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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	From Kenneth Bernard to Eric Schwartz at 1:26pm. Subject: FW: DC on AIDS. (16 pages)	05/01/2000	P1/b(1)
002. email	From Mary McCarthy to Kenneth Bernard at 6:48pm. Subject: FW: DC on AIDS. (8 pages)	05/01/2000	P1/b(1)

COLLECTION:

Clinton Presidential Records
NSC Emails
Exchange-Record (Sept 97-Jan01) ([ExIm and AIDS])
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[01/04/2000-05/01/2000]

2006-0947-F
vz658

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Exchange Mail

DATE-TIME	01/04/2000 4:53:27 PM
FROM	Kaidanow, Tina S. (SEE)
CLASSIFICATION	UNCLASSIFIED
SUBJECT	FW: Budget Narrative for International Affairs Section of the President's FY-2001 Budget [UNCLASSIFIED]
TO	Hill, Christopher R. (SEE) Holtzapple, Richard A. Kaidanow, Tina S. (SEE) Maxfield, Nancy H. (EUR) Muir, Morgan C. (SEE) Ostrowski, Stephen T. (SEE/INTERN) Russ, Judith P. (SEE) Sapiro, Miriam E. (SEE) vonLipsey, Roderick K. (SEE)
CARBON_COPY	
TEXT_BODY	looks ok to me -- if everyone is all right with this version, let me know and I'll clear for @SEE.

-----Original Message-----
From: Halperin,
David E. (SPCHW)
Sent: Tuesday, January 04, 2000 16:44 PM
To: Bouchard,
Joseph F. (DEFENSE); @AFRICA - African Affairs; @ASIA - Asian Affairs;
@ENVIRON - Environmental; @EUROPE - European Affairs; @INTECON -
Economic Affairs; @HEALTH - International Health Affairs; @INTERAM
- Inter-American; @LEGAL - Legal Advisor; @LEGISLAT - Legislative
Affairs; @MULTILAT - Multilateral and Humanitarian Affairs; @NESASIA
- NE/South Asia; @NONPRO - Export Controls; @RUSSIA - Russia/Ukraine;
@SEE - Southeast European Affairs; @SPEECH - NSC Speechwriters; @TRANSNATIONAL
- Transnational Threats
Cc: @DEFENSE - Defense Policy
Subject: RE:
Budget Narrative for International Affairs Section of the President's

FY-2001 Budget [UNCLASSIFIED]

To all:

Attached is my effort
to edit this OMB document and to incorporate concerns from various NSC offices, trying at all times to avoid unnecessary changes in what OMB considers its product.

If I have somehow missed your
comments, or you feel I have not done them justice, or you have more to add or subtract, please phone me or e-mail everyone ASAP -- Mara and Joe need to take a look and quickly get this back to OMB.

Thanks
to all.

TRANSLATED_ATTACHMENT Chapter10a NSC.doc
H:\2001 Budget\Budget Chapter Materials\Chapter10a.wpd
December 30, 1999 (5 PM)NSC edits

Section IV, Chapter 10:

Advancing United States Leadership in the World

At the beginning of a new century, the United States has reached new heights of
influence in the world. At the same time, advances in technology and the opening
of borders have increased the importance of exercising this influence: more and
more, what happens overseas affects our security, health and prosperity at home.
Our country has its greatest opportunity ever to advance our values and interests
and build a better and more peaceful world. But doing so requires American
leadership and engagement with countries and peoples around the world. We must
work with others to defuse crises, promote peace, contain refugee crises, deepen
democracy and the rule of law, combat terrorism and the spread of weapons of mass
destruction, strengthen free market economies, protect the global environment,
fight poverty and disease. Meeting these great challenges will require

wise and
purposeful use of our budget resources.. If properly devised and implemented,
these expenditures will provide tremendous benefits to the American people by
protecting our people, enhancing our prosperity, and preventing problems down the
road that would require far greater expenses.

Events of the past year have underscored the importance of American leadership
and resources in achieving our goals in the world. With America's leadership,
the NATO alliance used force and diplomacy to halt and reverse the brutal ethnic
cleansing of Kosovo's ethnic Albanians, thereby containing a risk of a wider war
at the doorstep of our allies. l Nearly a million Kosovars who had been driven
from their homes have returned; with the support of America and our friends and
allies they have begun the difficult work to building a tolerant democratic
society and a new economy. American leadership was critical to efforts to end
the bloodshed in East Timor, and to pursue lasting peace in the Middle East,
Northern Ireland, Sierra Leone, and on the Peru-Ecuador border. We have worked
with friends and allies to detect and counter terrorist threats, and we have
continued our efforts with Russia and other former Soviet nations to halt the
spread of dangerous weapons materials and know-how. We worked with partners
around the world to help relieve suffering when devastating natural disasters hit
Turkey, Central and South America and elsewhere. We reached landmark agreements
to build a new energy routes from the Caspian Sea and to bring China into the
global trading system. Our leadership on free trade and on efforts to reform the
global financial system has been essential to ending a global financial crisis
and putting nations from Asia to Latin America back on the path to stability and
growth And the President used the summit of the world's leading industrial
nations in Cologne, Germany, to launch a new debt reduction

initiative to help
the most impoverished countries of the world eliminate crushing debt burdens and
reform their economies.

Much hard work lies ahead in building on these successes and addressing other
critical challenges, such as working toward lasting peace between Greece and
Turkey, and between India and Pakistan; strengthening NATO and our other security
alliances and arrangements for the new century; supporting transitions to
free-market democracy and the rule of law around the world; securing greater
reductions in nuclear weapons arsenals; strengthening efforts to halt the spread
of weapons of mass destruction; protecting our critical computer systems against
cyber attacks; advancing the fight against global warming and other forms of
environmental destruction; and halting the spread of disease worldwide.

The President's FY 2001 budget proposes several initiatives to further America's
leadership in the world and address these and other challenges.

During the coming year, the Administration intends to seek an FY 2000 emergency
supplemental to provide critical assistance to the people and Government of
Colombia in their fight against narcotics traffickers. The supplemental, which
is included in the President's budget request, will help finance a multi-year
strategy developed by the Government of Colombia, known as "Plan Colombia." The
Administration will also request funds for renewed initiatives to promote
economic growth, stability and democracy in Kosovo and across southeast Europe.

For FY 2001, this budget requests increased funding for several priorities.
Funding for international family planning assistance is increased by $140
million, returning the U.S. to the position that it held as the single largest
donor of this critical assistance before congressional efforts to impose

restrictions on this assistance led to drastic cuts in funding levels. Funding
for efforts to contain the global spread of HIV/AIDS has been increased by $100
million, more than double the amount spent in FY 1999. These initiatives will
respond to pressing prevention, health infrastructure and treatment needs, but
will also be used to leverage increased funding from other donors, and from
developing countries themselves, for these critical objectives. Increased
funding for urgent humanitarian and refugee assistance programs is also included.

An additional $540 [check] million is included for initiatives that will further
protect the men and women who serve America in our diplomatic missions overseas.
This budget will propose to spend about a billion dollars a year to protect our
personnel staff from security threats.

Finally, the budget proposes an increase of $239 million over the FY 2000 enacted
level to support international peacekeeping missions around the world. US
funding for these missions is critical if we are to prevent wars and conflicts
that threaten U.S. interests.

This chapter describes these and other initiatives in more detail, outlining how
budget resources support the various goals of America's international policies
with respect to protecting our national security, promoting prosperity, and
advancing our values.

1. Protecting American security by promoting peace and democracy abroad.

Colombia: Colombia: The budget proposes a substantial increase for
counter-drug and other support for Colombia. Today, most of the cocaine and a
significant portion of the heroin that reaches the United States is produced in
Colombia. With recent increases in cultivation, more than half of the

world's
coca is now grown in Colombia, and this trend is expected to continue unless
checked by the Colombian government and U.S. and other assistance. Insurgents
and paramilitary groups shelter the coca harvesting and cocaine processing from
government efforts at eradication and destruction of drug labs. Drug-related
violence and Colombia's most significant recession since the Great Depression
have hampered Colombian President Pastrana's efforts to end a thirty-year-old
civil conflict. Fighting Colombia's drug trade, and strengthening stability and
democracy in that country, is strongly in America's national interest; it will
help protect our citizens at home, and advance our interest in a more peaceful
and prosperous hemisphere.

President Pastrana has devised a comprehensive, integrated strategy, "Plan
Colombia," to address the country's interrelated challenges. Our budget proposes
to increase assistance programs through an FY 2000 supplemental of $xxx million
and FY 2001 funding of $xxx million, with some additional assistance included for
interdiction and alternative development in neighboring countries that have drug
problems closely linked to Colombia's. Funds earmarked for Colombia will be used
to support counter-drug efforts and for other programs to help deepen democracy
and promote prosperity. The proposal would enhance alternative development and
strengthening of civil justice and democratic institutions, as well as provide
military assistance to the counter-narcotics effort. The Administration will
also encourage U.S. allies and the international institutions to assist Colombia
in implementing President Pastrana's new strategy.

Kosovo: The budget requests $200 million to help the people of Kosovo build a
democratic, tolerant society and a stronger economy. The members of the European

Union will bear the lion's share of these costs, but the United States must also contribute. At the November 17, 1999, Donor's Conference in Brussels, the international community pledged a total of $1,056 million towards peace implementation, reconstruction and recovery, budget support, and humanitarian assistance, of which the US Government pledged $156.6 million, or 14.8 percent. This amount is in addition to the $556 million that the U.S. pledged in May 1999 and continues to spend in FY 2000, drawing primarily from the emergency supplemental, to address humanitarian needs, such as the provision of shelter, health care and food aid for returnees, and other urgent requirements.

In FY 2001, resources will be used to help rebuild the Kosovar economy and society. A growing economy, with new employment opportunities, is critical if Kosovo is to overcome problems of crime and ethnic violence. In conjunction with other donors, US resources will provide working capital to stimulate economic activity.

Southeastern Europe Initiative (SEI): Central to lasting peace in Europe is the political and economic integration of the Balkans into Europe and the global community The budget requests $X million for this important initiative. Also critical to a peaceful future for Europe is the replacement of the Milosevic regime.. For that reason, about $X million will help promote the democratic opposition in Serbia and provide assistance to Montenegro. About $X million of the US assistance is intended to accelerate the integration of southeast Europe's countries into the global trading system by breaking down barriers to trade and investment. The US assistance will encourage economic reform, the rule of law, deepening of democracy, and adoption of international standards governing trade.

UN Reform and Contributions to International Peacekeeping: Peace

and security
operations of the United Nations directly support U.S. national interests.
Peacekeeping has the capacity, under the right circumstances, to separate
adversaries, maintain cease-fires, facilitate the delivery of humanitarian
relief, enable refugees and displaced persons to return home, demobilize
combatants, and create conditions under which political reconciliation may occur
and free elections may be held. In so doing, it can help nurture new democracies,
lower the global tide of refugees, , and prevent small wars from growing into
wider regional conflicts which would be far more costly in terms of lives and
resources. This budget requests an increase of $239 million above the enacted
FY 2000 level of $500 million for UN peacekeeping.

In recent years there have been significant improvements in the management,
efficiency, and effectiveness of the United Nations and other international
organizations. UN Secretary General Kofi Annan has carried out numerous
restructuring and consolidation measures, many closely conforming to U.S.
proposals, and there have been solid advances within major specialized agencies
to improve management.

The Administration is strongly committed to work with the Congress on a
bipartisan basis to further advance the UN reform process. The Congress, with
Administration support, has linked UN reform measures to US payment of specific
arrearage amounts in fiscal year 2000. We will continue to use our influence to
push for further management improvements, organizational streamlining, and the
necessary budget discipline to ensure zero nominal growth in UN and specialized
agencies' budgets. We are also committed to working with other UN members to
achieve a revision of the scale of assessments -- including a reduction in the

rate at which the U.S. is charged for the UN regular budget, UN peacekeeping, and the large specialized agencies -- that would better reflect current global economic and political realities.

Expanded Threat Reduction Initiative (ETRI): The effort launched seven years ago, spurred by the bipartisan Nunn-Lugar legislation, to contain the spread of weapons of mass destruction (WMD) from the former Soviet Union and promote stability has produced important results, helping to: deactivate nearly 5000 nuclear warheads; eliminate nuclear weapons from Ukraine, Belarus and Kazakhstan; strengthen the security of nuclear weapons and materials at over 100 sites; tighten export controls and detect illicit trafficking; and engage over 30,000 former Soviet weapons scientists in productive civilian research. [Russia: can we relate the following sentence more to CTR; make more concrete; or simply drop?] The recent conclusion of agreements between Georgia and Russia and between Moldova and Russia for the withdrawal of Russian troops creates the opportunity to support concrete steps associated with Russian force reductions and strengthen the sovereignty of Georgia and Moldova and the stability of the region.

But more work needs to be done to address these critical issues. The two major economies in the Newly Independent States -- Russia and Ukraine -- continue to require substantial external support to sustain the necessary infrastructure to protect against the diversion of WMD -- nuclear, biological, and chemical -- and related technology. . Scientists, facilities guards, customs officers, and technical experts are underpaid, vulnerable to temptations for illicit trafficking of WMD and related materials - clearly a threat to our interests.
The $1054 million FY 2001 request for Expanded Threat Reduction Initiative programs includes $508 million in programs administered by the Department of

Defense, $370 million in those administered by the Department of Energy, and
$176 in those administered by the Department of State, a total that is above the
FY 2000 level of $915 million. ETRI programs address nuclear security for
existing weapons and delivery systems; protection and disposition of fissile
materials; destruction of chemical weapons; ,military relocation and regional
stabilization. Among the critical programs funded under ETRI are science centers
and other programs to finance civilian research by former Soviet weapons experts,
enhanced border control assistance to decrease the likelihood that critical
weapons technologies or materials can be smuggled to other nations, and programs
to enhance regional security efforts in Georgia, Armenia, Azerbaijan, and
Moldova. The proposed Department Energy request for ETRI includes a $105 million
initiative in Russia to expand protection of fissile material; accelerate closure
of nuclear weapons production facilities; and provide an alternative to continued
plutonium production in Russia.

Middle East Peace: The FY 2001 requests for Economic Support Funds (ESF) of $2.2
billion and Foreign Military Financing (FMF) grants of $3.5 billion will
continue to support our efforts to promote progress and stability around the
world, particularly the progress made recently in negotiations between Israel and
its neighbors on a comprehensive peace for the Middle East. In emergency
legislation, $1.9 billion was provided in FY 1999 and FY 2000 to Israel, Jordan,
Egypt, and the West Bank to support the Wye River and Sharm-el-Sheikh interim
accords between Israelis and Palestinians. For FY 2001, ESF levels for Israel
continue the declining path started last year and levels of FMF military
assistance increase, as agreed to by the Administration and Congress. The FY
2001 request of $1.8 billion in ESF and $3.4 billion in FMF programs for the

Middle East will provide a strong supporting base for the next phase of
negotiations between Israel and its neighbors. .

Democracy initiatives: In addition, the budget requests increases for countries
outside of the Middle East in both ESF and FMF. These funds will support the
transitions to democracy that we are emerging in Africa, including Nigeria, and
in Indonesia, and will continue to support ongoing democratic reforms in Latin
America. They will also support military modernization and increased civilian
control over the military in eastern Europe, the states of the former Soviet
Union, and Africa. Helping these nations build stable democracies will enhance
America's own security and prosperity.

Transnational Threats: The proliferation of weapons of mass destruction, drug
trafficking, and the spread of crime and terrorism on an international scale
present a continuing threat to U.S. and global security. U.S. diplomacy and law
enforcement play a key role in stemming the spread of weapons of mass
destruction to outlaw states such as Libya, Iraq, Iran, and North Korea.

Last fall, a small group of Senators endangered American leadership against the
spread of weapons of mass destruction by forcing a vote against ratification of
the Comprehensive Test Ban Treaty. The Administration will continue to seek
ratification. We will continue to adhere to our long-standing moratorium on
nuclear tests and urge other nations to do the same.

The budget seeks $X million from Congress in financial resources to support
multi-national efforts to combat the spread of weapons of mass destruction: the
International Atomic Energy Agency's safeguards regime and a global network of
sensors to detect nuclear explosions . The request includes funding for the
Korean Peninsula Energy Development Organization, which has just

signed contracts
to construct two proliferation-resistant nuclear power reactors in North Korea.
Before key components are shipped, North Korea will have to come into full
compliance with its commitments to the IAEA and the Nuclear Non-proliferation
Treaty. The budget also proposes a new initiative for the destruction or
improved guarding of small arms abroad, which might otherwise be used by
terrorists or others to foment local wars.

This from Gail: This administration will also continue to build on important new
investments for the United States in reducing the threat of terrorism, and of
drug trafficking and money laundering, in Africa. The State and Justice
Departments (need to see if Bouchard can carve anything out, or we can say that
State/DOJ requests include assistance to do these things in Africa) Question for
Joe and others from David: Does this Africa effort amount to enough to single
out?

3. Promoting prosperity for all citizens of the world.

Multilateral Development Banks (MDBs): The Multilateral Development Banks play a
prominent role in bringing developing and transition countries into the global
economy through financial and technical assistance. Such a process not only
helps lift people from poverty and toward prosperity overseas; it also creates
new opportunities for U.S. businesses and workers and helps promote stability and
enhance our security. As the largest shareholder in the World Bank and a
significant shareholder in all of the MDBs, the United States exercises

considerable influence over the organizations' external lending policies and
internal governance. The U.S. has been able to maintain this position despite
lower levels of commitments, which have been reduced by forty percent since the

mid-1990s. Beginning in FY 1998, the Administration and the Congress reached bipartisan agreement to reduce the level of MDB arrears. However, much of the progress in clearing MDB arrears was reversed by the FY 2000 appropriations process, with the overall arrears level rising from $310 million at the end of FY 1999 to an expected $447 million by the end of FY 2000. Increasing arrears limit the Administration's ability to engage other donors and gain agreement on important new policy measures and institutional reforms during new replenishment negotiations. The budget proposes to clear all MDB arrears by the end of FY 2003, with $167 million in FY 2001 arrears payments. The budget also proposes $1.2 billion for scheduled payments to these institutions, meeting all current commitments.

Debt Forgiveness: The United States is committed to improving helping people in the world's poorest countries to join the global economy promoting economic reform and expanding the scale of debt relief. At the Cologne Summit, the G-7 expanded the Heavily Indebted Poor Country (HIPC) initiative to include more countries, provide deeper debt relief (up to 90 percent of bilateral debt), increase participation by the international financial institutions organizations, and increase the focus of the resources freed by debt reduction on economic reform, health, education and other human needs. The President lead this effort with a proposal that was largely adopted and remains at the forefront on the issue with his commitment to forgive 100 percent of debt owed to the U.S. by the poorest countries, a majority of them in sub-Saharan Africa. To fulfill the U.S. commitments, the Administration is requesting $75 million to forgive about $450 million in bilateral debt of the poorest countries and $125 for the HIPC Trust Fund which will allow for further debt relief through the multilateral organizations. In addition, we are requesting $37 million for the

Tropical
Forest Initiative to use debt relief mechanisms in support of
conservation.

Promoting Trade Agreements: The Administration is committed to opening global
markets and integrating the global economic system, which has become a key
element of continuing economic prosperity here at home. The budget proposes
significant increases for efforts by our trade negotiators to pursue open markets
and fair, rules-based trading systems [expenses for what? does this really
amount to much money?]. The Administration will work within the WTO to pursue
the negotiating mandate for agriculture and services that were "built-in" to the
Uruguay Round as well as to launch a new trade round in the coming months. In
doing so, we will work to ensure that the benefits of trade are shared broadly
across all sectors of society and do not come at the expense of core labor
standards or the environment.

A key priority of the Administration will be to work with Congress to assure the
passage of the trade legislation that passed in the House on trade benefits for
Africa and in the Senate on extending the Generalized System of Preferences (GSP)
and enhancing the Caribbean Basin Initiative. [Per Gail: Need to check phrasing
with Legis. African Growth and Opportunity Act passed both house and senate and
will go into conference next. Also think it needs specific mention, not simply
as benefits]. The Administration has also submitted legislation that would extend
new benefits to the Balkan countries. The Budget supports five-year initiatives
in each of these areas, except GSP where a 33 month extension is proposed to be
added to the 27 month extension that passed in the first session of the 106th
Congress.

[Ken wants NTR reference; obviously it is important, but not necessarily in this

budget document. Here's what I propose if we include something}: Another major
priority is to obtain permanent Normal Trade Relations for China, as part of
China's entry into the World Trade Organization; this will help open China's vast
markets to U.S. industries and help bring the message and the tools of freedom to
China's people.

Trade and Investment Promotion: The budget proposes an increase of over $200
million in FY 2001 for the Export-Import Bank. To a large extent, this increase
is to enable the Export-Import Bank to continue to responsibly increase the level
of U.S. exports it supports given the upward revision in the cost of U.S.
Government international lending in the wake of the recent global financial
crisis. Some of this increase will also provide resources to enable
Export-Import Bank to finance the export of international clean energy
technologies. Finally, the budget proposes an increase in Export-Import Bank
administrative expenses, some of which will finance a new information system to
improve the efficiency of the Export-Import Bank's insurance operations.
[Per Gail: Could work in ExIm's expansion in Africa -- ? Figures are dramatic
(operating in 32 countries as compared to 13 when POTUS went to Africa - laying
foundation for increased economic cooperation with largest untapped market on
earth, etc.)]

The Budget also proposes increased resources for the Overseas Private Investment
Corporation and the Trade and Development Agency. An additional $4 million in
administrative resources for OPIC will improve critical portfolio, environmental
and labor oversight, and $10 million for TDA will expand its capacity to conduct
feasibility studies on international projects that can lead to U.S. exports,
including clean energy projects and increased feasibility studies in Africa.

4. Humanitarian programs that help those in need.

The FY 2001 budget continues America's tradition of responding generously to
address and mitigate human suffering caused by natural and man-made crises. The
budget increases funding for both the State Department's Migration and Refugee
Assistance account and USAID international disaster assistance and food aid
programs. The budget provides increases of $18 million for migration and refugee
assistance and $17 million for international disaster assistance over FY 2000
levels. These increases are justified given continued humanitarian needs as a
result of crises in Sudan, Burundi, Angola, Afghanistan, the North Caucasus and
elsewhere, and forecasting indicating increasing numbers of natural disasters
with devastating human consequences. The budget also funds bilateral demining
efforts to address the growing humanitarian crises caused by land mines in areas
of former conflict.

Peace Corps: The volunteer programs of the Peace Corps promotes mutual
understanding between Americans and the people of developing nations, while
providing technical assistance in education, health, agriculture, and small
business development. The budget proposes $275 million, a 12 percent increase
over the FY 2000 budget for the Peace Corps. This increase will provide
opportunities for 4,200 Americans in 2001 to enter service as new volunteers.
With these levels, the Peace Corps can continue toward its goal of placing a
total of 10,000 volunteers early in the next century.

Development Foundations: The African Development Foundation (ADF) and the
Inter-American Foundation (IAF) fund indigenous grassroots development efforts.
The ADF's assistance helps generate new jobs and higher income, protect Africa's
fragile rural environment, and strengthen basic democratic values and

local
institutions of civil society. The budget proposes to increase funding for the
ADF to support new initiatives for Nigeria and for AIDS/HIV awareness programs.
The IAF provides social investment grants to local private sector partners,
conducts joint ventures with Latin American corporate foundations, and promotes
philanthropy and corporate social responsibility. The budget reverses the FY
2000 appropriation action to phase out U.S. Government funding of the IAF by
proposing to restore funding for the IAF to pre-2000 levels. This action is
based on the significant reforms that have been adopted by the IAF, including:
improved capabilities to effectively monitor projects and identify quality grant
proposals; a greater emphasis on corporate and business involvement in the
development process; and, increased involvement, including final approval
authority, of U.S. embassies in grant making decisions.

5. Global programs that help us by helping others.

In our increasingly interconnected world, it has become clear that many of the
problems faced by the developing world are actually global problems that threaten
the health and well being of all people, including our own. That is why the
budget includes a number of foreign assistance initiatives, under the auspices of
the U.S. Agency for International Development and other federal agencies, that
are aimed at problems that directly affect the United States.

International Family Planning - It is estimated that 34,000 children under age
five in developing countries die every day, and that over 580,000 women die each
year of causes related to pregnancy and childbirth. By helping women bear their
children during the healthiest times for both mother and baby, family planning
helps prevent the deaths of children and mothers. By helping countries improve

the health and prosperity of their citizens, U.S. international family planning assistance helps to ensure that we have increasingly stable and prosperous partners in the developing world to support our foreign policy goals and share in our efforts to liberalize global commerce. Therefore, the budget funds a significant increase for international family planning assistance programs and removes unnecessary and harmful restrictions that were imposed on the implementers of this assistance during the FY 2000 appropriations process. The goal of this initiative is to return the United States to its position as the premier provider of this critical assistance, and to continue to work toward making voluntary family planning services widely available to women in the developing world.

HIV/AIDS - The budget provides a second consecutive $100 million increase for programs that address the scourge of global AIDS, which has become one of the most deadly diseases in the developing world. USAID will implement $54 million of this increase, almost doubling USAID's global AIDS effort since FY 1999. The bulk of this initiative will address the spread of HIV/AIDS in Africa, where AIDS has become the number one cause of death, and where infection rates in some countries exceed 30 percent. However, the initiative will also address AIDS in other countries where increasing infections rates are of particular concern.
This significant increase in resources over the past two years should leverage additional resources from other donors and from the governments of developing countries.

Vaccines for Developing Countries - In his September 1999 address to the United Nations General Assembly, President Clinton called for a concerted effort to make vaccines more widely available in the developing world, where more than three

million children die each year from vaccine-preventable diseases. As an
important first step, the budget proposes a $50 million contribution to the
newly-established Global Alliance for Vaccines and Immunizations (GAVI). [These
funds will be used to purchase existing vaccines for Hepatitis B, Haemophilus
influenzae type B, and Yellow Fever, and to ensure their safe delivery. The U.S.
contribution to GAVI is expected to leverage additional resources from other
donors. This initiative will be complemented by increased funding for NIH to
accelerate the development of vaccines for HIV/AIDS, tuberculosis, malaria, and
other major infectious diseases.]

Clean Energy and Tropical Forests - $50 million of additional funding is included
in the budget to promote the use of clean energy overseas. Of this total, USAID
will use $30 million for technical assistance for legal and regulatory reform,
and to expand training programs for energy sector policy makers and regulators.
The Export-Import Bank will use $15 million to assist in the financing of clean
energy technology exports, especially renewable energy exports, while the Trade
and Development Agency will use $5 million to fund feasibility studies to cover
all aspects of project planning from project conceptualization to technical
specifications for clean energy technology.

$57 million is also included for international affairs agencies to increase U.S.
support for the preservation of tropical forests and other biologically-significan
t areas. Of this amount, $33 million will be added to USAID biodiversity
resources (for a total of $100 million), allowing USAID to increase the work it
does with host countries and partners to increase the conservation of and improve
the management of biologically significant areas. $24 million will be added to
Treasury Department resources (for a total of $37 million) for the budget cost of

debt swaps and debt reduction agreements that require beneficiary countries to devote a portion of their own resources to tropical forest conservation.

5. Enhancing U.S. presence and protection abroad.

Advisory Panel on Overseas Presence : In the aftermath of the embassy bombings in Nairobi and Dar Es Salaam in 1998, the Administration established an expert panel, chaired by Lewis Kaden, to recommend improvements with respect to the US presence abroad. The Panel released its report in November 1999. Among other recommendations, the Panel reiterated the need for a long-term program of investment in overseas facilities and security measures. The Administration has initiated a thorough review of recommendations contained in the Kaden panel's report including an examination of the U.S. Government's overseas presence needs and the current structure of financing and management for overseas facilities.
The Administration will continue to work with Congress in a bipartisan manner to address the continuing challenge of making our overseas posts secure

The budget supports a strong U.S. presence at over 250 embassies and other posts overseas, promoting U.S. interests abroad and protecting and serving Americans by providing consular services. This work will be aided by an Administration review of overseas presence of all agencies as recommended in the report of the Advisory Panel on Overseas Presence.

Effective diplomacy is the foundation of our ability to meet foreign policy goals. The work of the Department of State and U.S. missions supports the aims of American foreign policy, and anticipates and helps to prevent threats to our national security. Overseas posts serve as the administrative platform for the many other U.S. agencies with personnel abroad, from USAID to the Departments of Defense, Justice, Commerce, Agriculture and the Treasury.

Facility Vulnerability: Protection of American and foreign national employees who
work abroad in U.S. Government facilities remains a top priority within the FY
2001 budget. The budget proposes a total of $1.1 billion for embassy security
initiatives including $500 million for new State Department and USAID diplomatic
facility construction, $200 million for additional steps to protect existing
buildings from terrorist attack, and $400 million for maintenance of security
readiness including construction of a new Center for Anti-terrorism and Security
Training. In total, this represents an increase of over $500 million, nearly
doubling the FY 2000 enacted level for enhanced security measures.

Diplomatic and Consular Operations: The budget proposes $3.2 billion in 2001 for
the State Department, including public diplomacy and arms control activities.
This funding level will maintain the Department's world-wide operations,
continue efforts to upgrade information technology and communications systems,
and accommodate increased security and facility requirements at posts abroad. It
will also provide for additional technology and training investments as

recommended by the Overseas Presence Advisory Panel.

USAID Operating Expenses: The budget proposes $520 million for USAID operating
expenses. This is a $15 million increase over the FY 2000 enacted level (when
the $15 million included in FY 2000 for the new mission in Dar Es Salaam is
excluded). Almost all of the FY 2001 increase is for information technology,
including completion of the "off-the-shelf" financial management system and
remaining upgrade requirements to the New Management System (NMS). These
remaining information technology improvements are critical to USAID's plan to
fully comply with all Government-wide financial management requirements in FY
2001.

1

Exchange Mail

DATE-TIME	01/04/2000 6:22:38 PM
FROM	Lieberthal, Kenneth G. (ASIA)
CLASSIFICATION	UNCLASSIFIED
SUBJECT	FW: Budget Narrative for International Affairs Section of the President's FY-2001 Budget [UNCLASSIFIED]
TO	Halperin, David E. (SPCHW)
CARBON_COPY	Barnett, Cheryl E. (RUE) Huso, Ravic R. (ASIA) Keith, James R. (ASIA) Lieberthal, Kenneth G. (ASIA) Pritchard, Charles (Jack) L. (ASIA) Williams, Mary C. (ADMIN)

TEXT_BODY

David,

I am not sure why the China issue would not fit into this document (perhaps I do not understand the role of this document and its audience). China PNTR is one of our key legislative priorities for the coming year. Note that I have suggested some alternative wording to your text, but I am not hard over on the alternative. Note also that for some unknown reason the tracking function alternatively
shows my name and lists me as "unknown"!

Ken

-----Original Message-----
From: Halperin, David E. (SPCHW)
Sent: Tuesday, January 04, 2000 4:44 PM
To: Bouchard, Joseph F. (DEFENSE); @AFRICA - African Affairs; @ASIA - Asian Affairs; @ENVIRON - Environmental;
@EUROPE - European Affairs; @INTECON - Economic Affairs; @HEALTH
- International Health Affairs; @INTERAM - Inter-American; @LEGAL
- Legal Advisor; @LEGISLAT - Legislative Affairs; @MULTILAT - Multilateral

and Humanitarian Affairs; @NESASIA - NE/South Asia;
@NONPRO - Export
Controls; @RUSSIA - Russia/Ukraine; @SEE - Southeast European
Affairs;
@SPEECH - NSC Speechwriters; @TRANSNATIONAL -
Transnational Threats
Cc: @DEFENSE
- Defense Policy
Subject: RE: Budget Narrative for International
Affairs Section of the President's FY-2001 Budget [UNCLASSIFIED]

To
all:

Attached is my effort to edit this OMB document and to incorporate concerns from various NSC offices, trying at all times to avoid unnecessary changes in what OMB considers its product.

If I have somehow missed your comments, or you feel I have not done them justice, or you have more to add or subtract, please phone me or e-mail everyone ASAP -- Mara and Joe need to take a look and quickly get this back to OMB.

Thanks to all.

TRANSLATED_ATTACHMENT Chapter10a NSC.doc
H:\2001 Budget\Budget Chapter Materials\Chapter10a.wpd
December 30, 1999 (5 PM)NSC edits

Section IV, Chapter 10:

Advancing United States Leadership in the World

At the beginning of a new century, the United States has reached new heights of influence in the world. At the same time, advances in technology and the opening of borders have increased the importance of exercising this influence: more and more, what happens overseas affects our security, health and prosperity at home.
Our country has its greatest opportunity ever to advance our values and interests and build a better and more peaceful world. But doing so requires

American
leadership and engagement with countries and peoples around the world. We must
work with others to defuse crises, promote peace, contain refugee crises, deepen
democracy and the rule of law, combat terrorism and the spread of weapons of mass
destruction, strengthen free market economies, protect the global environment,
fight poverty and disease. Meeting these great challenges will require wise and
purposeful use of our budget resources.. If properly devised and implemented,
these expenditures will provide tremendous benefits to the American people by
protecting our people, enhancing our prosperity, and preventing problems down the
road that would require far greater expenses.

Events of the past year have underscored the importance of American leadership
and resources in achieving our goals in the world. With America's leadership,
the NATO alliance used force and diplomacy to halt and reverse the brutal ethnic
cleansing of Kosovo's ethnic Albanians, thereby containing a risk of a wider war
at the doorstep of our allies. l Nearly a million Kosovars who had been driven
from their homes have returned; with the support of America and our friends and
allies they have begun the difficult work to building a tolerant democratic
society and a new economy. American leadership was critical to efforts to end
the bloodshed in East Timor, and to pursue lasting peace in the Middle East,
Northern Ireland, Sierra Leone, and on the Peru-Ecuador border. We have worked
with friends and allies to detect and counter terrorist threats, and we have
continued our efforts with Russia and other former Soviet nations to halt the
spread of dangerous weapons materials and know-how. We worked with partners
around the world to help relieve suffering when devastating natural disasters hit
Turkey, Central and South America and elsewhere. We reached landmark agreements
to build a new energy routes from the Caspian Sea and to bring China

into the
global trading system. Our leadership on free trade and on efforts to reform the
global financial system has been essential to ending a global financial crisis
and putting nations from Asia to Latin America back on the path to stability and
growth And the President used the summit of the world's leading industrial
nations in Cologne, Germany, to launch a new debt reduction initiative to help
the most impoverished countries of the world eliminate crushing debt burdens and
reform their economies.

Much hard work lies ahead in building on these successes and addressing other
critical challenges, such as working toward lasting peace between Greece and
Turkey, and between India and Pakistan; strengthening NATO and our other security
alliances and arrangements for the new century; supporting transitions to
free-market democracy and the rule of law around the world; securing greater
reductions in nuclear weapons arsenals; strengthening efforts to halt the spread
of weapons of mass destruction; protecting our critical computer systems against
cyber attacks; advancing the fight against global warming and other forms of
environmental destruction; and halting the spread of disease worldwide.

The President's FY 2001 budget proposes several initiatives to further America's
leadership in the world and address these and other challenges.

During the coming year, the Administration intends to seek an FY 2000 emergency
supplemental to provide critical assistance to the people and Government of
Colombia in their fight against narcotics traffickers. The supplemental, which
is included in the President's budget request, will help finance a multi-year
strategy developed by the Government of Colombia, known as "Plan Colombia." The
Administration will also request funds for renewed initiatives to promote

economic growth, stability and democracy in Kosovo and across southeast Europe.

For FY 2001, this budget requests increased funding for several priorities.
Funding for international family planning assistance is increased by $140 million, returning the U.S. to the position that it held as the single largest donor of this critical assistance before congressional efforts to impose restrictions on this assistance led to drastic cuts in funding levels. Funding for efforts to contain the global spread of HIV/AIDS has been increased by $100 million, more than double the amount spent in FY 1999. These initiatives will respond to pressing prevention, health infrastructure and treatment needs, but will also be used to leverage increased funding from other donors, and from developing countries themselves, for these critical objectives. Increased funding for urgent humanitarian and refugee assistance programs is also included.

An additional $540 [check] million is included for initiatives that will further protect the men and women who serve America in our diplomatic missions overseas.
This budget will propose to spend about a billion dollars a year to protect our personnel staff from security threats.

Finally, the budget proposes an increase of $239 million over the FY 2000 enacted level to support international peacekeeping missions around the world. US funding for these missions is critical if we are to prevent wars and conflicts that threaten U.S. interests.

This chapter describes these and other initiatives in more detail, outlining how budget resources support the various goals of America's international policies with respect to protecting our national security, promoting prosperity, and advancing our values.

1. Protecting American security by promoting peace and democracy abroad.

Colombia: Colombia: The budget proposes a substantial increase for counter-drug and other support for Colombia. Today, most of the cocaine and a
significant portion of the heroin that reaches the United States is produced in
Colombia. With recent increases in cultivation, more than half of the world's
coca is now grown in Colombia, and this trend is expected to continue unless
checked by the Colombian government and U.S. and other assistance. Insurgents
and paramilitary groups shelter the coca harvesting and cocaine processing from
government efforts at eradication and destruction of drug labs. Drug-related
violence and Colombia's most significant recession since the Great Depression
have hampered Colombian President Pastrana's efforts to end a thirty-year-old
civil conflict. Fighting Colombia's drug trade, and strengthening stability and
democracy in that country, is strongly in America's national interest; it will
help protect our citizens at home, and advance our interest in a more peaceful
and prosperous hemisphere.

President Pastrana has devised a comprehensive, integrated strategy, "Plan
Colombia," to address the country's interrelated challenges. Our budget proposes
to increase assistance programs through an FY 2000 supplemental of $xxx million
and FY 2001 funding of $xxx million, with some additional assistance included for
interdiction and alternative development in neighboring countries that have drug
problems closely linked to Colombia's. Funds earmarked for Colombia will be used
to support counter-drug efforts and for other programs to help deepen democracy
and promote prosperity. The proposal would enhance alternative development and
strengthening of civil justice and democratic institutions, as well as provide
military assistance to the counter-narcotics effort. The Administration

will
also encourage U.S. allies and the international institutions to assist Colombia
in implementing President Pastrana's new strategy.

Kosovo: The budget requests $200 million to help the people of Kosovo build a
democratic, tolerant society and a stronger economy. The members of the European
Union will bear the lion's share of these costs, but the United States must also
contribute. At the November 17, 1999, Donor's Conference in Brussels, the
international community pledged a total of $1,056 million towards peace
implementation, reconstruction and recovery, budget support, and humanitarian
assistance, of which the US Government pledged $156.6 million, or 14.8 percent.
This amount is in addition to the $556 million that the U.S. pledged in May 1999
and continues to spend in FY 2000, drawing primarily from the emergency
supplemental, to address humanitarian needs, such as the provision of shelter,
health care and food aid for returnees, and other urgent requirements.

In FY 2001, resources will be used to help rebuild the Kosovar economy and
society. A growing economy, with new employment opportunities, is critical if
Kosovo is to overcome problems of crime and ethnic violence. In conjunction
with other donors, US resources will provide working capital to stimulate
economic activity.

Southeastern Europe Initiative (SEI): Central to lasting peace in Europe is the
political and economic integration of the Balkans into Europe and the global
community The budget requests $X million for this important initiative. Also
critical to a peaceful future for Europe is the replacement of the Milosevic
regime.. For that reason, about $X million will help promote the democratic
opposition in Serbia and provide assistance to Montenegro.
About $X million of the US assistance is intended to accelerate the

integration
of southeast Europe's countries into the global trading system by breaking down
barriers to trade and investment. The US assistance will encourage economic
reform, the rule of law, deepening of democracy, and adoption of international
standards governing trade.

UN Reform and Contributions to International Peacekeeping: Peace and security
operations of the United Nations directly support U.S. national interests.
Peacekeeping has the capacity, under the right circumstances, to separate
adversaries, maintain cease-fires, facilitate the delivery of humanitarian
relief, enable refugees and displaced persons to return home, demobilize
combatants, and create conditions under which political reconciliation may occur
and free elections may be held. In so doing, it can help nurture new democracies,
lower the global tide of refugees, , and prevent small wars from growing into
wider regional conflicts which would be far more costly in terms of lives and
resources. This budget requests an increase of $239 million above the enacted
FY 2000 level of $500 million for UN peacekeeping.

In recent years there have been significant improvements in the management,
efficiency, and effectiveness of the United Nations and other international
organizations. UN Secretary General Kofi Annan has carried out numerous
restructuring and consolidation measures, many closely conforming to U.S.
proposals, and there have been solid advances within major specialized agencies
to improve management.

The Administration is strongly committed to work with the Congress on a
bipartisan basis to further advance the UN reform process. The Congress, with
Administration support, has linked UN reform measures to US payment of specific

arrearage amounts in fiscal year 2000. We will continue to use our influence to push for further management improvements, organizational streamlining, and the necessary budget discipline to ensure zero nominal growth in UN and specialized agencies' budgets. We are also committed to working with other UN members to achieve a revision of the scale of assessments -- including a reduction in the rate at which the U.S. is charged for the UN regular budget, UN peacekeeping, and the large specialized agencies -- that would better reflect current global economic and political realities.

Expanded Threat Reduction Initiative (ETRI): The effort launched seven years ago, spurred by the bipartisan Nunn-Lugar legislation, to contain the spread of weapons of mass destruction (WMD) from the former Soviet Union and promote stability has produced important results, helping to: deactivate nearly 5000 nuclear warheads; eliminate nuclear weapons from Ukraine, Belarus and Kazakhstan; strengthen the security of nuclear weapons and materials at over 100 sites; tighten export controls and detect illicit trafficking; and engage over 30,000 former Soviet weapons scientists in productive civilian research. [Russia: can we relate the following sentence more to CTR; make more concrete; or simply drop?] The recent conclusion of agreements between Georgia and Russia and between Moldova and Russia for the withdrawal of Russian troops creates the opportunity to support concrete steps associated with Russian force reductions and strengthen the sovereignty of Georgia and Moldova and the stability of the region.

But more work needs to be done to address these critical issues. The two major economies in the Newly Independent States -- Russia and Ukraine -- continue to require substantial external support to sustain the necessary infrastructure to protect against the diversion of WMD -- nuclear, biological, and

chemical --
and related technology. . Scientists, facilities guards, customs officers, and
technical experts are underpaid, vulnerable to temptations for illicit trafficking of WMD and related materials - clearly a threat to our interests.
The $1054 million FY 2001 request for Expanded Threat Reduction Initiative
programs includes $508 million in programs administered by the Department of
Defense, $370 million in those administered by the Department of Energy, and
$176 in those administered by the Department of State, a total that is above the
FY 2000 level of $915 million. ETRI programs address nuclear security for
existing weapons and delivery systems; protection and disposition of fissile
materials; destruction of chemical weapons; ,military relocation and regional
stabilization. Among the critical programs funded under ETRI are science centers
and other programs to finance civilian research by former Soviet weapons experts,
enhanced border control assistance to decrease the likelihood that critical
weapons technologies or materials can be smuggled to other nations, and programs
to enhance regional security efforts in Georgia, Armenia, Azerbaijan, and
Moldova. The proposed Department Energy request for ETRI includes a $105 million
initiative in Russia to expand protection of fissile material; accelerate closure
of nuclear weapons production facilities; and provide an alternative to continued
plutonium production in Russia.

Middle East Peace: The FY 2001 requests for Economic Support Funds (ESF) of $2.2
billion and Foreign Military Financing (FMF) grants of $3.5 billion will
continue to support our efforts to promote progress and stability around the
world, particularly the progress made recently in negotiations between Israel and
its neighbors on a comprehensive peace for the Middle East. In emergency
legislation, $1.9 billion was provided in FY 1999 and FY 2000 to Israel, Jordan,

Egypt, and the West Bank to support the Wye River and Sharm-el-Sheikh interim accords between Israelis and Palestinians. For FY 2001, ESF levels for Israel continue the declining path started last year and levels of FMF military assistance increase, as agreed to by the Administration and Congress. The FY 2001 request of $1.8 billion in ESF and $3.4 billion in FMF programs for the Middle East will provide a strong supporting base for the next phase of negotiations between Israel and its neighbors. .

Democracy initiatives: In addition, the budget requests increases for countries outside of the Middle East in both ESF and FMF. These funds will support the transitions to democracy that we are emerging in Africa, including Nigeria, and in Indonesia, and will continue to support ongoing democratic reforms in Latin America. They will also support military modernization and increased civilian control over the military in eastern Europe, the states of the former Soviet Union, and Africa. Helping these nations build stable democracies will enhance America's own security and prosperity.

Transnational Threats: The proliferation of weapons of mass destruction, drug trafficking, and the spread of crime and terrorism on an international scale present a continuing threat to U.S. and global security. U.S. diplomacy and law enforcement play a key role in stemming the spread of weapons of mass destruction to outlaw states such as Libya, Iraq, Iran, and North Korea.

Last fall, a small group of Senators endangered American leadership against the spread of weapons of mass destruction by forcing a vote against ratification of the Comprehensive Test Ban Treaty. The Administration will continue to seek ratification. We will continue to adhere to our long-standing moratorium on nuclear tests and urge other nations to do the same.

The budget seeks $X million from Congress in financial resources to support
multi-national efforts to combat the spread of weapons of mass destruction: the
International Atomic Energy Agency's safeguards regime and a global network of
sensors to detect nuclear explosions . The request includes funding for the
Korean Peninsula Energy Development Organization, which has just signed contracts
to construct two proliferation-resistant nuclear power reactors in North Korea.
Before key components are shipped, North Korea will have to come into full
compliance with its commitments to the IAEA and the Nuclear Non-proliferation
Treaty. The budget also proposes a new initiative for the destruction or
improved guarding of small arms abroad, which might otherwise be used by
terrorists or others to foment local wars.

This from Gail: This administration will also continue to build on important new
investments for the United States in reducing the threat of terrorism, and of
drug trafficking and money laundering, in Africa. The State and Justice
Departments (need to see if Bouchard can carve anything out, or we can say that
State/DOJ requests include assistance to do these things in Africa) Question for
Joe and others from David: Does this Africa effort amount to enough to single
out?

3. Promoting prosperity for all citizens of the world.

Multilateral Development Banks (MDBs): The Multilateral Development Banks play a
prominent role in bringing developing and transition countries into the global
economy through financial and technical assistance. Such a process not only
helps lift people from poverty and toward prosperity overseas; it also creates
new opportunities for U.S. businesses and workers and helps promote stability and

enhance our security. As the largest shareholder in the World Bank and a significant shareholder in all of the MDBs, the United States exercises considerable influence over the organizations' external lending policies and internal governance. The U.S. has been able to maintain this position despite lower levels of commitments, which have been reduced by forty percent since the mid-1990s. Beginning in FY 1998, the Administration and the Congress reached bipartisan agreement to reduce the level of MDB arrears. However, much of the progress in clearing MDB arrears was reversed by the FY 2000 appropriations process, with the overall arrears level rising from $310 million at the end of FY 1999 to an expected $447 million by the end of FY 2000. Increasing arrears limit the Administration's ability to engage other donors and gain agreement on important new policy measures and institutional reforms during new replenishment negotiations. The budget proposes to clear all MDB arrears by the end of FY 2003, with $167 million in FY 2001 arrears payments. The budget also proposes $1.2 billion for scheduled payments to these institutions, meeting all current commitments.

Debt Forgiveness: The United States is committed to improving helping people in the world's poorest countries to join the global economy promoting economic reform and expanding the scale of debt relief. At the Cologne Summit, the G-7 expanded the Heavily Indebted Poor Country (HIPC) initiative to include more countries, provide deeper debt relief (up to 90 percent of bilateral debt), increase participation by the international financial institutions organizations, and increase the focus of the resources freed by debt reduction on economic reform, health, education and other human needs. The President lead this effort with a proposal that was largely adopted and remains at the forefront on the

issue with his commitment to forgive 100 percent of debt owed to the U.S. by the
poorest countries, a majority of them in sub-Saharan Africa. To fulfill the U.S.
commitments, the Administration is requesting $75 million to forgive about $450
million in bilateral debt of the poorest countries and $125 for the HIPC Trust
Fund which will allow for further debt relief through the multilateral organizations. In addition, we are requesting $37 million for the Tropical
Forest Initiative to use debt relief mechanisms in support of conservation.

Promoting Trade Agreements: The Administration is committed to opening global
markets and integrating the global economic system, which has become a key
element of continuing economic prosperity here at home. The budget proposes
significant increases for efforts by our trade negotiators to pursue open markets
and fair, rules-based trading systems [expenses for what? does this really
amount to much money?]. The Administration will work within the WTO to pursue
the negotiating mandate for agriculture and services that were "built-in" to the
Uruguay Round as well as to launch a new trade round in the coming months. In
doing so, we will work to ensure that the benefits of trade are shared broadly
across all sectors of society and do not come at the expense of core labor
standards or the environment.

A key priority of the Administration will be to work with Congress to assure the
passage of the trade legislation that passed in the House on trade benefits for
Africa and in the Senate on extending the Generalized System of Preferences (GSP)
and enhancing the Caribbean Basin Initiative. [Per Gail: Need to check phrasing
with Legis. African Growth and Opportunity Act passed both house and senate and
will go into conference next. Also think it needs specific mention, not simply
as benefits]. The Administration has also submitted legislation that would extend

new benefits to the Balkan countries. The Budget supports five-year initiatives
in each of these areas, except GSP where a 33 month extension is proposed to be
added to the 27 month extension that passed in the first session of the 106th
Congress.

[Ken wants NTR reference; obviously it is important, but not necessarily in this
budget document. Here's what I propose if we include something}: Another major
priority is to obtain permanent Normal Trade Relations for China, as part of
China's entry into the World Trade Organization; this will help open China's vast
markets to U.S. industries and help make China a constructive player in the
international system. [You can use either your original wording or, preferably,
my alternative.]

Trade and Investment Promotion: The budget proposes an increase of over $200
million in FY 2001 for the Export-Import Bank. To a large extent, this increase
is to enable the Export-Import Bank to continue to responsibly increase the level
of U.S. exports it supports given the upward revision in the cost of U.S.
Government international lending in the wake of the recent global financial
crisis. Some of this increase will also provide resources to enable
Export-Import Bank to finance the export of international clean energy
technologies. Finally, the budget proposes an increase in Export-Import Bank
administrative expenses, some of which will finance a new information system to
improve the efficiency of the Export-Import Bank's insurance operations.
[Per Gail: Could work in ExIm's expansion in Africa -- ? Figures are dramatic
(operating in 32 countries as compared to 13 when POTUS went to Africa - laying
foundation for increased economic cooperation with largest untapped market on
earth, etc.)]

The Budget also proposes increased resources for the Overseas Private

Investment
Corporation and the Trade and Development Agency. An additional $4 million in
administrative resources for OPIC will improve critical portfolio, environmental
and labor oversight, and $10 million for TDA will expand its capacity to conduct
feasibility studies on international projects that can lead to U.S. exports,
including clean energy projects and increased feasibility studies in Africa.

4. Humanitarian programs that help those in need.

The FY 2001 budget continues America's tradition of responding generously to
address and mitigate human suffering caused by natural and man-made crises. The
budget increases funding for both the State Department's Migration and Refugee
Assistance account and USAID international disaster assistance and food aid
programs. The budget provides increases of $18 million for migration and refugee
assistance and $17 million for international disaster assistance over FY 2000
levels. These increases are justified given continued humanitarian needs as a
result of crises in Sudan, Burundi, Angola, Afghanistan, the North Caucasus and
elsewhere, and forecasting indicating increasing numbers of natural disasters
with devastating human consequences. The budget also funds bilateral demining
efforts to address the growing humanitarian crises caused by land mines in areas
of former conflict.

Peace Corps: The volunteer programs of the Peace Corps promotes mutual
understanding between Americans and the people of developing nations, while
providing technical assistance in education, health, agriculture, and small
business development. The budget proposes $275 million, a 12 percent increase
over the FY 2000 budget for the Peace Corps. This increase will provide
opportunities for 4,200 Americans in 2001 to enter service as new

volunteers.
With these levels, the Peace Corps can continue toward its goal of placing a
total of 10,000 volunteers early in the next century.

Development Foundations: The African Development Foundation (ADF) and the
Inter-American Foundation (IAF) fund indigenous grassroots development efforts.
The ADF's assistance helps generate new jobs and higher income, protect Africa's
fragile rural environment, and strengthen basic democratic values and local
institutions of civil society. The budget proposes to increase funding for the
ADF to support new initiatives for Nigeria and for AIDS/HIV awareness programs.
The IAF provides social investment grants to local private sector partners,
conducts joint ventures with Latin American corporate foundations, and promotes
philanthropy and corporate social responsibility. The budget reverses the FY
2000 appropriation action to phase out U.S. Government funding of the IAF by
proposing to restore funding for the IAF to pre-2000 levels. This action is
based on the significant reforms that have been adopted by the IAF, including:
improved capabilities to effectively monitor projects and identify quality grant
proposals; a greater emphasis on corporate and business involvement in the
development process; and, increased involvement, including final approval
authority, of U.S. embassies in grant making decisions.

5. Global programs that help us by helping others.

In our increasingly interconnected world, it has become clear that many of the
problems faced by the developing world are actually global problems that threaten
the health and well being of all people, including our own. That is why the
budget includes a number of foreign assistance initiatives, under the auspices of
the U.S. Agency for International Development and other federal agencies, that
are aimed at problems that directly affect the United States.

International Family Planning - It is estimated that 34,000 children under age
five in developing countries die every day, and that over 580,000 women die each
year of causes related to pregnancy and childbirth. By helping women bear their
children during the healthiest times for both mother and baby, family planning
helps prevent the deaths of children and mothers. By helping countries improve
the health and prosperity of their citizens, U.S. international family planning
assistance helps to ensure that we have increasingly stable and prosperous
partners in the developing world to support our foreign policy goals and share in
our efforts to liberalize global commerce. Therefore, the budget funds a
significant increase for international family planning assistance programs and
removes unnecessary and harmful restrictions that were imposed on the
implementers of this assistance during the FY 2000 appropriations process. The
goal of this initiative is to return the United States to its position as the

premier provider of this critical assistance, and to continue to work toward
making voluntary family planning services widely available to women in the
developing world.

HIV/AIDS - The budget provides a second consecutive $100 million increase for
programs that address the scourge of global AIDS, which has become one of the
most deadly diseases in the developing world. USAID will implement $54 million of
this increase, almost doubling USAID's global AIDS effort since FY 1999. The
bulk of this initiative will address the spread of HIV/AIDS in Africa, where AIDS
has become the number one cause of death, and where infection rates in some
countries exceed 30 percent. However, the initiative will also address AIDS in
other countries where increasing infections rates are of particular concern.

This significant increase in resources over the past two years should
leverage
additional resources from other donors and from the governments of
developing
countries.

Vaccines for Developing Countries - In his September 1999 address to
the United
Nations General Assembly, President Clinton called for a concerted
effort to make
vaccines more widely available in the developing world, where more
than three
million children die each year from vaccine-preventable diseases. As
an
important first step, the budget proposes a $50 million contribution to
the
newly-established Global Alliance for Vaccines and Immunizations
(GAVI). [These
funds will be used to purchase existing vaccines for Hepatitis B,
Haemophilus
influenzae type B, and Yellow Fever, and to ensure their safe delivery.
The U.S.
contribution to GAVI is expected to leverage additional resources
from other
donors. This initiative will be complemented by increased funding for
NIH to
accelerate the development of vaccines for HIV/AIDS, tuberculosis,
malaria, and
other major infectious diseases.]

Clean Energy and Tropical Forests - $50 million of additional funding
is included
in the budget to promote the use of clean energy overseas. Of this
total, USAID
will use $30 million for technical assistance for legal and regulatory
reform,
and to expand training programs for energy sector policy makers and
regulators.
The Export-Import Bank will use $15 million to assist in the financing
of clean
energy technology exports, especially renewable energy exports,
while the Trade
and Development Agency will use $5 million to fund feasibility
studies to cover
all aspects of project planning from project conceptualization to
technical
specifications for clean energy technology.

$57 million is also included for international affairs agencies to
increase U.S.

support for the preservation of tropical forests and other biologically-significan
t areas. Of this amount, $33 million will be added to USAID biodiversity
resources (for a total of $100 million), allowing USAID to increase the work it
does with host countries and partners to increase the conservation of and improve
the management of biologically significant areas. $24 million will be added to
Treasury Department resources (for a total of $37 million) for the budget cost of
debt swaps and debt reduction agreements that require beneficiary countries to
devote a portion of their own resources to tropical forest conservation.

5. Enhancing U.S. presence and protection abroad.

Advisory Panel on Overseas Presence : In the aftermath of the embassy bombings in
Nairobi and Dar Es Salaam in 1998, the Administration established an expert
panel, chaired by Lewis Kaden, to recommend improvements with respect to the US
presence abroad. The Panel released its report in November 1999. Among other
recommendations, the Panel reiterated the need for a long-term program of
investment in overseas facilities and security measures. The Administration has
initiated a thorough review of recommendations contained in the Kaden panel's
report including an examination of the U.S. Government's overseas presence needs
and the current structure of financing and management for overseas facilities.
The Administration will continue to work with Congress in a bipartisan manner to
address the continuing challenge of making our overseas posts secure

The budget supports a strong U.S. presence at over 250 embassies and other posts
overseas, promoting U.S. interests abroad and protecting and serving Americans by
providing consular services. This work will be aided by an Administration review
of overseas presence of all agencies as recommended in the report of the Advisory
Panel on Overseas Presence.

Effective diplomacy is the foundation of our ability to meet foreign policy goals. The work of the Department of State and U.S. missions supports the aims of American foreign policy, and anticipates and helps to prevent threats to our national security. Overseas posts serve as the administrative platform for the many other U.S. agencies with personnel abroad, from USAID to the Departments of Defense, Justice, Commerce, Agriculture and the Treasury.

Facility Vulnerability: Protection of American and foreign national employees who work abroad in U.S. Government facilities remains a top priority within the FY 2001 budget. The budget proposes a total of $1.1 billion for embassy security initiatives including $500 million for new State Department and USAID diplomatic facility construction, $200 million for additional steps to protect existing buildings from terrorist attack, and $400 million for maintenance of security readiness including construction of a new Center for Anti-terrorism and Security Training. In total, this represents an increase of over $500 million, nearly doubling the FY 2000 enacted level for enhanced security measures.

Diplomatic and Consular Operations: The budget proposes $3.2 billion in 2001 for the State Department, including public diplomacy and arms control activities. This funding level will maintain the Department's world-wide operations, continue efforts to upgrade information technology and communications systems, and accommodate increased security and facility requirements at posts abroad. It will also provide for additional technology and training investments as recommended by the Overseas Presence Advisory Panel.

USAID Operating Expenses: The budget proposes $520 million for USAID operating expenses. This is a $15 million increase over the FY 2000 enacted level (when the $15 million included in FY 2000 for the new mission in Dar Es

Salaam is
excluded). Almost all of the FY 2001 increase is for information technology,
including completion of the "off-the-shelf" financial management system and
remaining upgrade requirements to the New Management System (NMS). These
remaining information technology improvements are critical to USAID's plan to
fully comply with all Government-wide financial management requirements in FY
2001.

Exchange Mail

DATE-TIME	04/18/2000 3:28:38 PM
FROM	Dempsey, Nora B. (AF)
CLASSIFICATION	UNCLASSIFIED
SUBJECT	FSN meeting at EXIM [UNCLASSIFIED]
TO	Battenfield, Pat A. (AF)
CARBON_COPY	Battenfield, Pat A. (AF) Byrne, Catherine E. (AF) Dempsey, Nora B. (AF) Smith, Gayle E. (AF)

TEXT_BODY

Pat,

Would you mind calling Gloria Cabe at Exim, and confirming two dates?

1. Exim's anniversary (very very soon as I remember);
Gayle had thought the idea of acknowledging their anniversary (a card or flowers) was a good idea, particularly in that Gloria and Jim Harmon have been so helpful to administration efforts on Africa and HIV/AIDS.

2. The event for African FSN's. I think it is scheduled at Exim for April 27 from 2:00-3:30. I'd like to attend if I can (Exim, OPIC, and TDA will all present), so ask Gloria if that would be okay, and if so, put it on my schedule.

Thanks, Pat.

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	From Kenneth Bernard to Eric Schwartz at 1:26pm. Subject: FW: DC on AIDS. (16 pages)	05/01/2000	P1/b(1)

COLLECTION:

Clinton Presidential Records
NSC Emails
Exchange-Record (Sept 97-Jan01) ([ExIm and AIDS])
OA/Box Number: 620000

FOLDER TITLE:

[01/04/2000-05/01/2000]

2006-0947-F
vz658

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. email	From Mary McCarthy to Kenneth Bernard at 6:48pm. Subject: FW: DC on AIDS. (8 pages)	05/01/2000	P1/b(1)

COLLECTION:

Clinton Presidential Records
NSC Emails
Exchange-Record (Sept 97-Jan01) ([ExIm and AIDS])
OA/Box Number: 620000

FOLDER TITLE:

[01/04/2000-05/01/2000]

2006-0947-F
vz658

RESTRICTION CODES

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