



PROJECT on Middle East Democracy

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State and Foreign Operations Appropriations Bill for Fiscal Year 2008: Comparisons of the Presidential Request, House, Senate and Final Omnibus Versions

The fiscal year 2008 appropriations process began with the [President's budget request](#). Since then, the State and Foreign Operations Appropriations for Fiscal Year 2008, **H.R. 2764**, has gone through several different versions. The original [House version of the bill](#) passed on June 22, 2007, [241-178](#). A [Senate version](#) then passed on September 6, 2007 by a vote of [81-12](#). As year-end efforts to agree on FY08 funding came to a head in late fall, the bill was used as the vehicle for [an omnibus appropriations package](#), which cleared the House on December 17th and Senate on December 18th and was cleared to go to the White House on December 19th. On Friday, December 21, 2007, the President signed a stopgap measure continuing federal funding through December 31, giving him an additional ten days to review the omnibus bill before signing it.

For **Economic Support Funds (ESF)**, the Senate provision prevailed in the final version, appropriating \$3.0 billion, in contrast to \$2.7 billion in the House. The President's budget request was \$3.32 billion:

- Funding for democracy, human rights, and governance programs in **Egypt** is \$15 million in the Senate version, while the House provides \$50 million.
- The Senate version, providing \$363 million for **Jordan**, prevailed over a \$263 million House provision. The President only requested \$263 million
- While the President only requested \$42.1 million for **Lebanon**, the House version as well as the final bill appropriated \$45 million.
- The version originally passed in the House, at \$64 million, and the Senate, at \$75 million, were each significantly lower than the \$218 million allowed for the **West Bank and Gaza** in the final omnibus version. The final figure includes \$100 million that is conditional, by presidential waiver, on enactment of Palestinian fiscal reform. The President's request was only \$63.5 million.
- \$60 million for democracy promotion in **Iran** was provided in the final version, as compared to \$75 million in the Senate version, and \$50 million in the House version. The President's request was for \$75 million.
- House language prohibiting funding to **Afghanistan** for eradication of poppies by aerial spraying of herbicides was retained in the final version.

All three versions of the bill provide between \$4.5 and \$4.6 billion for **Foreign Military Financing (FMF) programs**, similar to the President's request of 4.536 \$billion. This funding includes:

- \$1.3 billion in grants only to **Egypt**, the same amount requested. The Senate version put no conditions upon this aid while the House version made \$200 million conditional on the Egyptian government taking concrete, measurable steps to:
 - Enact a new judicial authority law to protect judicial independence
 - Review criminal procedures and train police leadership to curb police abuses
 - Detect and destroy smuggling networks from Egypt into Gaza.

The final version conditions \$100 million on these three requirements, substituting 'judicial reform' for 'judicial authority law', and giving the Secretary of State the ability to waive these conditions if it is determined to be in the interest of national security.

- In the final version, \$300 million shall be made available to **Jordan**, keeping with the Senate bill and \$100 million above the House appropriation. It is also more than the \$200 million the President requested.
- The Senate bill made \$2 million in aid to **Morocco** conditional on progress on human rights and allowing freedoms of speech and assembly concerning the status of the Western Sahara territory. The final version made \$1 million of this conditional.
- The Senate provided \$8 million to **Tunisia**, though both the House and the final version omitted this.
- In the final bill, up to \$300 million may be available to **Pakistan**, the same amount requested. \$50 million of that is conditional on the government's efforts to deny safe haven to Al Qaeda and the Taliban, and is implementing the following reforms:
 - Restoring the Constitution and ensuring freedoms of expression and assembly.
 - Releasing political detainees and allowing inclusive democratic elections.
 - Ending harassment of journalists, human rights defenders and dissidents.
 - Restoring an independent judiciary.

The Senate version would have allowed for the entire \$300 million to be transferred to economic support rather than military if these conditions were not met, while the House version did not discuss military aid to Pakistan.

Afghanistan & Iraq:

- The President's budget included \$1.4 billion for **Afghanistan** to build up its infrastructure and health and education services. Of that, \$370 million is for emergency assistance programs that will complement U.S. military objectives. The final omnibus version included only \$1.1 billion.
- For **Iraq**, the President's budget included \$1.4 billion for programs supporting a wide range of projects to advance Iraq's political, security and economic goals. This request included \$950 million in emergency assistance programs that will complement U.S. military objectives. However, the final omnibus version does not designate any funding for assistance to Iraq, and none of the funds appropriated for various programs can be used in Iraq except for some ESF money for assisting refugees and displaced persons, "rescuing

Iraqi scholars,” and removing and disposing of land mines, ordnance, and small arms. The only funding for Iraq included in the final omnibus appropriations bill is \$70 billion designated for the wars in Iraq and Afghanistan.

Other provisions of interest for **U.S. democracy promotion efforts** include:

- \$100 million for the **National Endowment for Democracy** was provided in the final version as in the Senate version, though the House bill provided only \$80 million. This is \$20 million dollars more than the President requested
- \$1.8 billion for the **Millennium Challenge Corporation** was originally provided in the House version, in comparison to \$1.2 billion in the Senate version, and \$1.6 billion in the final version. All three contained language mandated increased reporting and congressional oversight of the MCC. This is significantly less than the \$3 billion that the President requested.
- \$64 million for the **Human Rights and Democracy Fund** is provided in the final version, including \$5 million for democracy promotion in countries outside the Middle East with significant Muslim populations (as compared to \$10 million in the Senate version). The President only requested \$40 million. The final version also includes \$15 million for an internet freedom initiative. The House bill did not provide any monies to the fund.
- In the final version and the House version, reports on the level of **corruption** for each country that receives development assistance from the U.S. are mandated. The Senate version has a similar provision, but recommends establishing an Anti-Corruption Trust at the World Bank. An additional provision in the Senate version does however mandate a report on the state of corruption in Iraq, including a list of those senior Iraqi leaders engaged in corrupt practices.

Compared to Previous Years:

FY2006 (actual)	FY2007 (enacted)	FY2008 Budget Request	FY 2008 Appropriations
\$30.2 billion	\$31.4 billion	\$35.0 billion	\$32.8 billion

The difference between FY2007 funding and the requested FY2008 funding is an increase of \$3.6 billion, or 11.4%. The actual appropriated amount is only a \$1.4 billion increase (4.5%).