

# Investing in Freedom:

Analyzing the FY 2012 International Affairs  
Budget Request

May 2011

Special Report



Sarah Trister is the primary author of this year's report. Freedom House Executive Director David J. Kramer, Director of Advocacy Paula Schriefer, and Director of Programs Robert Herman provided expertise and guidance throughout the process. Analytical background on recent democratic developments was provided by Freedom House publication *Freedom in the World*. Freedom House staff in Washington and in field offices around the world also offered valuable regional input. For additional Freedom House Special Reports, please see [www.freedomhouse.org](http://www.freedomhouse.org).

Freedom House is an independent watchdog organization that supports the expansion of freedom around the world. Freedom House supports democratic change, monitors freedom, and advocates for democracy and human rights.

Founded in 1941, Freedom House has long been a vigorous proponent of the right of all individuals to be free. Eleanor Roosevelt and Wendell Willkie served as Freedom House's first honorary co-chairpersons.

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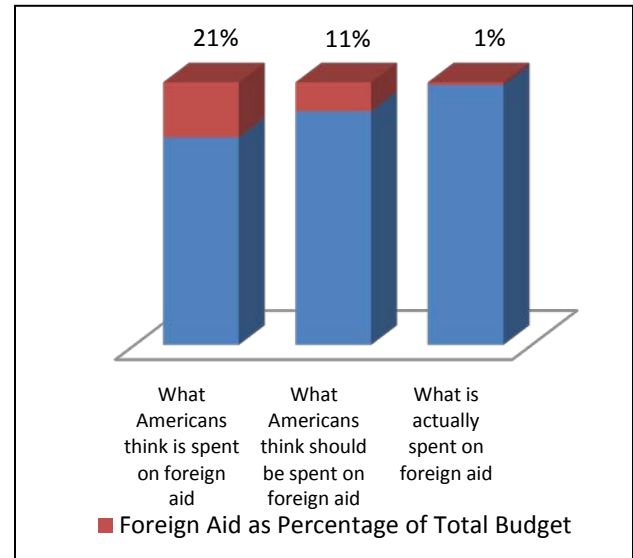
## Glossary of Acronyms

<b>AEECA:</b>	Assistance for Europe, Eurasia and Central Asia
<b>BBG:</b>	Broadcasting Board of Governors
<b>DA:</b>	Development Assistance
<b>DCHA:</b>	Bureau of Democracy, Conflict and Humanitarian Assistance
<b>DRC:</b>	Democratic Republic of the Congo
<b>DRL:</b>	Bureau of Democracy, Human Rights and Labor
<b>EAP:</b>	East Asia and Pacific
<b>ESF:</b>	Economic Support Fund
<b>FY:</b>	Fiscal Year
<b>GJ&amp;D:</b>	Governing Justly and Democratically
<b>INCLE:</b>	International Narcotics Control and Law Enforcement
<b>INL:</b>	Bureau of International Narcotics and Law Enforcement
<b>OCO:</b>	Overseas Contingency Operations
<b>MCC:</b>	Millennium Challenge Corporation
<b>MEPI:</b>	Middle East Partnership Initiative
<b>NED:</b>	National Endowment for Democracy
<b>NERD:</b>	Near East Regional Democracy Program
<b>NGO:</b>	Non-Governmental Organization
<b>OAS:</b>	Organization of American States
<b>OMEF:</b>	Office of Middle East Programs
<b>PCCB:</b>	Political Competition and Consensus-Building
<b>ROLHR:</b>	Rule of Law and Human Rights
<b>SCA:</b>	South and Central Asia
<b>USAID:</b>	United States Agency for International Development
<b>USIP:</b>	US Institute of Peace
<b>WH:</b>	Western Hemisphere

## Overview

During difficult budget times, it is natural that foreign aid should come under the same scrutiny as other parts of the budget. Indeed, a recent public opinion poll on budget priorities found that most Americans estimate that foreign assistance comprises 21% of the annual budget, and favor reducing it to around 11% of the total budget.<sup>1</sup> Given the reality—that U.S. foreign aid currently makes up only about 1% of the federal budget—further cuts to what is already a minuscule part of the budget are both unwarranted and would appear to have little popular support.

Yet, on February 19<sup>th</sup>, when the House of Representatives passed H.R. 1 to fund the rest of Fiscal Year (FY) 2011, it cut the foreign affairs budget by \$10 billion (19%) from actual FY 2010 levels.<sup>2</sup> The large cuts that have been proposed to the foreign affairs budget would have a detrimental effect on the ability of the United States to be an effective world leader and to protect its international security and policy interests. Moreover, cuts to the international affairs budget would disproportionately affect the amount spent on democracy and human rights, which typically makes up only 10% of foreign aid activities – i.e., one-tenth of 1% of total U.S. Government spending.



This focus on budgets comes as the world watches with fascination the men and women of the Middle East and North Africa rallying together against repressive regimes in support of democratic values. The successful movements for freedom in Tunisia and Egypt, and the ongoing battles in places such as Libya, Yemen, Bahrain, and Syria are reminders that democratic values are universal values. These movements have obliterated the notion that certain parts of the world are immune to democracy. Authoritarian leaders from Tehran to Beijing to Caracas rightfully fear the implications these grassroots movements may have for their own regimes. As a result, many such leaders have attempted to tighten their grip on power. As such, it is even more vital that the United States not withdraw from the frontiers where the battles are being fought.

By promoting democracy and human rights, the United States is not only making an investment in universal values, but making an investment in its own national security and strategic interests. Every day the United States faces the economic and strategic costs of having to ally itself with repressive and inherently unstable foreign governments. The ouster of long-time American ally and dictatorial Egyptian leader Hosni Mubarak demonstrated how quickly situations can change when dealing with unrepresentative leaders. By promoting good governance, respect for human rights, strong democratic institutions, and robust civil society movements abroad, the United States is investing in its own stability. Stable democratic countries make better economic and trade partners, as well as more reliable military and strategic allies. Yet, democracy and human rights funding has traditionally been short-changed. If there were ever a time to redouble these efforts, that time is now.

<sup>1</sup> “How the American Public Would Deal with the Budget Deficit.” Program for Public Consultation and Knowledge Networks, February 3, 2011.

<sup>2</sup> US Global Leadership Campaign, <http://www.usglc.org/2011/03/11/international-affairs-budget-update-3-11-11/>.

There are many examples of countries where a relatively small investment by the United States could have a disproportionately large effect on the improvement of democratic governance. For example:

- **Egypt:** The Egyptian people showed the world this spring that they are ready to move to a democratic system where the rule of law and respect for human rights are the norm, not a fantasy. The challenges for Egypt's transition are, however, substantial. At this critical time, U.S. assistance can make a major contribution to Egyptian efforts to build free and fair election processes, give civil society a strong voice in the transition process, and ensure that religious freedom and gender equality are protected in the new Egypt.
- **Azerbaijan:** Azerbaijan has enjoyed the benefits of enormous energy windfalls, while cultivating deeper energy and security relationships with the United States and Europe. At the same time, the country's democratic governance has consistently worsened. Mismanagement, corruption and abuse of rights have grown along with government repression of media and civil society. Given the strategic position of this country, a meaningful, ongoing investment in democracy support will ensure that alternative voices can survive.
- **Zimbabwe:** The "securocrats" allied with President Robert Mugabe are resorting to increasing violence in an attempt to stem the regime's decline. Despite years of severe repression, Zimbabwe boasts a viable political opposition and an engaged civil society. Strategic U.S. support for human rights monitors, independent media, civil society, and democratic political parties is critical to reduce the risk of widespread bloodshed and to improve the prospects for free and fair elections that may ultimately restore democracy to the country.
- **Cambodia:** The Cambodia Government has proposed a Law on Associations and Non-Governmental Organizations that threatens to further restrict the civil and political rights of Cambodian citizens. Vocal U.S. opposition to such reforms, along with technical and financial support for civil society organizations within the country are needed in order to prevent greater restrictions.

In this fiscal environment it is understandable that every sector of the government will be considered for cuts. However, in the case of the international affairs budget, enacting widespread cuts without thinking through the long-term implications does not serve U.S. interests. Regular investments abroad in economic development, democratic processes, health and other areas can avert the much more expensive costs in the future that would be associated with man-made disasters, disease epidemics, government collapse, or outbreaks of violence. Not to mention the long-term economic benefits that come from helping create more stable trading partners around the world.

Freedom House supports the President's FY 2012 budget request of \$61.5 billion for international affairs as a vital component of the United States' national security, foreign diplomacy, and indeed, the fulfillment of a moral obligation to the millions of people around the world who look to America as a leader.<sup>3</sup> While this report will take an in-depth look at the human rights and democracy portion of the request, every area of funding plays an important role in the holistic approach of the U.S. Government abroad.<sup>4</sup>

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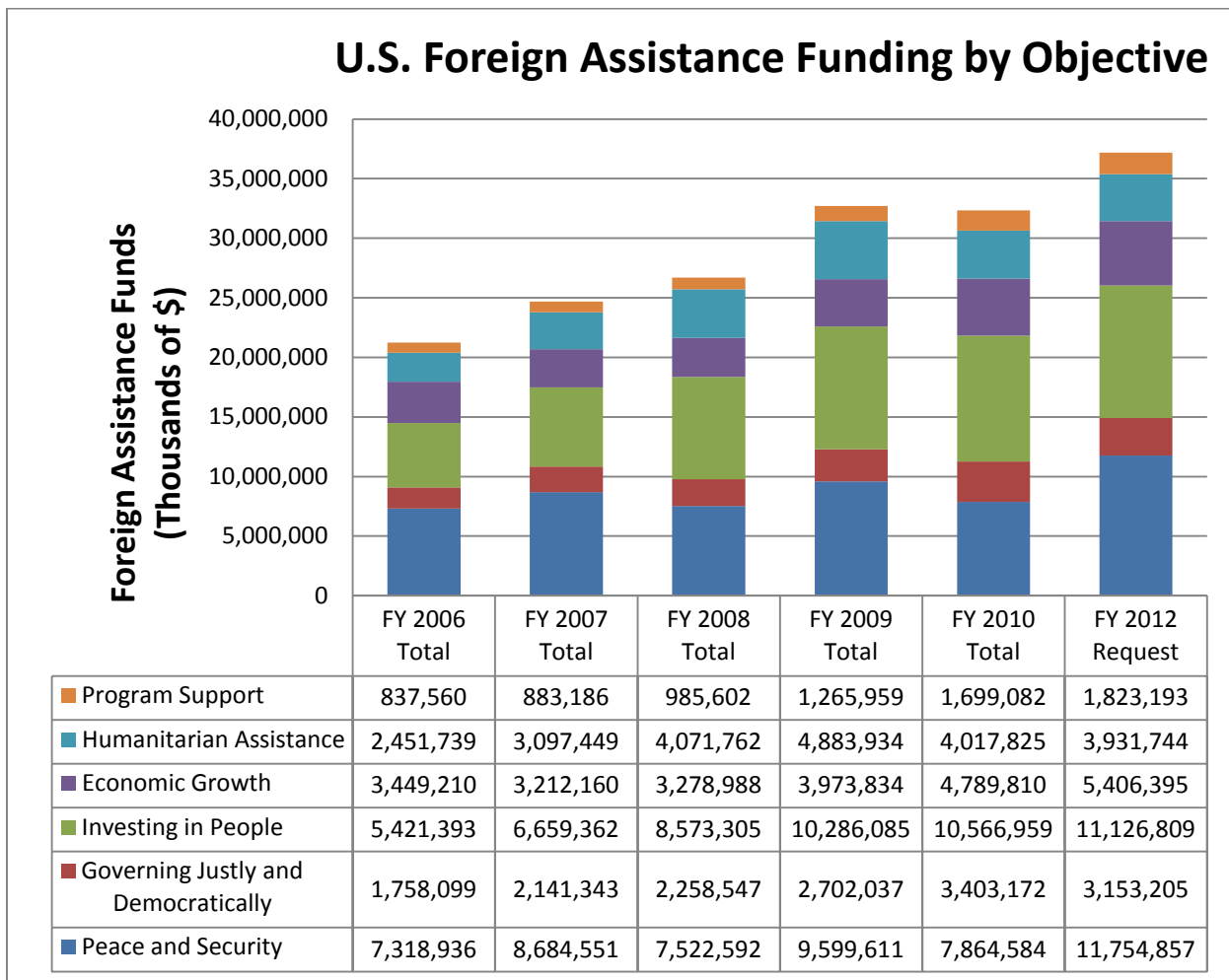
<sup>3</sup> This number refers to the request for Enduring International Affairs (150 Account) on page 9 combined with the request for Overseas Contingency Operations (OCO) on page 14 of the FY 2012 Executive Budget Summary.

<sup>4</sup> At present, Freedom House receives approximately 85% of its funding from US Government sources through grants awarded in a competitive process.

## Foreign Assistance Request

The President’s request for international affairs for FY 2012 is \$61.5 billion, of which \$37.2 billion is for foreign assistance. This represents an 11% increase over FY 2010 actual levels. For the first time, the Obama Administration chose to break their FY 2012 request for State and Foreign Operations into two parts, one for “core” activities, and one for “extraordinary temporary costs in Iraq, Afghanistan, and Pakistan.”<sup>5</sup> For the purposes of clarity and comparison this report includes both the temporary Overseas Contingency Operations (OCO) and Core requests in numbers cited for FY 2012 unless otherwise noted.

The Foreign Assistance funding is broken down into six categories of spending that reflect the objectives of US Foreign Assistance: “Peace and Security,” “Governing Justly and Democratically (GJ&D),” “Investing in People,” “Economic Growth,” and “Humanitarian Assistance, and “Program Support.” This report focuses on the GJ&D portion of the request which encompasses funding for human rights and democracy activities. In the FY 2012 request, as in every year since these categorizations have been used, GJ&D funding represents the smallest apportionment of Foreign Assistance funding, aside from program support, with only \$3.15 billion being requested.



<sup>5</sup> As explained on page 2 of the FY 2012 Foreign Operations Congressional Budget Justification.

## Governing Justly and Democratically

Funds that fall under the Governing Justly and Democratically category are meant to protect basic rights and strengthen effective democracies by helping countries to increase their governments' accountability, relying on rule of law, free and fair electoral processes, vibrant civil society, and independent media. GJ&D funding is further broken down into four more specific funding categories: *Rule of Law and Human Rights*, *Good Governance*, *Political Competition and Consensus-Building*, and *Civil Society*.

(In thousands \$)	FY 10 Actual	FY 12 Request	Difference
<b>Total GJ&amp;D<sup>6</sup></b>	<b>3,403,172</b>	<b>3,153,205</b>	<b>-7.35%</b>
Good Governance	1,517,674	1,422,249	-6.29%
Rule of Law and Human Rights	930,786	1,012,234	8.75%
Civil Society	633,828	503,278	-20.60%
Political Competition and Consensus-Building	320,884	215,444	-32.86%

The combined FY 2012 GJ&D request, including both OCO and Core funding, is \$3.15 billion. This is a decrease of more than 7% from FY 2010 actual numbers.

As in past years, the small percentage of the GJ&D funding allocated to assisting civil society remains concerning. Despite many pledges by the United States Government to dedicate more attention and funding to helping civil society rather than governments, the overall percentage of GJ&D funding for civil society in the FY 2012 request actually falls from 19% of GJ&D in FY 2010 to 16% in FY 2012. The recent movements in the Middle East and North Africa underscore the importance of U.S. support for civil society and individuals and not relying solely on government-to-government aid.

These specific funding categories are broken down as follows:

***Rule of Law and Human Rights*** funding intended to advance and protect individual rights as embodied by the Universal Declaration of Human Rights, promote societies in which the state and its citizens are accountable to laws that are publically promulgated, equally enforced, independently adjudicated, and consistent with international human rights.

***Good Governance*** funding intended to promote government institutions that are democratic, effective, responsive, sustainable, and accountable to citizens. Activities funded under this program support public participation and oversight of governmental institutions, measures that curb corruption, and enhance the separation of powers through a functional system of checks and balances.

***Political Competition and Consensus-Building*** funding is used to encourage the development of transparent and inclusive electoral and political processes, as well as democratic, responsive, and effective political parties.

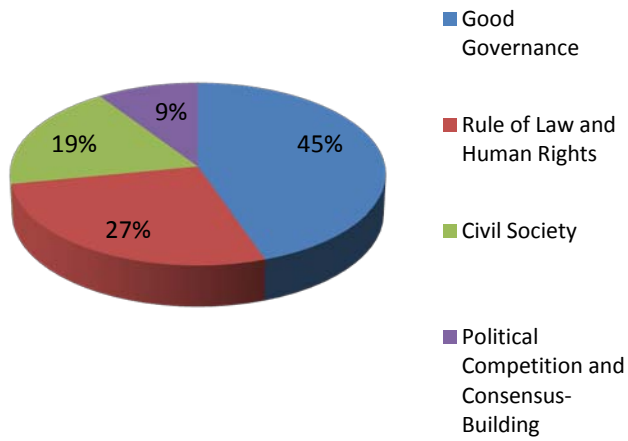
***Civil Society*** funding supports the means through which citizens can freely organize, advocate, and communicate with fellow citizens, members of their own and other governments, international bodies, and other elements of civil society.

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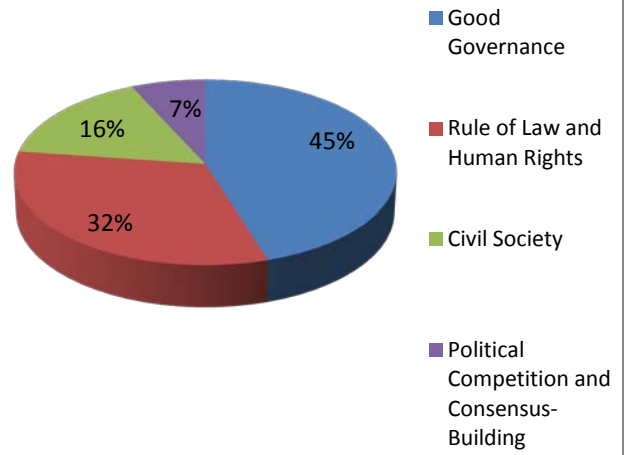
<sup>6</sup> Including OCO funding.



**FY 2010 GJ&D Actual by Category**



**FY 2012 GJ&D Request by Category**



## Foreign Assistance Accounts

Every year Foreign Assistance is requested through a number of accounts, which Congressional appropriators use when allocating funding. In previous years, the President’s budget request did not set out the specific objectives of foreign assistance funding in each account making it difficult to determine which accounts GJ&D funding came from.

However, beginning with the FY 2011 request, the Obama Administration included an additional breakdown in the Congressional Budget Justification, setting out the account requests and the specific objective to be met with the funding in each account. Within the more specific Obama Administration breakdown, the primary accounts for GJ&D Funding are: Development Assistance (DA), Economic Support Fund (ESF), Assistance for Europe, Eurasia and Central Asia (AEECA), and International Narcotics Control and Law Enforcement (INCLE). The below graph illustrates the percentage of GJ&D Funding that comes from each account.

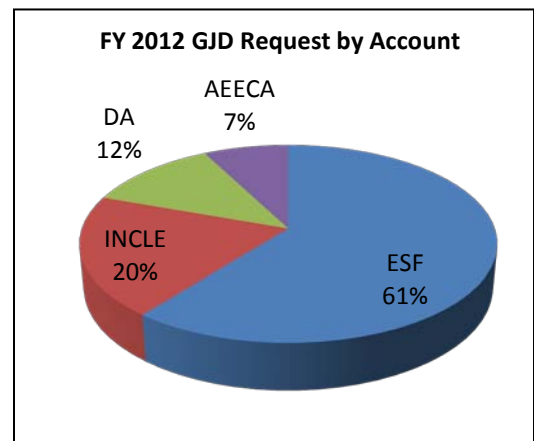
(In thousands)	FY 10 GJD Actual	FY 12 GJD Request	FY 12 Difference from FY 10 Actual
<b>Economic Support Fund</b>	2,258,083	1,881,047	-16.70%
<b>International Narcotics Control and Law Enforcement</b>	673,410	613,832	-8.85%
<b>Development Assistance</b>	286,251	369,231	28.99%
<b>Assistance for Europe, Eurasia, Central Asia</b>	267,387	236,155	-11.68%

The *Economic Support Fund* advances United States interests by aiding countries in their efforts to attain short and long-term political, economic, and security goals. These goals cover a range of activities including countering extremist ideology; assisting in the development of effective, independent legal systems; supporting transparent governance; and empowering citizens.

*Development Assistance* funding advances programs in countries facing long-term development challenges. Programs that are funded through this account represent the primary contribution of the United States toward international efforts to realize the Millennium Development Goals and address critical global issues such as food security and climate change.

*International Narcotics Control and Law Enforcement* funding advances country and global programs that combat transnational crime. These programs attempt to close the gaps between law enforcement jurisdictions and to improve on institutions that are currently weak or corrupt.

*Assistance for Europe, Eurasia and Central Asia* funding promotes the United States’ effort to assist countries in Southern Europe and the former Soviet Union to become stable, pluralistic, and prosperous.



## GJ&D Regional Overview

(In thousands \$)	FY 10 GJD Actual	FY 11 GJD Request	FY 12 GJD Request	FY 12 Difference from FY 10 Actual
South and Central Asia	1,668,106	1,645,158	1,316,633	-21.07%
Near East	538,137	401,048	547,350	1.71%
Western Hemisphere	600,636	416,778	433,216	-27.87%
Africa	311,952	348,886	371,263	19.01%
Europe and Eurasia	234,938	228,562	210,013	-10.61%
East Asia and Pacific	108,472	96,905	93,123	-14.15%



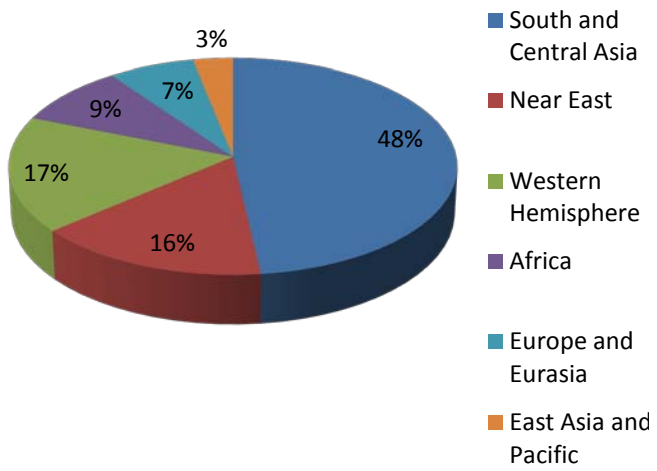
Once again, the request for South and Central Asia is by far the largest regionally. The requests for Afghanistan and Pakistan alone make up 42% of the entire bilateral request. As demonstrated by the chart to the left, the top 5 countries with the largest requests make up 61% of the total bilateral request, leaving 39% of GJ&D Funding for every other country in the world.

The Obama Administration has made supporting good governance and human rights a primary tenet of its foreign policy priorities, as outlined in the Quadrennial Diplomacy and Development Review (QDDR) released in 2010. However, when one discounts OCO funding in the FY 2012 request, GJ&D is down in every single region except for

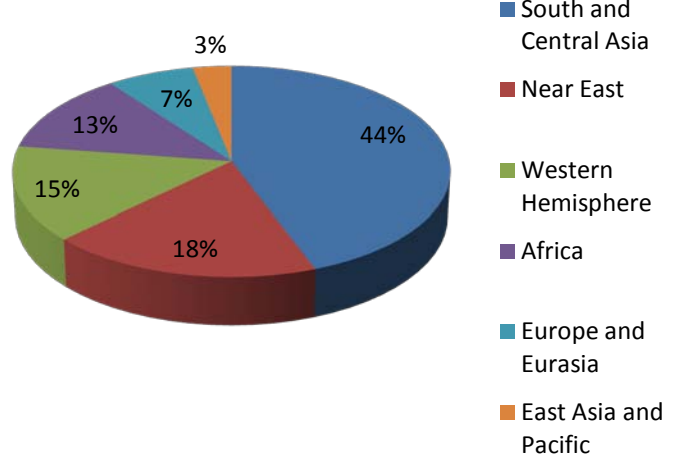
Africa. This is particularly troubling as recent events in the Middle East and North Africa demonstrate the great need and desire by activists and emerging civil societies around the world for support for human rights and democracy activities by the United States.

Because the President's Budget Request was submitted in February 2011, it does not account for the current unrest and transition in a number of Middle Eastern and North African countries. Transitions in Egypt and Tunisia, and the ongoing unrest and violence in other countries such as Bahrain, Libya, Syria, and Yemen, necessitate a Budget that allows for changes on the ground. Additionally, the quick nature of the dramatic changes in the Middle East and North Africa this spring makes it clear that a holistic approach to relationships with other governments must be taken. The events in Egypt in particular show the negative results of policies that prioritize the status quo by supporting repressive governments at the expense of a free civil society. Regardless of the specific matter at issue, democracy and human rights must be included as part of the dialogue in bilateral discussions with other governments.

**FY 2010 GJ&D Funding by Region**



**FY 2012 GJ&D Funding by Region**



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## Global Funding Mechanisms

The Obama Administration's FY 2012 requests for USAID's **Bureau of Democracy, Conflict, and Humanitarian Assistance (DCHA)** and the State Department's **Bureau of Democracy, Human Rights, and Labor (DRL)** are lower than the FY 2011 requested amounts and the FY 2010 actual levels. These funds support cross-border and cross-regional initiatives, facilitate the sharing of lessons learned within and outside of USAID and State, and enable the United States to respond to rapidly emerging situations. Given the erosion of fundamental human rights of freedom of association and expression, both the DCHA and the DRL Bureaus should receive funding at the FY 2010 actual levels to counter these threats. Additionally, non-earmarked funding that can be deployed strategically to address changing but nonetheless critical democracy and human rights priorities is much better than earmarked funds.

The State Department's **Bureau of International Narcotics Control (INL)** has taken on increasing responsibility for running rule of law and human rights programs that are categorized as GJ&D spending. INL's GJ&D funding for FY 2012 is 73% higher than it was in FY 2010. Additionally, a full 20% of foreign assistance spending is being requested through the INCLE account. This is 6% more than in the FY 2011 request. These funds are primarily aimed at combating transnational crime and strengthening law enforcement. While programs in these areas may sometimes serve to strengthen the delivery of justice and respect for human rights, past experience demonstrates that this is often not the case.

The Obama Administration's request also reflects a 27% decrease in the request for the State Department's **Bureau of International Organizations (IO)**. Despite calls by some lawmakers for U.S. withdrawal from international bodies, the Obama Administration should reinforce its commitment to multilateral engagement through funding at the FY 2010 levels.

At the same time, the requested increase to the GJ&D funding for the Near Eastern Bureau's **Middle East Partnership Initiative (MEPI)** reflects a welcome focus on democracy and human rights activities in a region where the State Department must be able to respond rapidly to the ever-changing political situations on the ground.

(In thousands \$)	FY 10 GJD Actual	FY 11 GJD Request	FY 12 GJD Request	FY 12 Difference from FY 10 Actual
<b>DCHA</b>	83,350	59,800	60,345	-27.60%
<b>DRL</b>	70,500	70,000	66,542	-5.61%
<b>INL</b>	10,390	11,305	17,980	73.05%
<b>IO</b>	23,025	15,400	16,767	-27.17%
<b>MEPI</b>	38,200	52,900	64,300	68.32%

## Other Organizations

The National Endowment for Democracy (NED) and the Broadcasting Board of Governors (BBG) both receive direct funding from the U.S. Government to undertake activities that directly impact international democracy and human rights efforts. Because these organizations are semi-autonomous, the funding is not listed in the GJ&D section of the Foreign Operations request. Nevertheless, both of these organizations play a valuable role in promoting democracy and human rights overseas and the funding levels requested by the administration should be maintained.

### National Endowment for Democracy (NED)

(In thousands \$)	FY 10 Actual	FY 11 Request	FY 12 Request	FY 12 Difference from FY 10 Actual
<b>National Endowment for Democracy</b>	118,000	105,000	104,000	-11.86%

### Broadcasting Board of Governors (BBG)

(In thousands \$)	FY 10 Actual	FY 11 Request	FY 12 Request	FY 12 Difference from FY 10 Actual
<b>Broadcasting Board of Governors</b>	<b>749,410</b>	<b>768,778</b>	<b>767,030</b>	<b>2.75%</b>
International Broadcasting Operations	736,788	755,143	754,261	2.78%
Broadcasting Capital Improvements	12,622	13,635	12,769	1.16%

**FY 2012 Governing Justly and Democratically Request  
Regional Breakdowns**

## South and Central Asia

(In thousands \$)	FY 10 GJD Actual	FY 11 GJD Request	FY 12 GJD Request	FY 12 Difference from FY10 Actual
<b>South and Central Asia<sup>7</sup></b>	1,668,106	1,645,158	1,316,633	-21.07%
Rule of Law and Human Rights	415,721	303,066	278,948	-32.90%
Good Governance	1,016,443	1,102,804	915,269	-9.95%
Political Competition and Consensus-Building	50,843	74,798	35,910	-29.37%
Civil Society	185,099	164,490	86,506	-53.27%

The request for South and Central Asia is unique because it includes Afghanistan, the single largest recipient of foreign assistance, and of GJ&D monies, in the world. Yet the Central Asian Republics include some of the world's worst human rights abusers, as well as strategic partners for U.S. military action in the region, and funds are needed there too.

Two smaller countries in the region, **Kyrgyzstan** and **Uzbekistan**, frequently seen through the prism of Afghanistan operations and their needs, highlight issues that require focused foreign assistance if the larger project in Afghanistan is to be successful. On fundamental questions of governance and human rights, these countries could be considered bell weathers of larger trends in the region.

The April 2010 revolution in **Kyrgyzstan**, which toppled US-ally Kurmanbek Bakiev, demonstrates the fragility of partnerships with authoritarian leaders in exchange for military cooperation. Following a peaceful referendum in which the country opted for a parliamentary democracy, Kyrgyzstan is moving slowly toward democracy and has received an upgrade to Partly Free ranking in Freedom House's *2011 Freedom in the World Report*. However, ethnic clashes in June 2010 point to the threat of broader inter-ethnic warfare in Kyrgyzstan. The majority of the victims in June's violence were ethnic Uzbeks, who fled briefly to neighboring Uzbekistan. If Kyrgyzstan is to remain a multi-ethnic and increasingly democratic state, restorative justice measures are necessary as are parallel efforts to support its nascent parliamentary form of governance.

**Uzbekistan** remains one of the world's worst abusers of human rights. The 23.3% reduction in this year's GJ&D request cuts disproportionately into assistance for human rights programs, sending the wrong message at the wrong time. This is compounded by a \$100,000 placeholder in the current budget request to resume Foreign Military Financing (FMF). This is a source of serious concern to the human rights community.

<sup>7</sup> Including FY2012 OCO Request for Afghanistan



## GJ&D Funding by Country

(In thousands \$)	FY 10 GJD Actual	FY 11 GJD Request	FY 12 GJD Request	FY 12 Difference from FY10 Actual
<b>Afghanistan<sup>8</sup></b>	1,427,517	1,388,000	1,103,658	-22.69%
<b>Bangladesh</b>	23,262	24,602	21,602	-7.14%
<b>Kazakhstan</b>	4,190	4,189	3,500	-16.47%
<b>Kyrgyz Republic</b>	10,292	9,914	9,486	-7.83%
<b>Nepal</b>	4,085	6,100	7,324	79.29%
<b>Pakistan</b>	177,083	190,800	153,325	-13.42%
<b>Sri Lanka</b>	3,710	5,082	4,582	23.50%
<b>Tajikistan</b>	7,758	7,778	6,775	-12.67%
<b>Turkmenistan</b>	4,991	3,163	2,974	-40.41%
<b>Uzbekistan</b>	3,467	3,480	2,657	-23.36%
<b>South and Central Asia Regional</b>	1,751	2,050	750	-57.16%

<sup>8</sup> Including FY2012 OCO Request

## Near East

(In thousands \$)	FY 10 GJD Actual	FY 11 GJD Request	FY 12 GJD Request	FY 12 Difference from FY 10 Actual
<b>Near East<sup>9</sup></b>	<b>538,137</b>	<b>401,048</b>	<b>547,350</b>	<b>1.71%</b>
Rule of Law and Human Rights	122,726	91,249	206,512	68.27%
Good Governance	157,124	134,734	135,053	-14.05%
Political Competition and Consensus-Building	70,178	56,235	43,670	-37.77%
Civil Society	188,109	118,830	162,115	-13.82%

With democratic transitions in progress in Egypt and Tunisia, ongoing violence and protests in Syria, Bahrain, and Yemen, and full-out war in Libya, the Middle East and North Africa has become one of the highest priorities in terms of assistance for Congress and the Administration. Since the revolutions, the State Department has announced it would immediately make \$150 million in aid available for support to Egypt and an additional \$20 million available in support for Tunisia for FY 2011 by reprogramming funds that have already allocated.<sup>10</sup> Additionally, the United States has announced billions more in loans and other economic support to Egypt as it attempts to build its economy after 30 years of stagnation.

Moving toward democracy in **Egypt** and **Tunisia** will be a lengthy and complicated process. The United States has an opportunity to make an important impact by supporting improvements in electoral processes, robust civil society participation in elections and constitutional debates, institutional reforms, and efforts to address human rights abuses, as well as by promoting gender equality and religious freedom, so that members of these societies are able to thrive in a free and open environment.

In terms of the FY 2012 request for the Near East, Freedom House is pleased to see that the request for the **Middle East Partnership Initiative (MEPI)** has received a 68% increase over FY 2010 amounts. MEPI has been an invaluable instrument for providing democracy and human rights assistance since its inception in 2002. Funds provided through MEPI are especially vital now, as they have the flexibility required to respond to the constantly changing environment in the region.

The ongoing protests and crackdowns in the Middle East have drawn attention to the disproportionate amount of assistance that the United States is giving to Middle Eastern governments to support military capabilities compared with the amounts given for democracy and human rights. In the Middle East region as a whole, democracy and human rights funding makes up about 6 percent of United States foreign assistance. In contrast, Foreign Military Financing (FMF) makes up more than 71% of foreign assistance.

This assistance has proven problematic in countries such as **Bahrain** and **Yemen**, which received requests of \$25 million and \$35 million respectively for FMF in FY 2012, and where the beleaguered governments have used violence to crackdown against peaceful protests. There have been public calls

<sup>9</sup> Including FY2012 OCO Request for Iraq

<sup>10</sup> Mary Beth Sheridan, "U.S. to give \$20 million to help Tunisia's Fledgling Democracy," The Washington Post, March 23, 2011. [http://www.washingtonpost.com/world/us-to-give-20-million-to-help-tunisias-fledgling-democracy/2011/03/22/AB3VpxEB\\_story.html](http://www.washingtonpost.com/world/us-to-give-20-million-to-help-tunisias-fledgling-democracy/2011/03/22/AB3VpxEB_story.html)

for the suspension of military aid to these two countries. Suspension of military aid has also been called for in the so-called “Leahy Law” which prohibits United States military assistance to entities involved in human rights abuses. Nevertheless, there has been no public decision or announcement by the Obama Administration or Congress that would halt United States military assistance to those countries.

Military aid to the governments of Bahrain and Yemen should be suspended as long as they continue to resist the calls for democratic progress and use violence and intimidation against their own people.

### GJ&D Funding by Country

(In thousands \$)	FY2010 GJD Actual	FY2011 GJD Request	FY2012 GJD Request	FY 12 Difference from FY10 Actual
<b>Egypt</b>	25,000	25,000	25,000	0
<b>Iraq<sup>11</sup></b>	329,900	175,334	286,600	-13.13%
<b>Jordan</b>	26,000	16,300	22,000	-15.38%
<b>Lebanon</b>	25,389	28,769	31,800	25.25%
<b>Morocco</b>	7,248	10,650	10,150	40.04%
<b>Tunisia</b>	500	0	0	-100.00%
<b>West Bank and Gaza</b>	31,600	41,500	56,000	77.22%
<b>Yemen</b>	11,000	10,000	15,000	36.36%
<b>Middle East Partnership Initiative (MEPI)</b>	38,200	52,900	64,300	68.32%
<b>Near East Regional Democracy</b>	40,000	40,000	35,000	-12.50%
<b>USAID Middle East Regional (OMEPI)</b>	2,500	595	1,500	-40.00%

<sup>11</sup> Including FY2012 OCO Request

## East Asia and the Pacific

(In thousands \$)	FY 10 GJD Actual	FY 11 GJD Request	FY 12 GJD Request	FY 12 Difference from FY10 Actual
<b>East Asia and Pacific</b>	<b>108,472</b>	<b>96,905</b>	<b>93,123</b>	<b>-14.15%</b>
Rule of Law and Human Rights	43,356	34,160	31,810	-26.63%
Good Governance	40,057	38,335	34,171	-14.69%
Political Competition and Consensus-Building	3,813	3,510	2,732	-28.35%
Civil Society	21,246	20,900	24,410	14.89%

This past year saw civil society space shrink further in **Cambodia** as the government continues its systematic crackdown on free expression through aggressive use of its criminal defamation law. The law has been used selectively to punish any type of expression that the Cambodian government finds offensive and it has been arbitrarily applied. Additionally, the inconsistent implementation of the 2009 Law on Peaceful Demonstration placed constraints on freedom of assembly throughout Cambodia that contributed to curtailing the activities of civil society groups. Land-grabbing and forced evictions, sometimes with the collusion of the military, became rampant in 2010, leaving victims with little legal recourse. The proposed Law on Associations and Non-Governmental Organizations threatens to further restrict the civil and political rights of Cambodian citizens and violates key provisions in both the Cambodian Constitution and international human rights law. With local commune elections scheduled for 2012 and national elections in 2013, programs that foster accountability and transparency in governance will be increasingly needed to ensure that the upcoming elections conform to democratic principles. It is also imperative that civil society groups, which find themselves increasingly under attack, are provided with the tools necessary to combat this regressive trend.

The **Lao People's Democratic Republic** is an authoritarian one-party state ruled by the Lao People's Revolutionary Party (LPRP). The constitution legitimizes only a single party and the government continues to deny citizens the right to change their government. Corruption in the police and judiciary persists and the authorities place heavy restrictions on the rights to freedom of speech, the press, assembly, and association. The political situation in Laos remains stagnant, with very little progress made over the past year to address issues related to corruption, trafficking in persons, and restrictions on political and civil liberties. However, an increasingly active and vibrant civil society has allowed for broader engagement in the country as well as a warmer reception of U.S. assistance on the part of the Laotian government. Increased levels of assistance targeted towards supporting and expanding civil society are strongly needed to sustain the growth of this sector and build the capacity of grassroots groups to play a more active role in their own political and economic development.

## GJ&D Funding by Country

(In thousands \$)	FY 10 GJD Actual	FY 11 GJD Request	FY 12 GJD Request	FY 12 Difference from FY10 Actual
<b>Burma</b>	9,500	8,500	8,500	-10.53%
<b>Cambodia</b>	14,450	14,850	14,850	2.77%
<b>China<sup>12</sup></b>	6,217	850	850	-86.33%
<b>Indonesia</b>	39,925	39,702	32,802	-17.84%
<b>Laos</b>	0	0	72	-
<b>Mongolia</b>	1,000	1,000	1,800	80.00%
<b>Philippines</b>	12,820	12,850	17,861	39.32%
<b>Thailand</b>	4,500	4,500	4,770	6.00%
<b>Timor-Leste</b>	8,000	5,100	4,100	-48.75%
<b>Vietnam</b>	6,660	5,403	5,368	-19.40%
<b>State Department East Asia and Pacific Regional Office</b>	1,900	1,650	2,150	13.15%

<sup>12</sup> GJ&D funding for China has typically been added by Congress, and not been requested at high levels through the Presidential budget request.

## Europe and Eurasia

(In thousands \$)	FY 10 GJD Actual	FY 11 GJD Request	FY 12 GJD Request	FY 12 Difference from FY10 Actual
<b>Europe and Eurasia</b>	<b>234,938</b>	<b>228,562</b>	<b>210,013</b>	<b>-10.61%</b>
Rule of Law and Human Rights	60,220	63,941	57,982	-3.72%
Good Governance	53,992	52,311	52,733	-2.33%
Political Competition and Consensus-Building	19,889	22,482	18,944	-4.75%
Civil Society	100,837	89,828	80,354	-20.31%

The request for Europe and Eurasia has shrunk in recent years given both democratic improvements in the region and the increasing participation of the European Union in promoting developments there. However, there are a number of countries that play a vital strategic role for the United States and in which U.S. democracy assistance remains critical.

The crack-down that followed the December 19, 2010 presidential election in **Belarus** shocked the senses even of those who had previously considered engagement with the Lukashenka regime an effective means of bringing Belarus closer to the West. At a donors' conference in Poland in early 2011, both the United States and European Union pledged additional funds to help civil society and human rights activists from Belarus in light of Lukashenka's brutal crackdown. The U.S. also re-imposed economic sanctions against state-owned Belneftex; the EU has yet to take such a step.

2010 highlighted the extent of corrosion of the rule of law in **Russia**. The death in pre-trial detention of Sergei Magnitsky drew attention both within and beyond Russia's borders and the show-trial of former YUKOS CEO Mikhail Khodorkovsky brought the lack of judicial independence to the attention of millions of Russians. With scheduled national legislative elections in December, questions about political freedoms – substantially diminished over the past twelve years – are likely to come into sharper focus.

**Ukraine's** democratic status saw backsliding in the past year. Since legitimately winning presidential elections in early 2010, Viktor Yanukovich has overseen the gradual dismantling of a number of democratic institutions, including the media. The nation's Constitutional Council adopted amendments to the Constitution restoring the strong presidency of the Kuchma years and weakening checks and balances on presidential power. Civil society organizations, academics and the political opposition are dispirited. The current Minister of Education has re-ignited a cultural divide, threatening deeper polarization in society. Meanwhile, the country's election code is being revised in a process dominated by the Presidential Administration. Calls by Washington and European capitals to address this backsliding should be accompanied by targeted foreign assistance to those democratic institutions under threat now and in the imminent future.

Post-war U.S. assistance to **Georgia** was committed to different social and economic sectors in Georgia over the course of 2010 leading to what appears to be a disproportionate surge in assistance in the current budget. These increased levels of assistance, however, are unlikely to exceed the implementation

period of those projects currently underway. A better test of Georgia's economic health will only be available after post-war assistance has been absorbed.

### GJ&D Funding by Country

(In Thousands \$)	FY 10 GJD Actual	FY 11GJD Request	FY 12 GJD Request	FY 12 Difference from FY 10 Actual
<b>Albania</b>	7,478	7,425	8,224	9.98%
<b>Armenia</b>	13,437	13,182	13,320	-0.87%
<b>Azerbaijan</b>	12,295	9,765	9,228	-24.95%
<b>Belarus</b>	10,234	9,644	8,470	-17.24%
<b>Bosnia and Herzegovina</b>	12,233	17,058	17,133	40.06%
<b>Bulgaria</b>	800	0	0	-100.00%
<b>Georgia</b>	19,145	24,150	24,500	27.97%
<b>Kosovo</b>	22,135	23,147	19,965	-9.80%
<b>Macedonia</b>	8,267	7,760	6,907	-16.45%
<b>Moldova</b>	11,989	11,316	11,087	-7.52%
<b>Montenegro</b>	4,683	4,219	2,080	-55.58%
<b>Russia</b>	37,021	35,190	35,434	-4.29%
<b>Serbia</b>	27,233	27,011	18,375	-32.53%
<b>Ukraine</b>	31,777	28,837	28,253	-11.09%

## Western Hemisphere

(In thousands \$)	FY 10 GJD Actual	FY 11 GJD Request	FY 12 GJD Request	FY 12 Difference from FY10 Actual
<b>Western Hemisphere</b>	<b>600,636</b>	<b>416,778</b>	<b>433,216</b>	<b>-27.87%</b>
Rule of Law and Human Rights	326,867	270,901	302,781	-7.37%
Good Governance	202,487	100,918	95,217	-52.98%
Political Competition and Consensus-Building	34,059	13,534	6,854	-79.88%
Civil Society	37,223	31,425	28,364	-23.80%

In **Venezuela** President Hugo Chavez’s eleven-year reign has coincided with dramatic declines in the respect for civil liberties and political rights. Rule of law, freedom of expression and association, judicial independence and democratic institutions have all been undermined and the situation is expected to further deteriorate as Chavez advances his proposed reforms. Despite impressive gains by the opposition in last year’s parliamentary elections, Chavez supporters quickly passed a set of laws in December of 2010, which further restricted freedom of expression, and imposed drastic limits for foreign funding for civil society. These reforms dramatically eroded democratic representation by re-configuring more power under the Executive. Additionally, the “enabling law,” also passed in December, grants President Chavez the power to rule by decree until June 2012, a move that severely limits the National Assembly’s role in key areas.

Next year’s presidential election in Venezuela takes on tremendous importance as President Chavez has expressed his will to stay in power indefinitely and has unrivaled access to media and campaign resources, while the opposition seeks to present a strong alternative. The results of another Chavez presidential term have implication far beyond the borders of Venezuela, as Chavez has successfully used oil wealth and anti-American rhetoric to secure allies both in the region and internationally. The vast challenges for political and civil rights in Venezuela require an unprecedented effort on the part of the international community, in particular the United States government, to support the vibrant but embattled democratic voices throughout the country.

The **Mexican** government has been unable to contain violence, which in 2010 left 15,000 people dead and a high record of kidnappings, extortion, human trafficking and other violations related to organized criminal activity. The assassinations of mayors and a leading gubernatorial candidate, along with the ongoing targeting of journalists, prosecutors, police, and human rights defenders make clear that the violence is more than just a particularly intense phase of warfare between rival drug trafficking groups. These groups actively seek to undermine state authority and civil society capacity in order to conduct criminal enterprise unimpeded.

Severe institutional shortcomings, including weak justice system, poorly trained and often corrupt municipal police, weak investigative capacity and low rate of prosecutions, constrain the Mexican government's ability to address violence. The government's replacement of police by the military has failed to diminish violence in some of the worst afflicted areas, particularly along the border. It has also resulted in rapid growth in the number of complaints of human rights abuses registered against the military, who are not trained to conduct policing functions. Almost 75% of the current request for Mexico is through the INCLE account. While those programs are important in stemming violence and



improving institutions, American government assistance should be complemented by support for human rights defenders and journalists – particularly those operating under grave threat in high-violence areas – as well as civil society groups seeking to encourage Mexican policymakers to incorporate citizen voices in a more systematic and cooperative manner.

Under the Correa administration, **Ecuador** is experiencing a steady decline of democracy and human rights. Restrictions to freedom of expression and freedom of association are growing at a rapid pace. Attacks, threats and legal actions against independent media and journalists have increased, and in many instances they come from high ranking public officials. Of great concern is the upcoming constitutional referendum, which seeks a mandate for a communication law that will create a regulatory body to govern media content in television, radio and written press. Civil society organizations face a barrage of legal and administrative measures which are expected to adversely affect their capacity to freely operate. Also of serious concern is the consolidation of Executive authority and the erosion of separation of powers. If approved, the referendum will grant the President the right to appoint judges without any checks from Congress. Civil society, historically weak, finds itself in desperate need of support to strengthen its watchdog role to prevent the deterioration of basic rights.

### GJ&D Funding by Country

(In thousands \$)	FY 10 GJD Actual	FY 11 GJD Request	FY 12 GJD Request	FY 12 Difference from FY10 Actual
<b>Bolivia</b>	0	0	0	-
<b>Colombia</b>	50,300	32,300	36,328	-27.78%
<b>Cuba</b>	20,000	20,000	20,000	0
<b>Dominican Republic</b>	7,586	7,566	5,200	-31.45%
<b>Ecuador</b>	5,142	5,412	3,670	-28.63%
<b>El Salvador</b>	4,000	4,750	6,275	56.88%
<b>Guatemala</b>	16,880	13,000	17,425	3.23%
<b>Guyana</b>	2,000	2,000	0	-100.00%
<b>Haiti</b>	185,594	20,000	21,300	-88.52%
<b>Honduras</b>	9,493	12,364	12,611	32.85%
<b>Jamaica</b>	890	1,000	650	-26.97%
<b>Mexico</b>	209,500	207,000	201,760	-3.69%
<b>Nicaragua</b>	11,304	9,118	9,000	-20.38%
<b>Panama</b>	1,500	2,000	0	-100.00%
<b>Paraguay</b>	5,487	3,805	5,400	-1.59%
<b>Peru</b>	8,600	8,000	9,000	4.65%
<b>Venezuela</b>	6,000	5,000	5,000	-16.67%

## Africa

(In thousands \$)	FY 10 GJD Actual	FY 11 GJD Request	FY 12 GJD Request	FY 12 Difference from FY10 Actual
<b>Africa</b>	<b>311,952</b>	<b>348,886</b>	<b>371,263</b>	<b>19.01%</b>
Rule of Law and Human Rights	36,974	64,236	66,391	<b>79.56%</b>
Good Governance	131,587	144,401	157,601	<b>19.77%</b>
Political Competition and Consensus-Building	94,602	71,927	73,622	<b>-22.18%</b>
Civil Society	48,789	68,322	73,649	<b>50.95%</b>

The increased focus on human rights and democracy programming in Africa is a welcome development. The Africa region was the only one in the world to receive an increase in the GJ&D request for FY 2012 compared with FY 2010 actual levels and Congress should support the administration's request.

The increased request for **Nigeria** is particularly welcomed as Nigeria is one of the most populous countries in Africa, with both tremendous oil wealth and influence, not only in West Africa but throughout the continent. It has been called upon to help mitigate tension in the Democratic Republic of the Congo (DRC), Cote D'Ivoire, Liberia and elsewhere. However, religious and political tensions remain high and continued assistance and support of civil society and political institutions will be critical leading up to national and local government elections scheduled for 2011. A further deterioration of Nigeria's political stability could translate into regional instability. Assistance to civil society programs and for institution building will be in demand as the country continues to try and sustain its democratic gains.

**Sudan** experienced a successful and largely uneventful referendum on Southern succession in January 2011. The vote to succeed will result in an independent Southern Sudan beginning in July 2011. The Government of Southern Sudan is weak institutionally and civil society organizations are still in a building stage. Continued support from the United States and international community will be vital in ensuring the newly independent South develops into a democracy with respect for human rights and principles of equality.

Nearby, both the **Ethiopian** and **Ugandan** governments are attempting to restrict freedom of expression and association. A 2009 NGO law in Ethiopia effectively halted all work in the field of democracy building and human rights. The government of Prime Minister Meles Zenawi and his EPRDF party sealed their complete dominance of political life in Ethiopia with a crushing victory in the country's widely criticized general election in 2010. In Uganda, freedom of expression has been hampered by self-censorship of journalists and bloggers due to threats, harassment, and intimidation by government officials.

## GJ&D Funding by Country

In thousands \$	FY 10 Actual	FY 11 Request	FY 12 Request	FY 12 Difference from FY10 Actual
Angola	8,914	6,490	1,000	-88.78%
Burundi	4,300	4,700	2,000	-53.49%
Cameroon	1,344	0	0	-100.00%
Democratic Republic of the Congo	17,900	24,900	23,500	31.28%
Djibouti	1,542	600	600	-61.09%
Ethiopia	3,102	3,175	1,953	-37.04%
Ghana	4,000	6,600	10,000	150.00%
Guinea	8,639	5,527	6,000	-30.55%
Kenya	15,490	20,300	22,050	42.35%
Liberia	39,268	43,200	43,200	10.01%
Malawi	2,926	3,000	3,000	2.53%
Mali	5,500	10,000	10,000	81.82%
Mozambique	7,000	11,000	11,000	57.14%
Nigeria	21,367	25,271	27,796	30.09%
Rwanda	5,000	5,850	6,586	31.72%
Senegal	4,391	6,500	5,000	13.87%
Sierra Leone	9,500	11,100	8,000	-15.79%
Somalia	11,270	8,550	8,721	-22.62%
South Africa	0	2,866	3,000	-
Sudan	83,945	77,997	102,692	22.33%
Tanzania	3,150	9,318	9,500	201.59%
Uganda	8,000	6,500	11,700	46.25%
Zambia	4,202	2,447	2,947	-29.87%
Zimbabwe	20,600	20,600	21,000	1.94%



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