



PROJECT *on* Middle East Democracy

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The Project on Middle East Democracy

Fiscal Year 2009 Appropriations and Democracy, Governance and Human Rights in the Middle East

2200 Rayburn House Office Building

April 29, 2008, 10:00 – 11:30 a.m.

The Project on Middle East Democracy (POMED) hosted a panel discussion on President Bush's fiscal year 2009 budget request and the funding increase in democracy and governance programs across the Middle East. The speakers discussed the budget request's potential impact on U.S. efforts to support democracy in the region; the changes in the international affairs budget request as compared to past fiscal years; and how the request might affect President Bush's "freedom agenda" legacy. **Ambassador Edward Gabriel**, President and CEO of The Gabriel Company, LLC, **Stephen McNerney**, Director of Advocacy for POMED, and **Jennifer Windsor**, Executive Director of Freedom House, spoke to these issues. POMED's Executive Director, Andrew Albertson, moderated the event.

In his introductory remarks, **Andrew Albertson** commented on the need to examine the funding levels set by President Bush and to identify the issues that will be debated. He noted that a new world is arising with the new U.S. presidency and thus, a debate remains on **what future engagement in the Middle East should look like**. Albertson noted that this week, the House Committee on Foreign Affairs' **Chairman Howard Berman** intends to rewrite the 1961 Foreign Assistance Act. He concluded by stating the need to be cognizant of the entrance into a **rather large debate on the importance of strengthening civilian efforts on democracy issues**.

Stephen McNerney began by drawing comparisons between the recent budget request and the FY 2006 appropriations request. McNerney's presentation did not include data on emergency supplemental bills (i.e. for Iraq and Afghanistan). He noted that **the FY 2009 international affairs budget request is \$39.8 billion, only 1.3% of the entire federal budget**. McNerney outlined the five strategic objectives for U.S. international affairs aid, although his analysis focused primarily on the governing justly and democratically (GJD) objective. **Of the \$39.8 billion, countries under the State Department's category "Near East" were requested to receive \$5.5 billion, 5% more than last fiscal year**. Under his categorization of the Broader Middle East and North Africa (BMENA) region (**Near East, Turkey, Mauritania, Pakistan, Afghanistan**), **this region is requested to receive \$7.4 billion, also a 5% increase from last year**. McNerney noted that **69% of the international affairs budget allocated to the BMENA is military assistance**. This is a misleading figure due to the inclusion of Iraq

and Afghanistan; **if the two countries are removed from the formula, 78% of the foreign aid request for the region is military assistance and roughly 5% is for GJD.** He noted that although this figure may seem miniscule, it is larger in comparison to past years. The years 1991-2001 saw less money allocated over the span of the entire decade than this fiscal year alone. **“The President’s request demonstrates a considerable increase across the board in all four program areas.”**

In a country-by-country analysis, **Egypt is the only country that does not receive an increase in democracy and governance funding while Jordan’s \$535 million total request represents “a slow and steady increase in democracy and governance.”** McNerney noted that there were indications in recent weeks that **Congress intends to appropriate double the amount of aid to Jordan than the President’s initial request.** Morocco’s request restores the total amount of democracy and governance funding that was appropriated in FY 2006. Morocco has also signed an agreement with the Millennium Challenge Corporation (MCC). The West Bank and Gaza Strip have witnessed a sharp drop in funding following Hamas’ victory in 2006 but this year will be the first year that funding will increase from the pre-2006 levels. **Yemen’s democracy and governance funding has substantially increased; its current package seems to model Morocco’s package.** McNerney’s conclusions highlighted a vast overwhelming disparity between military and non-military aid to the region.

Ambassador Edward Gabriel discussed the importance of examining how the U.S. delivers its foreign assistance. He noted that while the U.S. is the largest foreign aid giver, it is the smallest in terms of GNP (foreign aid represents 1% of the U.S. federal budget) and thus, the U.S. can and should increase its foreign assistance funding. In addition, he argued that soft power is a more effective tool than military involvement. He outlined ways in which the **U.S. can deal bilaterally with foreign governments and programs that represent change and reform.** He believed that **greater funds should be allocated in places where the U.S. has a more probable chance of achieving its objectives.**

Ambassador Gabriel noted that USAID’s Office for Democracy and Governance must meet two essential criteria: **meeting with enlightened leaders who desire change and creating strategic partnerships with those leaders.** He expressed his support for a pre-qualification process whereby once a country has followed the initial criteria, the U.S. can subsequently identify ways to create a bilateral strategic partnership. Furthermore, he commented that it is **important to treat the other country as a partner in facilitating a more effective long-term relationship.** Ambassador Gabriel’s conclusions highlighted the **need to increase foreign aid in the Middle East, the importance in fostering reform, and the necessity for the U.S. to target reform aid with governments’ willingness to support change.**

Jennifer Windsor began her remarks with a note that “diplomacy plays a very important role bilaterally and nationally.” Windsor discussed her efforts to measure not only what governments in the region are doing, but also what individuals are experiencing. She noted that the Middle East continues to be the least free region in the world, although the

last couple of years have seen a reform movement, which can be attributed to the people of the region, and not the governments. She expressed her concern with the **Gulf countries which constitute the least free region in the Middle East but receive no direct democracy funding**. She commented on the fact that **Tunisia has seen consistent allocation of funding despite being one of the world's worst violators of freedom, while Algeria has seen a slash in funding during a crucial point in reform efforts**. She also noted her concern regarding the decrease in funding for the Middle East Partnership Initiative (MEPI).

During the question and answer period, in a discussion on **how Islam and democracy can coexist**, Windsor answered that currently, women's rights can be furthered within Islam, and consequently it is very important to facilitate that conversation.

When asked about **situations whereby regimes backslide and what actions to take with respect to foreign aid for those regimes**, Windsor argued that in terms of cutting or decreasing assistance, the U.S. would have to examine the nature of the assistance. She argued in support of making public and private statements and quadrupling assistance to send signals to the government in question. Ambassador Gabriel noted that the U.S. should use aid as a mechanism for deciding what aspects to support within regimes. He also stated that **it is the role of U.S. to examine the effectiveness of how its foreign aid is spent**. In addition, Ambassador Gabriel commented that **if a government continually receives unconditioned monetary assistance, it lacks an incentive to engage in reform**. He argued that the U.S. should support reform-minded individuals and should invest in civil society and governments that support change.