary school teachers, as well as mobilizing over 300 Parent-Teacher Community Associations. Computer and internet education has also been introduced.

The Asia Near East regionalso contains countries with significant Muslim populations though not in the majority, such as India (second largest Muslim population in the world).

USAID/India's pilot program introduces the formal curriculum in eleven Islamic religious schools (madrassas), complementing the Indian Government's efforts to modernize madrassa education. The program reaches over 2,500 out-of-school youth and working children, particularly adolescent girls. A state government has decided to scale-up this model with its own resources, benefiting over 90,000 children in 1,200 madrassas by September 2008.

The sub-Saharan Africa region contains a number of important Muslim and Muslim majority countries, in which support to basic education activities and improved learning opportunities for in-school and out-of-school youth figure prominently. While USAID has been working with predominately Muslim countries and communities in the education sector in Africa from the 1960s, since the events of 9/11, the Bureau for Africa's Office of Sustainable Development (AFR/SD) has re-evaluated the role of education and taken a more strategic approach to address the concerns of a post-9/11 society. USAID partners with Muslim communities to ensure that children in these communities are receiving the best and broadest education possible and that USAID is working collaboratively to create an enabling socio-economic environment that will ultimately lead to greater global peace, security and understanding.

In support of President Bush's $100 million **East Africa Counter Terrorism Initiative (EACTI)**, AFR/SD initiated programs in East Africa in 2003 that provide basic education opportunities in marginalized Muslim communities. The targeted countries include Kenya, Uganda, Tanzania, and Ethiopia. Eritrea had been part of the original list, but eliminated during the USAID/Eritrea closeout. A summary of these programs include:

- **USAID/Ethiopia** implements various activities in Muslim-dominated areas particularly in Somali, Afar, and Oromia regions. The activities include: support to pre-service and in-service teacher training to improve the quality of primary education; provision of capacity building training for Parent Teacher Associations (PTAs) and community members to increase parent and community involvement in school management; building the capacity of education officers to improve the planning and management of the education system; and establishment and expansion of alternative basic education centers to provide non-formal primary educetion to children, especially girls, and adult literacy classes for illiterate Muslim men and women.
- **USAID/Kenya's** basic education program, Education for Marginalized Children in Kenya (EMACK), is concentrated in the North Eastern and Coast Provinces. Both Provinces have predominantly Muslim populations and the lowest education statistics in the country. This education portfolio began in 2004 with supplemental funding specifically targeted at Muslim communities. At the end of two years the project has had a tremendous impact on enrollment and retention. Over 100,000 children have been reached in the Coast Province. Approximately 250 Early Childhood Development Centers have been supported; over 2,000 teachers were trained in child-centered teaching methods. To date, the School Infrastructure Program has successfully built 107 classroom, three dining halls, eight dormitories, and supplied 2,000 desks along with 300 bunk-beds with mattresses.
- **USAID/Tanzania's** program focuses on strengthening primary performance in general and secondary math and sciences over the next five years. USAID will focus basic education activities for under-served children (especially girls in Muslim and pastoral areas). The United States' basic education initiative will provide training and materials to teachers and students, allowing thousands of Tanzanian students to receive textbooks written in Kiswahili and allowing girls to receive scholarships. United States resources will enable two programs to lay the groundwork over the next five years to: increase the number of girls receiving preschool, primary, and secondary education; improve primary and secondary skills in math and science; and provide specialized training for teachers in math, science, English, and the needs of children with disabilities.

USAID works with Muslim and pastoralist populations in geographic areas where there is little or no donor support. USAID/Tanzania will continue enhancing service delivery in Zanzibar, while adding two pilot districts (Lindi Urban and Mtwara Urban) on the southern Tanzanian mainland. Over 36,000 secondary, 64,000 primary, and 7,000 pre-primary school students will benefit from U.S. support targeting education delivery systems at local, district, and regional levels. In addition, an innovative radio instruction activity will focus on pre-primary and primary-level education. The radio instruction activity will establish 100 informal learning centers, as well as pilot radio instruction in 40 primary-school classrooms in Zanzibar. In addition, isolated communities in pastoralist areas will establish 70 Community Learning Centers providing equitable access to education for 14,000 children by FY-2008. Children will benefit from quality basic education in Kiswahili, English, math, social studies, science, and life skills.

- **USAID/Uganda** supports Madrassa Early Childhood Development (ECD), which targets poor communities and builds on existing informal early child education at selected community mosques. Through the Madrassa Resource Centre communities are supported to establish and manage their own pre-schools by using intense community participation in pre-primary education. The education activities follow a unique structure that was exclusively designed for Madrassa for use in the Ugandan context. The project seeks to provide access to high quality, culturally relevant and affordable early childhood education and development in order to increase the chances of children from underprivileged communities to access and succeed in later formal education. To date the project has achieved the following: 15 community schools have been mobilized and are participating in the program; 13 community schools are being supported under post graduation continuous support to ensure the long-term sustainability of the pre-schools; 1,207 children are currently enrolled in the new schools and other schools supported by the ECD activity; 282 Schools Management Committee members received training on how to manage their schools; 120 ECD teachers have been trained in ECD methodologies; and 1,810 parents have been mobilized to send their children to the community schools.

In support of the **Trans-Sahara Counter-Terrorism Partnership (TSCTP)**:

- **USAID/Mali's** basic education program focuses on supporting moderate Islamic schools (madrassas) and improving the quality of primary education for Mali's predominantly Muslim population. The program reinforces the Ministry of Education's management capacity; provides school-based and radio-based teacher training; develops interactive radio instruction for students; promotes adult literacy, and mobilizes communities to better manage and advocate for their local primary schools. In the three northern regions of the country, USAID provides scholarships for over 6,000 disadvantaged girls each year.
- **USAID/Senegal's** program aims at improving basic education in Koranic schools currently benefits approximately 4,800 vulnerable children living and studying in these schools. The pilot activity, funded with TSCTP ESF funds, was launched in late 2005. It supports improvements in the living, health, nutrition, and learning conditions of children in Koranic schools. It accomplishes this through the provision of hot meals; basic learning materials such as pens, books, and notebooks; and first aid kits. The program also provides training to teachers in how to effectively teach languages, math, life skills, and health education. Vocational training is also offered in the areas of carpentry, sewing, masonry, and tannery. Over the past few months, the leaders of these schools have become increasingly receptive to incorporating secular education in their curriculum and in promoting better nutrition and hygiene among their students.
- AFRD/SD's efforts through the President's Africa Education Initiative (AEI) in **Niger, Chad, and Mauritania** complement the TSCTP's efforts to counter extremism and terrorism. In these countries, USAID has used the AEI's Ambassador Girls' Scholarship Program to improve access to quality education for

girls and to engage parents and communities in the north of Mali and throughout Niger, Chad, and Mauritania

While not part of EACTI or TSCTP, other countries have benefited from USAID's Bureau for Africa's efforts to reach out to Muslim populations, including Somalia, Sudan, and Djibouti in the Horn of Africa and Nigeria in the West.

- **USAID/East Africa** has been supporting education programs in **Somalia** since 1994. The current education program uses radio to deliver high-quality, interactive instructional programs to marginalized children. The radio programs are currently being broadcast throughout Somalia, including in Mogadishu. The instructional radio program will target out-of-school youth and Koranic schools in Muslim communities.
- **USAID/Sudan** efforts are focused on the Three Areas and southern Sudan and engaging in national development. USAID continues to implement programs to enhance inter-religious peace-building through improving education access. Formal and non-formal programs focus on primary and girls' education, teacher training and institutional development - targeting out-of-school youth, women girls, returnees, and other vulnerable groups. The U.S. Government is expediting the provision of primary education and adult literacy through radio-based instruction to provide a quality standard of learning both for students and teachers. Conflict resolution, recovery, and prevention are integrated to support the peace process.
- **USAID/Djibouti.** Since 2003, USAID has supported Djibouti's education reform program, to (a) increase access through school rehabilitation, renovating/building water and sanitation facilities, and the provision of textbooks, equipment and kits; (b) improve quality through teacher training, development of teachers' and school principals' guides, provision of English Language teaching and teacher training for secondary and university levels, and construction and equipment of pedagogic resources centers, as well as improving supervision; and (c) improve community participation and increase girls' education through the provision of scholarships to 1,000 girls and non-formal education programs for out-of-school youth, especially girls. USAID collaborates with the U.S. Embassy and the Combined Joint Task Force/ Horn of Africa.
- **USAID/Nigeria** began support to the education sector in 1999. The first three-year program focused on increasing teachers' instructional skills in English literacy and numeracy; used interactive radio instruction, increased community/PTA involvement in schools' management; increased child-focused classroom instructional methods; and increased local and state government skills in school-based data collection and use (this aspect evolved into the current GON National EMIS model). Some 25 percent of participating schools were Islamiyyah, the balance were public. The current program integrates health and education activities, focusing on increasing teachers' instructional skills in English literacy and numeracy; uses interactive radio instruction; increases community/PTA involvement in schools' management; and deals with school health and nutrition issues.

In **Europe and Eurasia** the dissolution of the Soviet Union, followed by creation of new independent countries in place of the former Soviet republics, and the drastic deterioration of the economic situation during the 1990s, forced many of the new governments to drastically reduce the country's share of the Gross Domestic Product (GDP) allocated for the education sector. The economic downturn and the challenges of restructuring the economy and the education sector have been particularly severe in Tajikistan, which suffered from a five-year civil war (1992-97).

In 2003, to support the efforts of the Central Asian countries to reform the education sectors, USAID has implemented a regional education project in Tajikistan, Kyrgyzstan, Uzbekistan, and Turkmenistan. Although regional in implementation, the project allows for and takes into account the specific needs of each country and aims to utilize windows of opportunity as they arise. The **Basic Education Strengthening Program (PEAKS)** focuses on five major aspects of the education system: (1) in-service teacher training; (2) classroom-level learning materials and textbook development; (3) parent and community involvement in education decision making; (4) management and technical capacity at all levels of the education system; and (5) rehabilitation of school infrastructure. The program is implemented in close collaboration with the respective Ministries of Education, Ministry of Finance, teacher training institutes and other pedagogical and research institutions. USAID also facilitates donor-host country dialogue and to the extent possible collaborates with other donors to ensure complementary design and delivery of education activities.

USAID/E&E EDUCATION PROGRAM IMPACT IN FOUR MUSLIM MAJORITY CENTRAL ASIAN COUNTRIES (2002 - 2006)

TYPE OF PROGRAM	MAJOR PROGRAM COMPONENTS	REGIONAL IMPACT (approximate numbers)
Increase Access to Education Opportunities	• School and classroom construction and rehabilitation	• Rehabilitated 113 schools (Kyrgyzstan, Tajikistan, Uzbekistan)
	• School finance	• Piloted new school finance mechanism based on per capita funding formula to improve efficiency. Results include more efficient student/teacher ratios in pilot areas. (Kyrgyzstan, Tajikistan, Uzbekistan)
Increase the Quality of Education	• Teacher training	• 8,142 primary and secondary school teachers trained in interactive, student-centered methods with mentoring and other follow-up support (Kyrgyzstan, Tajikistan, Uzbekistan, Turkmenistan)
	• Community and parental involvement	• 174 school community committees strengthened to support school quality improvements (Kyrgyzstan, Tajikistan, Uzbekistan,)
	• Model school program	• 300 "Model Schools" model best

		practices in the use of new teaching methods, management practices and community involvement. (Kyrgyzstan, Tajikistan, Uzbekistan, Turkmenistan)

Kyrgyzstan. After the Tulip Revolution, the country continues to hang in a tenuous balance. Strengthening the ability of the education sector to deliver quality education relevant to the needs of market-based democracy will facilitate the democratic transition and economic performance and competitiveness. USAID provides teacher training and resource development for 11 pilot schools, which in turn will serve as teacher training centers for 84 cluster schools. The professional Development Schools (PDS) have been recognized by the Government of Kyrgyzstan as the alternative teacher training providers, a significant accomplishment in a country with a highly centralized educational system that does not readily look to alternative service providers. The Government of Kyrgyzstan also pays a salary for a PDS coordinator. From the inception of the project, 90,268 students benefited from this program and 12,062 teachers received training. In addition, USAID funds the Kyrgyz National Scholarship Test, which helps to fight corruption by enabling high school graduates to receive merit-based scholarships for higher education.

Tajikistan. Keeping momentum towards democratic reform in Tajikistan is critical, and a strong education system is an important tool to support that goal. While the basic education project initially focused on primary grades, deemed to be in the most urgent need of support, in 2005, additional resources allowed the project to expand the spectrum of interventions to cover grades 5-11 and introduce the Reading, Writing, and Critical Thinking Program. From the inception of the project, 53,105 students benefited from this program and 481 teachers received training.

In addition to the regionally implemented PEAKS project, USAID is also supporting a basic education project through the Aga Khan Foundation (AKF). This project works in remote, mountainous areas where teachers seldom have access to professional development activities. As a result of teacher training improvements, teachers report increased attendance, return to school of students who stopped attending, and new motivation to study among the students. From its inception, the USAID-AKF project has benefited 5,000 students and trained 1,057 teachers.

Uzbekistan. Although USAID was forced to halt project activities in 2006 due to the deteriorating political situation, the overall project achievements to date may be noted here. Since its inception, the basic education project has benefited 102,412 students and trained 676 teachers. The success of the project is also evidenced by the fact that many of the Uzbek trainers continue to support the regional project activities in Kyrgyzstan and Tajikistan.

Turkmenistan. Turkmenistan has taken the disturbing step of essentially eliminating upper secondary education by reducing the length of study to nine years instead of the standard ten years (under the Soviet system). In addition, the shift to the almost total reliance on the late President Niyazov's books (Rukhnama) as the primary curriculum which emphasizes loyalty to the president and his spiritual teachings, resulted in devastating deterioration of education quality and relevance and created a vast knowledge vacuum which will affect many generations to come. Young people under the age of 15 make up nearly 35 percent of the population in Turkmenistan - the second largest percentage of youth in the Europe and Eurasia region. As a result of the President Niyazov's education reforms, upper secondary enrollments have fallen from 67 percent to 27 percent since 1991. This means that approximately one in four students between ages of 15 and 18 are enrolled in school.

Besides a small-scale UNICEF initiative in primary and secondary education, USAID has been the only other donor involved in education. Although the Government of Turkmenistan has not formally endorsed the program, it has allowed interested schools to work with the USAID-funded project. Assistance-to-date has focused on teacher training in interactive teaching and learning methods. Up to now, 57,335 students have benefited from the project and 533 teachers received training. In FY-2006, USAID did not fund the basic education project.

The change of leadership following the recent death of President Niyazov may create opportunities for broader engagement. President Berdimuhammedov announced that Turkmenistan will embark on reform to align the education system with international standards. If implemented, this may provide an opportunity for U.S. involvement in basic education reform.

8. Economic Reform

High unemployment and underemployment, often a result of slow economic growth, are among the most critical issues in predominantly Muslim countries. U.S. assistance programs attempt to address this issue with reforms to improve the investment climate. Such reforms could include business registration, dispute settlement, financial sector and agricultural reforms, combined with education, job training, and health programs.

The United States strategy of *Total Economic Engagement* pursues economic reform, rule of law, and global economic integration worldwide, including countries with predominantly Muslim populations. *Total Economic Engagement* includes:

- Regular bilateral discussions on these topics with host government officials, with both U.S. Embassy officials and officials from a wide range of U.S. agencies participating in these talks,
- Formal structured dialogues, high-level Economic Dialogues, and Trade and Investment Framework Agreement (TIFA) Councils;
- U.S. bilateral and multilateral assistance programs for economic reform, trade capacity building, and rule of law are managed chiefly through USAID, the Millennium Challenge Corporation, and the State Department's Middle East Partnership Initiative. Programs are often complemented with technical assistance provided by specialized U.S. agencies and offices,
- Working through our membership in such international organizations as the International Monetary Fund (IMF), World Bank (WB), World Trade Organization (WTO), and OECD (MEAN-OECD Investment); we coordinate bilateral policies and assistance strategies with these organizations and other bilateral donors to advance reform goals; and
- Working with non-governmental organizations (NGOs), such as Transparency International, and U.S. and foreign business associations, such as American Chambers of Commerce and Business Councils, to advance reform issues of mutual concern.

Integrating Predominantly Muslim Countries into the Global Trading System

There are a number of USG-funded programs to promote predominantly Muslim countries' integration into the global trading system and promotion of regional trade and rule of law.

The following table lists USG funding for trade and capacity building programs. USAID/Asia and Near East Bureau currently funds 86 percent of these programs in these countries.

USG Funding for Trade and Capacity Building	
Country	**USG FY-2006 Funding**
Afghanistan	$59,337,037
Bangladesh	$879,412
Egypt	$29,678,973
Indonesia	$13,873,877
Iraq	$9,482,830
Jordan	$10,960,695
Lebanon	$50,000
Morocco	$10,867,389
Pakistan	$3,929,000
West Bank/Gaza	$0
Yemen	$448,824
TOTAL TCB Funding	**$139,508,037**

WTO Awareness and Accession. FY-2006 USAID programs with components dealing withWTO awareness and accessionare being implemented in Afghanistan ($11,000,000), Egypt ($7,500,000), Iraq ($5,029,501), and Yemen ($100,000):

- **USAID/Afghanistan's Strengthening Private Sector through Capacity Building** goal is to establish sound economic governance within the economic ministries and agencies of the Government of Afghanistan. Activities include customs operations and administration and other related reforms supporting progress toward WTO accession.
- **USAID/Egypt's Assistance for Customs and Trade Facilitation Project** targets all aspects of trade capacity building, including trade policy, trade facilitation, inspections, import and export procedures, trade agreements, and WTO awareness.
- **USAID/Iraq's Trade Policy and Market Access Support - Iraq.** Key objectives include assisting with the Government of Iraq's accession to the World Trade Organization, supporting trade policy reform, and training and capacity building on trade-related matters.
- **USAID/Yemen's Agricultural Support Project** supports both Yemen's capacity to increase its exports of traditional and non-traditional commodities, and Yemen's WTO accession.

USAID Global Export Promotion Programs. USAID global export promotion programsin FY-2006 included Afghanistan/Pakistan ($493,000), Bangladesh ($630,000), Egypt (the $7,500,000 mentioned previously and $4,000,000), Jordan ($1,000,000), Morocco ($3,587,706 and $5,600,000), Pakistan ($2,500,000 and $240,000), and Yemen ($73,000)

- A U.S. Interagency Working Group supporting the Presidential Initiative for Reconstruction Opportunity Zones (ROZs) sponsored a study on the most feasible locations and products to be included in ROZs to be located in **Afghanistan and adjacent border areas of Pakistan**. Goods produced in the ROZs could enter the U.S. market duty free. The study was funded and implemented by USAID/Afghanistan, USAID/Pakistan, and USAID/ANE.
- In **Bangladesh**, the Shrimp Quality Support Project focuses on improving the quality and quantity of shrimp exports by Bangladesh in socially and environmentally acceptable ways by transferring appropriate applied research to farmers.
- USAID/Egypt's Assistance for Customs and Trade Facilitation Project (mentioned previously).
- USAID/**Egypt's Information Communication Technology** works to establish the legal and regulatory framework necessary to strengthen e-commerce and information and communication technology; these investments are designed to support business development, trade, and investment.
- USAID/Jordan supports the **Business Development Center - Jordan**, which provides assistance to firms in Jordan to help them adapt to the integration of Jordan into the global economy, and enhances their ability to export to international markets.
- USAID's **Morocco Fast Track Trade** is designed to help Moroccan companies identify U.S. business partners and provide advice on marketing, packaging, and exporting to the United States. The Project prepares export-ready Moroccan small and medium enterprises to use the U.S. - Morocco Free Trade Agreement to their best advantage.
- USAID's **Morocco New Business Opportunities** supports the U.S. - Morocco Free Trade Agreement by providing technical assistance, training, and business contacts to Moroccan manufacturing enterprises to enable them to successfully export to the United States.
- The **Pakistan Initiative for Strategic Development and Competitiveness** provides technical assistance and training to increase the competitiveness of Pakistani small and medium sized enterprises. This USAID/Pakistan project works with a number of sectors, including gems, jewelry, dairy, marble, horticulture, and furniture, to improve their capacity to market and export their product. In addition, USAID's Embroidery Value Chain in Pakistan project is linking rural female embroiderers to agents, who in turn sell their product to urban and rural export markets.

Customs Reforms. Customs reformsare supported by USAID FY-06 programs in Afghanistan ($11,000,000), Egypt ($7,500,000, mentioned previously), Iraq ($1,453,334), and Jordan ($6,437,695):

- **Afghanistan's Customs Reform Program** is imbedded in USAID's Strengthening Private Sector through Capacity Building Project, which is designed to

establish sound economic governance in economic ministries and agencies, including the Ministry of Finance and Customs Service. Customs generated some $150 million in Afghan fiscal year 2004-5, surpassing the IMF revenue generation goal.

- **Customs Reform for Trade Improvements - Iraq** is a USAID project to assist the government of Iraq to develop the necessary customs reforms to rebuild the economic infrastructure in Iraq. A modern customs service is essential for revenue collection and international trade management
- **Jordan's Customs Reform Program** is embedded in USAID's Achievement of Market Friendly Initiatives and Results (AMIR), which supports private sector development and trade capacity building.

USAID Africa Bureau Programs. Programs managed within the USAID Africa Bureau include Sub-Saharan integration into the global trading system, the driving forces of which are the African Growth and Opportunity Act (AGOA) and the Presidential Initiative - African Global Competitiveness Initiative (AGCI). The African Global Competitiveness Initiative promotes export competitiveness and growth of African enterprises to expand trade with the United States under the African Growth and Opportunity Act, other international trading partners, and within Africa. Program efforts are focused on helping countries build a sound enabling environment including policies, laws and regulations governing business and trade; improving infrastructure to facilitate trade; strengthening financial services to small and medium-sized enterprises and other businesses; and developing the energy sector to meet the needs of growing African economies.

USAID Europe and Eurasia Bureau Programs.

Albania. USAID's objective in Albania is to strengthen its integration into the Euro-Atlantic community and promote its contribution to ethnic integration in the region. USAID/Albania's programs worked with the government to improve the business climate for private sector growth and investment and to improve private sector competitiveness to meet international export requirements. The Albanian Center for International Trade, founded in 2003, currently assists the Government of Albania to improve the quality of its trade policies. The Enterprise Development and Export Market Services Project, scheduled to run through September 2008, promotes the competitiveness of small and medium Albanian enterprises in domestic and foreign markets, and accelerates the entry of Albanian exports into global markets.

Azerbaijan. Azerbaijan's program emphasizes economic growth and reform, with a focus on developing the non-oil sectors of the economy. In 2006, USAID worked to develop a well-functioning private sector to increase job creation and regional economic development.

Bosnia and Herzegovina. The program in Bosnia and Herzegovina (BiH) supports progress towards full integration into the EU. USAID/BiH worked to integrate the energy sector into the regional European framework and supported the development and implementation of a coherent direct taxation system that is regionally competitive. USAID's competitiveness projects promote trade and investment in agribusiness, wood processing, and tounsm by improving the competitiveness of the firms, industries, and training firms to meet EU standards.

Central Asia Region. The Trade Facilitation and Investment (TFI) Project has been operating in Kazakhstan and the Kyrgyz Republic since 2001 and in Tajikistan and Uzbekistan since 2002. The project seeks to improve the trade and investment environment for small and medium-sized enterprises through the reduction of investment constraints, trade facilitation, and accession to and active participation in the WTO (Kyrgyz Republic joined in 1998).

Building on USAID's TFI Project, the **U.S. Central Asia Trade Facilitation Initiative** works to foster greater regional trade through reduced transaction costs for businesses by harmonizing, strengthening, and streamlining customs functions.

The Business Environment Improvement Project (BEI) was launched for Kazakhstan, the Kyrgyz Republic and Tajikistan in October. This program supports the streamlining of legal and regulatory processes and facilitates multi-party engagement to improve the business, trade, and legal environment.

The Central Asia Infrastructure Integration Initiative, under the Regional Electricity Market Assistance Project (REMAP) helps to establish a transparent and competitive regional electricity market to increase regional electricity trade, stimulate economic growth, and provide market-based solutions for regional disputes related to hydro facilities and reservoirs.

Kazakhstan. USAID's Trade Facilitation and Investment (TFI) Project operates five offices in Kazakhstan and was directly involved in the drafting of Kazakhstan's Customs Code, bringing the country into greater compliance with WTO principles and agreements. TFI is also financing the training of front-line customs officers in the identification and seizure of pirated goods which will help Kazakhstan meet the standards of the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) and achieve removal from the Special 301 Watch List, both of which will help Kazakhstan's accession process to the WTO. The Kazakhstan Small Business Development Project, funded in October 2006, aims to promote development of small business, resulting in an increase of sales domestically and regionally.

Kosovo. USAID's objective in Kosovo is to strengthen its integration into the Euro-Atlantic community and promote its contribution to ethnic integration in the region. USAID's goal is to help Kosovo make the transition from international administration to self-governance in an effective and peaceful manner. USAID provides training and expert counsel to ensure Kosovars quickly build capacity in the fiscal and economic policy sectors, private enterprise development, and energy management. One such program is the Cluster and Business Support Project, assisting businesses in the construction materials, livestock, and fruit and vegetables sectors by promoting productivity, trade and investment, identifying trade, marketing and import-substitution opportunities and providing training to meet European Union standards.

Kyrgyz Republic. USAID's Trade Facilitation and Investment Project provides support to the WTO Department within the Kyrgyz Ministry of Economic Development and Industry & Trade (MEDIT) to increase its technical capacity in the legal and regulatory process. The Kyrgyz Agri-Enterprise Development Program works closely with the USAID Ferghana Valley Agribusiness Initiative, and provides development assistance to private agricultural-input suppliers that share the Ferghana Valley with Uzbekistan and Tajikistan.

Tajikistan. USAID's Trade Facilitation and Investment Project works directly with the Tajik government to prepare it to meet its WTO commitments by revising and updating the Legislative Action Plan to bring trade-related legislation into conformity with the provisions of WTO Agreements. Patent, copyright, trademark, and

geographic indication legislation are revised to reach conformity with the provisions of the Trade-Related Aspects of the Intellectual Property Rights (TRIPS) Agreement. USAID's programs support small and medium enterprise development, customs reform, and the creation of agricultural value chains. Fiscal reform projects focus on reducing regional disparities by increasing the effectiveness of local tax administration and increasing the capacity of local governments to develop and execute budgets.

Turkmenistan. USAID works to foster trade advisory services and implement International Financial Reporting Standards in Turkmenistan. In FY-06, USAID implemented its Agricultural Improvement Project to improve competitiveness and increase the rural incomes of farmers through the production of quality goods for domestic and international markets.

Uzbekistan. In FY-06 USAID assisted Uzbekistan in its WTO accession process supporting the drafting of new legislation and amending the existing legislation required, and worked to implement the reforms required for liberalizing Uzbekistan's trade regime and increasing its participation in the global economy.

Stability Pact for Southeastern Europe. The Stability Pact for Southeastern Europe (SP) has several relevant programs related to global trade that affect parts of the region with significant Muslim populations, including Albania, Bosnia and Herzegovina, and Kosovo. In December, under Stability Pact leadership, the countries of Southeastern Europe signed the amended and enlarged Central European Free Trade Agreement (CEFTA), which brings the region the benefits of freer trade, improve the climate for investment, and bolster stability by increasing economic cooperation. The SP's Trade Working Group has encouraged the negotiation, ratification and implementation of a network of bilateral free trade agreements among the members of the Stability Pact and supports negotiation of a single regional trade agreement aimed at harmonizing the bilateral trade agreements to encompass all SP members. The U.S. supports this process by providing technical assistance to lower non-tariff barriers within the region, consistent with WTO principles.

The SP has also helped develop a common energy market between the European Union and Southeastern Europe. On October 25, Albania, Bosnia-Herzegovina, and UNMIK/Kosovo (among other Southeastern European parties) signed the Energy Community Treaty in Athens. This treaty will establish a common regulatory framework for trade in electricity and gas and facilitate financing and investment by both official donors and private investors in the rehabilitation of existing infrastructure and construction of new infrastructure.

Under Stability Pact auspices, the OECD Investment Compact for Southeastern Europe aims to improve the region's investment conditions, by setting out commitments for policy reform, which countries need to implement in order to create a robust and sustainable market economy and to encourage increasing local and foreign direct investment. Albania and Bosnia and Herzegovina (among other Southeastern Europe nations) are signatories

Possible Actions to Promote Intraregional Trade and Rule of Law in the Region
Supporting intraregional trade and rule of law is a key aspect of U.S. policy in the Middle East and around the world.

Intraregional Trade

- The President's vision of a Middle East Free Trade Area (MEFTA) by 2013, linking countries in the region with each other and the U.S. is the centerpiece of our effort to promote intraregional trade. Our strategy for attaining MEFTA includes:
  - Negotiating Free Trade Agreements (FTAs) with countries ready for that step. The U.S. has concluded FTAs with Israel, Jordan, Morocco, Bahrain, and Oman;
  - Working with additional countries through the TIFA process to advance readiness for FTA negotiations; and
  - Assisting reform-minded Middle East countries that are not yet in the WTO accession process
- The Middle East Partnership Initiative (MEPI), MCC, and USAID Missions in the Middle East, provide support for the MEFTA initiative through a variety of programs in trade capacity building. MEPI and USAID Missions in the Middle East are supporting the WTO accession efforts of Iraq, Yemen, and Lebanon. U.S. assistance programs assist FTA partners Jordan, Morocco, Bahrain, and Oman to implement their FTAs with the United States.
- USAID/Jordan's Achievement of Market Friendly Initiatives and Results (AMIR), supports implementation of the FTA between the United States and Jordan. It offers support to Jordan as it liberalizes its economy and works to meet the requirements of regional and global trade opportunities. USAID/Morocco assists the government and private sector to successfully respond to the challenges and opportunities that the FTA with the United States will bring.

The Rule of Law

- **USAID/Egypt's Administration of Justice Support II project** promotes the rule of law by reforming and modernizing the commercial court system and improving the access to quality legal services. FY-2006 funding is $5,000,000
- **USAID/Morocco's Commercial Court Judges Training in Trademark Opposition Process** promotes mandatory continuing education for judges and lawyers, including trademark opposition. This builds on the work of a previous USAID project on modernization of commercial laws and of the judiciary. The project will also cooperate with USAID funded training provided the U.S. Patent and Trademark Office regarding implementation of the system for both judges and customs officials.

The Millennium Challenge Corporation (MCC). In addition, the Millennium Challenge Corporation (MCC) provides assistance for transformational development in countries that perform well on 16 independent, transparent policy indicators in the areas of ruling justly, investing in people, and economic freedom. Besides the financial support provided by MCC programs, MCC creates an incentive for candidate countries to adopt legal, policy, regulatory, and institutional reforms related to the MCC selection criteria. Such reforms will contribute to countries' efforts to reduce poverty and increase economic growth

Summary of MCC Activities in Predominantly Muslim Countries:

Compact-Eligible Countries. Based on their good performance on the 16 policy indicators mentioned above, Compact-Eligible countries are invited to apply for substantial grants from MCC for programs that they design and implement through a "Compact."

Mali. Mali signed a five-year, $460.8 million Compact with MCC in November. Its Compact aims to reduce rural poverty and help achieve national food security

through a sustainable increase in the economic performance of the agricultural sector. The Compact also intends to spur economic growth and reduce poverty by increasing the competitiveness of light industry and increasing the value-added of exports and tourism. The Compact's objectives will be met through investments aimed to increase farmers' incomes, enhance agricultural supply chains, reduce transport costs and create a platform for industrial production. The Compact focuses on key infrastructure investments that capitalize on two of Mali's major assets, the Bamako-Senou International Airport, gateway for regional and international trade, and the Niger River, a source of water for irrigated agriculture.

Burkina Faso. Burkina Faso submitted a Compact proposal to MCC in October. It aims to promote economic growth in the rural sector by fostering land tenure security; investing in irrigation and watershed management infrastructure for agricultural purposes; constructing national roads, feeder roads, and market infrastructure; and improving existing agro-industrial supply chains.

Jordan. In November,MCC's Board of Directors selected Jordan as eligible to apply for Compact funding. Jordan is currently preparing a proposal for submission to MCC.

Morocco. Morocco submitted its Compact proposal to MCC in August. The proposal focuses on relieving constraints to growth in the agriculture, fishing, artisan, and small enterprise finance sectors.

Threshold Programs are designed to assist countries that have demonstrated significant commitment to improving their performance on MCC selection criteria, but do not yet pass more than half the indicators in each of the three selection categories of ruling justly, investing in people, and encouraging economic freedom. A Threshold Program provides financial assistance to help improve a low score on at least one of MCC's policy indicators.

Albania. Reducing corruption is the primary focus of the $13.8 million Albanian program. Albania is receiving assistance from MCC to fund three programs designed to reform tax administration, public procurement and business administration. The program anticipates reducing the extensive red tape and below-board payments needed to start a business while increasing the national tax base.

Burkina Faso. The $12.9 million program is a pilot program that seeks to improve performance on girls' primary education completion rates. Specific interventions include the construction of 132 "girl-friendly" schools, teacher training, providing take-home dry rations to girls who maintain a 90 percent school attendance rate, and providing literacy training for mothers. Burkina Faso is now eligible for Compact assistance.

Indonesia. The $55 million program with Indonesia seeks to immunize at least 80 percent of children under the age of one for diphthena, tetanus, and pertussis and 90 percent of all children for measles. The Threshold Program also has a component aimed at curbing public corruption by reforming the judiciary.

Jordan. The $25 million Jordanian program aims to strengthen democratic institutions by supporting Jordan's efforts to broaden public participation in the political and electoral process, increasing government transparency and accountability, and enhancing the efficiency and effectiveness of customs administration. The Threshold Program is a part of Jordan's reform efforts focused on improvements in public administration, civil liberties, infrastructure, and the economy. Jordan has now become eligible for Compact assistance.

Kyrgyz Republic. Selected as eligible for the Threshold Program in FY-2006 and reselected in FY-2007, the Kyrgyz Republic has requested MCC funding to improve performance on MCC indicators in the *Ruling Justly* category. The Kyrgyz Republic submitted a Threshold Country Plan to MCC, which is currently under review.

Yemen. In February 2007, the Republic of Yemen was reinstated into the Threshold Program. The MCC Board of Directors found that the Yemeni government worked aggressively and demonstrably to address the country's performance on the MCC selection criteria. Yemen may now apply for a Threshold Program agreement.

The Middle East Partnership Initiative (MEPI). In 2006, the State Department's Middle East Partnership Initiative (MEPI) provided tangible support to reformers in the region so democracy could spread, education could thrive, economies could grow, and women could be empowered. Working in 16 countries and the Palestinian territories, MEPI invested in programs ranging from trade technical assistance to commercial code reform to a network for Arab businesswomen.

Examples of MEPI's work with reformers include the following:

- Provided technical and other assistance in support of successfully completed free trade agreements with the Bahrain and Oman.
- Expanded trade capacity of Arab countries with training and technical assistance; a number of Gulf countries are drafting new customs codes and updating agricultural import/export standards.
- Provided entrepreneurial training for more than 300 participants, almost half of them women, from 16 Middle Eastern and North African countries, with 35 alumni going on to start or expand businesses. At least 500 new jobs have been created following their participation in MEPI programs.
- Extended credit and services to small- and medium-sized businesses through peer consultation and training for regional banks and financial organizations.
- Established self-sustaining Junior Achievement chapters in 12 countries throughout the Middle East, with more than 10,000 students participating. Created public-private partnerships that assisted in the sustainability of Junior Achievement chapters.
- Expanded commercial and legal reform efforts in the Gulf by working to update legal curricula at law schools in Qatar and Oman, update commercial codes to meet international standards in Bahrain and Oman, and provide continuing education programs for the judiciary.
- Established business network hubs in six countries, focusing on training, professional development, and information sharing on laws, business opportunities, skills, and the global economy.