



The Federal Budget and Appropriations for Fiscal Year 2013

DEMOCRACY, GOVERNANCE, AND HUMAN RIGHTS
IN THE MIDDLE EAST AND NORTH AFRICA

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THE PROJECT ON MIDDLE EAST DEMOCRACY is a nonpartisan, nonprofit organization dedicated to examining the impact of American policy on political reform and democratization in the Middle East. Through dialogue, policy analysis, and advocacy, we aim to promote understanding of how genuine, authentic democracies can develop in the Middle East and how the U.S. can best support that process.

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The conclusions in this paper are those of the author and do not necessarily represent the positions of the Project on Middle East Democracy as an organization.

Table of Contents

Acronyms and Abbreviations	1
Executive Summary	2
Introduction: Examining U.S. Reactions to the Arab Uprisings	4
The Big Picture: Foreign Assistance for the Middle East and North Africa	5
Major Initiatives: Multi-Country Accounts and Programs	7
<i>Middle East Partnership Initiative</i>	7
<i>Middle East Response Fund (MERF).....</i>	9
<i>Middle East and North Africa Incentive Fund</i>	10
<i>Bureau of Democracy, Human Rights, and Labor at the Department of State</i>	11
<i>Near East Regional Democracy Program</i>	12
<i>USAID Bureau for Democracy, Conflict, and Humanitarian Assistance.....</i>	12
<i>National Endowment for Democracy.....</i>	13
<i>Foundation for the Future.....</i>	14
Examining Bilateral Assistance by Country	16
<i>Egypt.....</i>	16
<i>Iraq.....</i>	18
<i>Jordan</i>	20
<i>Lebanon</i>	21
<i>Libya.....</i>	23
<i>Morocco</i>	24
<i>Tunisia</i>	25
<i>West Bank and Gaza.....</i>	27
<i>Yemen.....</i>	29
Looking Ahead: What Might We Expect from Congress?.....	31
Conclusions	33
Appendix: Data Tables.....	36

Acronyms and Abbreviations

AQAP	<i>Al-Qaeda in the Arabian Peninsula</i>
CBJ	<i>Congressional Budget Justification</i>
CCF	<i>Complex Crisis Fund</i>
DA	<i>Development Assistance</i>
DCHA	<i>Bureau for Democracy, Conflict, and Humanitarian Assistance (USAID)</i>
DOD	<i>Department of Defense</i>
DRL	<i>Bureau for Democracy, Human Rights, and Labor (U.S. Department of State)</i>
ESF	<i>Economic Support Funds</i>
FMF	<i>Foreign Military Financing</i>
FFF	<i>Foundation for the Future</i>
GCC	<i>Gulf Cooperation Council</i>
GJD	<i>Governing Justly and Democratically</i>
MCC	<i>Millennium Challenge Corporation</i>
MENA	<i>Middle East and North Africa</i>
MENA IF	<i>Middle East and North Africa Incentive Fund</i>
MEPI	<i>Middle East Partnership Initiative</i>
MERF	<i>Middle East Response Fund</i>
MOU	<i>Memorandum of Understanding</i>
NEA	<i>Bureau of Near Eastern Affairs (U.S. Department of State)</i>
NED	<i>National Endowment for Democracy</i>
NERD	<i>Near East Regional Democracy</i>
OMEF	<i>Office of Middle East Programs (USAID)</i>
OPIC	<i>Overseas Private Investment Corporation</i>
OTI	<i>Office of Transition Initiatives (USAID)</i>
USAID	<i>United States Agency for International Development</i>

Executive Summary

This spring, President Obama submitted his annual budget request to Congress for Fiscal Year 2013, the final such budget of his current four-year term of office. It is always worthwhile to examine annual budgets for signals of policy priorities and changes, but this year's budget takes on extra importance, as this is the first annual budget request that takes into account the historic changes that have swept the region since early 2011.

President Obama set a high bar for the U.S. response to these changes, promising in May 2011 that the U.S. would support democratic principles with "all of the diplomatic, economic and strategic tools at our disposal," and that this support would not be secondary to other strategic interests. More than a year later, it is difficult to argue that the administration's policies and engagement with the Middle East have lived up to such lofty pronouncements, and changes to foreign assistance and support for democracy and governance programming reflect that. Nonetheless, the administration does deserve credit for intensifying its focus on support for democracy, governance, and human rights in some instances.

Key findings:

- **The response of the U.S. administration to the dramatic political changes in the region, in terms of funding and foreign assistance, has been uneven and has not demonstrated a clear vision or strategy.** While the U.S. has shown a determination to be helpful and supportive of democratic transitions in some countries, in many others the U.S. approach has not changed noticeably in the past 18 months, and in still others, the interest in and support for democratic reform appears to have diminished.
- **U.S. support for the political transitions currently underway remains strong, especially in Tunisia.** The administration has made support for Tunisia's transition a real priority and has demonstrated impressive agility and creativity in providing much-needed support through a wide variety of mechanisms. The U.S. has also provided significant support to Libya, although the U.S. role there is more muted and limited than in Tunisia for a variety of reasons. Strong U.S. support for Yemen's transition has come more slowly than in Tunisia or Libya.
- **The U.S. administration has proposed a bold, impressive new assistance initiative, the Middle East and North Africa Incentive Fund, as the centerpiece of its response to the uprisings, but the actual establishment of the fund is endangered by the appropriations schedule and the 2012 U.S. elections.** The request of \$700 million in new funds from Congress would establish this incentive fund as the Obama administration's signature foreign assistance initiative in the region, which could provide much-needed support for political and economic reform in transitioning countries as well as countries that have not yet undergone dramatic uprisings or political upheavals.
- **The future of U.S. assistance to Egypt is more uncertain than it has been in decades.** The past year has seen a dramatic escalation of tensions between the U.S. and Egypt, driven in large part by Egyptian government attacks on NGOs including the criminal prosecution of employees of American democracy promotion organizations. As a result, the future of U.S.-funded democracy programming is very much in doubt. Likewise,

growing frustration in Congress with the reluctance of Egypt's Supreme Council of the Armed Forces (SCAF) to hand over power casts some doubt on the future of Egypt's longstanding military aid package.

- **The appetite of the U.S. administration for supporting serious democracy and governance programming in much of the region appears to have decreased.** Despite pronouncements from President Obama and Secretary Clinton that support for democratic reform will be a top priority across the entire region, U.S. support for democratic reform in the GCC states, Lebanon, and the West Bank and Gaza appears to have diminished.
- **The structure of military aid to the region is excessively rigid and inflexible, making any adjustments or rebalancing between military aid and economic aid extremely difficult.** While the Arab uprisings have sparked some discussion among key actors regarding potentially shifting to a greater proportion of U.S. assistance for economic aid as opposed to military aid, that process is greatly impeded by long-term agreements on military aid and by the influence of U.S. defense manufacturing companies.
- **The constrained domestic U.S. budget environment continues to considerably restrict the administration's ability to react to developments in the region.** Even in the countries that are a top priority for the administration, U.S. officials encounter difficulty in finding the necessary funds to respond as they would like, especially against a backdrop of large overall cuts by Congress to international affairs budgets.

Introduction: Examining U.S. Reactions to the Arab Uprisings

Following the Arab uprisings that began to sweep across the region in 2011, the Obama administration has repeatedly professed support for the democratic aspirations of the citizens of the Middle East and North Africa (MENA). In his broad speech on the historic changes in the region on May 19, 2011, President Obama declared that support for democratic principles “is not a secondary interest ... it is a top priority that must be translated into concrete actions, and supported by all of the diplomatic, economic and strategic tools at our disposal.”

Such rhetoric suggests a rather dramatic, ambitious shift in U.S. policy toward the MENA region, as support for democratic principles has certainly not been a top priority of U.S. policy toward the region in the past. There has been plenty of debate both in Washington and across the Middle East and North Africa regarding U.S. policy during this period of historic transformations across the region, as well as to what degree U.S. policy has reflected the shift in priorities and approach laid out rhetorically in speeches by President Obama and Secretary Clinton. Reactions have varied wildly, as the U.S. has been praised for decisive action in some instances, criticized for reluctance to act in others, and accused in some circles of heavy-handed interference or hypocritical inconsistency.

Most discussion of U.S. policy, however, has focused primarily on the public statements of U.S. officials and the perceived use of diplomatic pressure and leverage. Comparatively little has been written about the use of funding and assistance programs and what

these programs reveal about the administration’s approach and priorities in responding to this year’s remarkable developments. This report tries to do exactly that—to analyze and assess the administration’s approach to budgets, spending, and foreign assistance in the region, and to also interpret what that means in terms of the administration’s broader priorities and thinking vis-à-vis U.S. policy against the backdrop of dramatic political changes.

To that end, this report includes an overview of relevant aspects of the U.S. administration’s budget request for Fiscal Year 2013, as well as basic observations regarding changes from previous years and trends over the four years of this administration. While budget numbers and funding levels are revealing, it is more important to consider the types of programming supported and any changes in programming that may reveal the thinking and priorities of U.S. officials. For that reason, an examination of various budget documents is complemented by substantive discussion with a wide spectrum of relevant actors: current and former administration officials, congressional staff, independent experts and analysts, democracy promotion practitioners, and Middle Eastern civil society activists and democracy advocates.

Finally, the approach of the administration in terms of funding, spending, and assistance to the region cannot be considered in isolation from the constrained domestic budget environment and the positions of Congress, which must make decisions regarding the appropriation of any requested funds.

The Big Picture: Foreign Assistance for the Middle East and North Africa

There has been much debate about the degree to which the administration has used all of its diplomatic and strategic tools to support democratic change in the region, with those tools being used very differently in various countries. In terms of some of the principal economic tools—direct funding and foreign assistance delivered through a variety of mechanisms—the administration has in the past 18 months shown inconsistency and unevenness in supporting democracy, governance, and human rights in the Middle East and North Africa.

Overall, the administration has mostly continued to provide foreign assistance to the MENA region at relatively consistent levels, with moderate and steady increases. The total amount of foreign assistance requested for the region in FY13 is \$9.0 billion, which would represent an 11.6 percent increase over the current levels for FY12. Most of this increase, however, can be attributed to the request of \$700 million in funding for the newly proposed Middle East and North Africa Incentive Fund. Omitting this fund, the overall request in assistance for the region represents a 3.0 percent increase over current funding levels. Of this amount, \$457 million has been requested for supporting democracy and governance programming across the region. This is essentially identical to the current levels of funding (to be precise, it would represent a decrease of 0.4 percent). Omitting Iraq (which sees a considerable cut in funding in the FY13 budget request) from these totals shows that the request for democracy and governance funding for the rest of the region would represent a 3.0 percent increase over current levels.

On one hand, these numbers sound rather ordinary, and they may sound insufficient and inappropriate, given the demands of this historic moment in the region. It is cer-

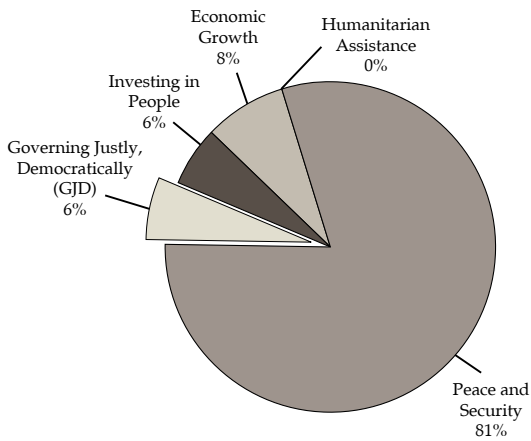
tainly the case that the U.S. government is not responding to the historic changes in the Arab world with the levels of assistance that were provided to support democracy in Eastern Europe in the early 1990s or to rebuild Western Europe through the Marshall Plan following World War II. On the other hand, it is impossible to evaluate levels of assistance or administration decisions regarding funding without closely considering the extremely difficult domestic budget environment. In the broader federal budget context, Congress has slashed international affairs budgets in recent years, resulting in decreases in funding for every other region in the world. As such, the administration has shown creativity in finding sufficient resources for the MENA region within a decreasing overall budget.

In general, this picture is relatively consistent across the region, with a few exceptions. In reaction to the Arab uprisings of 2011 and the resulting political changes, the administration has dramatically increased overall assistance levels to Tunisia, mobilized more modest amounts of assistance for Libya (which received almost no assistance whatsoever before 2011), and most recently increased funding for Yemen. Overall levels of assistance to most other countries in the region have remained relatively constant. These trends seem to be a reasonable reflection of the administration's priorities in the region, with Tunisia seeing dramatically increased attention and support and Libya and Yemen more modest increases in attention.

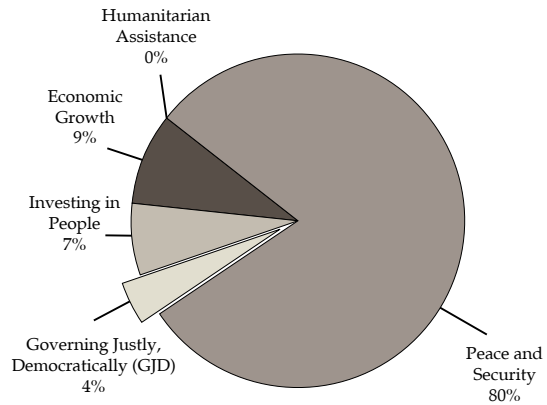
Looking beyond the numbers alone, it appears that the administration has dramatically increased support for democracy and governance in Tunisia and Libya in reaction to the political transitions underway there. Egypt remains a top priority for the administration, but U.S. assistance to Egypt, particu-

lary to support democracy and governance, is very much in doubt amid rising bilateral tensions, sparked in large part by disputes related to U.S. assistance. Elsewhere in the region, it appears that the U.S. has increased support for and interest in democratic reform in Jordan, while such support has decreased in Lebanon, the West Bank and Gaza, and in the Gulf Cooperation Council (GCC) states of the Arabian Peninsula.

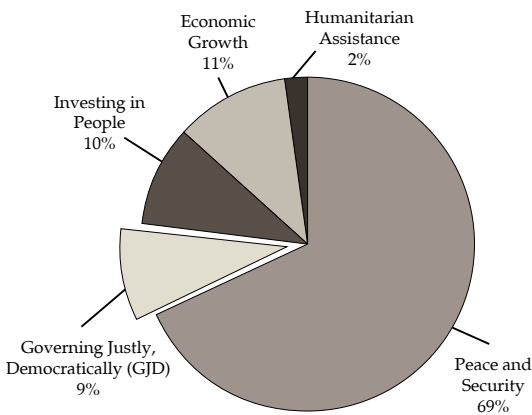
FY13 Request by Objective, Near East



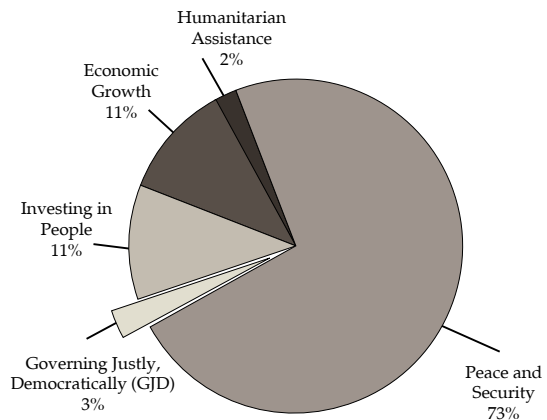
FY13 Funding by Objective, Near East Less Iraq



FY08 Funding by Objective, Near East



FY08 Funding by Objective, Near East Less Iraq



Major Initiatives: Multi-Country Accounts and Programs

There are a large number of specific multi-country programs and accounts that conduct efforts focused on improving the state of human rights, democracy, and governance in the broader Middle East. Some of the most important of these include: the Middle East Partnership Initiative (MEPI); the Bureau for Democracy, Human Rights, and Labor (DRL) at the Department of State; the USAID Office of Democracy and Governance within the Bureau for Democracy, Conflict, and Humanitarian Assistance (DCHA); the Iran-focused Near East Regional Democracy (NERD) program; and institutions outside of the government like the National Endowment for Democracy (NED) and the Amman, Jordan-based Foundation for the Future (FFF).

All six of these programs existed prior to the uprisings that began to sweep the region in 2011, and all have played an important role in responding to the dramatic changes in the region. In addition, a new fund, the Middle East Response Fund (MERF), was created in FY11 in response to the uprisings, and another initiative—the Middle East and North Africa Incentive Fund (MENA IF)—has now been proposed and is to be launched in FY13 if approved by Congress. All of these multi-country programs and initiatives have been essential in providing flexibility to respond to the dynamic changes in the region, as the bilateral streams of funding are in many cases less flexible and inadequate to respond appropriately to the historic events of the past year.

This report will now examine the funding and budgets for these eight multi-country programs or initiatives and briefly discuss their roles in the broader U.S. effort to support democracy, governance, and human rights in the MENA region and to respond to the dramatic political changes in the region.

I. Middle East Partnership Initiative

The Middle East Partnership Initiative (MEPI), within the U.S. State Department's Bureau of Near East Affairs (NEA), has emerged as a leading tool for the U.S. to support civil society across the region. MEPI's current level of base funding is at \$70 million for FY12, and the administration's request for FY13 is \$65 million, returning to the same level of funding that existed in FY10, prior to the uprisings that swept the Arab world in 2011. (Funding in FY11 was increased to \$80 million in reaction to the increased opportunities for civil society following the uprisings) In addition to these levels of base funding, some amount of additional funds under the Middle East Response Fund (MERF) heading will also be administered by MEPI. Interestingly, FY13 funding for MEPI was not requested under the Economic Support Funds (ESF) account heading as was the case in the past, but instead the entire \$65 million was requested under the new MENA Incentive Fund (MENA IF) account. It should be noted that MEPI's annual budget of \$65 million remains rather small when compared with the budget of USAID, which manages approximately \$1.4 billion annually in foreign aid to the MENA region, including approximately \$390 million designated as democracy and governance programming.

As compared with other programs for supporting democracy, governance, and civil society in the MENA region, MEPI programming focuses more on smaller, shorter-term, direct grants, allowing it greater flexibility and the ability to react more quickly to unexpected events in the region. MEPI also focuses primarily on giving direct grants to local civil society organizations, as opposed to international NGOs (although it does also support programs of international NGOs in some countries). Unlike the bilateral aid packages administered by USAID, MEPI

funding for civil society organizations is not negotiated with the host government. This gives MEPI greater freedom to work with any organizations it wishes. In practice, however, it seems that local U.S. embassy staff do often discourage MEPI staff from working with civil society groups that are likely to draw the ire of the host government, although this varies from country to country.

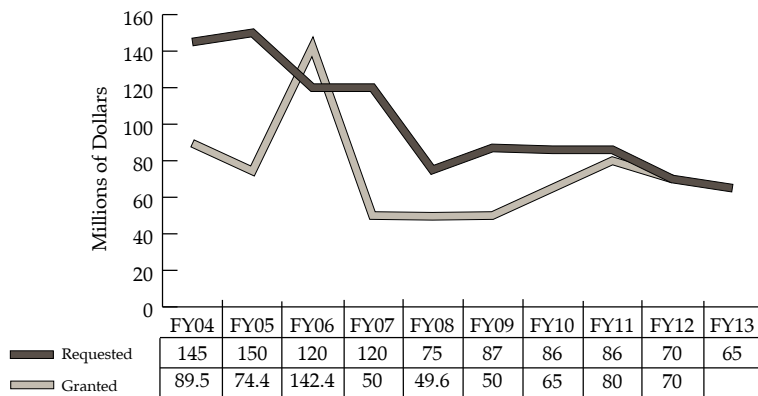
MEPI currently has a particularly strong focus in supporting the transitions in Tunisia and Libya. Neither of these countries had a large-scale bilateral assistance package prior to the 2011 revolutions. This heightens the importance of directing funding from multi-country programs such as MEPI. In addition, MEPI was particularly well positioned to play a leading role in Tunisia, thanks to the presence of one of MEPI's two regional offices there. MEPI has had a leading role in supporting civil society organizations that encourage civic engagement and participation, undertake civic education and voter education, seek to empower youth and women in the political arena, and strengthen the independent media sector.

MEPI has also played a strong role in the Arab states of the Gulf—wealthy states that also do not receive any economic assistance through USAID, but states that are clearly in need of real progress on political reform issues. Unfortunately, there are signs that MEPI's support for political reform advocates in the Gulf is currently decreasing, as Gulf governments appear to be increasing restrictions on civil society. Following the decision by the government of the UAE to close the Dubai office of the National Democratic Institute (NDI) and the Abu Dhabi office of Konrad Adenauer Stiftung (KAS), it

appears that the UAE government may have also tried to limit the activities of the MEPI regional office in Abu Dhabi, and there is a risk that such efforts may escalate in the coming year.

In the first few years following MEPI's creation in 2003, Congress expressed skepticism toward MEPI and was frequently reluctant

MEPI Funds, Requested vs Granted, FY04 - FY13



Please note that the figure for FY06 may be somewhat misleading – in the State and Foreign Operations Appropriations Act for FY06, Congress “granted” \$114.2 million for the account then designated for MEPI. However, MEPI was later tasked by the administration with programming more than \$20 million in additional ESF funds earmarked for Iran and the Palestinian territories, inflating the total above the level that Congress aimed to “grant.”

to provide funding. In 2008 and early 2009, there was even widespread speculation over whether MEPI would remain in place during the Obama administration. Since that time, however, MEPI has earned a stronger reputation within Congress and now enjoys clear support from both Capitol Hill and the Obama administration.

One strange decision made in the administration's request for FY13 was the incorporation—at least in terms of accounting, if nothing else—of MEPI into the newly proposed MENA Incentive Fund (MENA IF).¹ This seems like an unusual decision, as the description of MENA IF in the administration's budget request and elsewhere

¹ The MENA IF fund is fully described in a section below.

describes it as playing a different, complementary role from MEPI and does not speak of MEPI as part of the new incentive fund. Indeed, the FY13 Congressional Budget Justification (CBJ) for the Department of State Operations includes a seven-page section describing the MENA IF fund as one of four principal foreign assistance initiatives of the Obama administration,² and this description makes no mention of MEPI as part of the MENA IF initiative. It instead only mentions that new projects funded by MENA IF will be “separate and distinct from ongoing programs, such as the Middle East Partnership Initiative (MEPI)...” The idea of shifting MEPI’s funding (along with that of the USAID Office of Middle East Programs) from Economic Support Funds (ESF) to the MENA IF account seems to be an ad hoc decision made after the MENA IF fund was designed. This somewhat clumsy decision appears to have been made in an effort to increase the overall size of the fund to make it a “\$770 million initiative” rather than a “\$700 million initiative.” This decision could inadvertently threaten MEPI funding, especially if Congress were to grant a much smaller amount than requested for the MENA IF fund, either this year or in the future, without earmarking a specific amount for MEPI.

II. Middle East Response Fund (MERF)

Following the eruption of large-scale uprisings across the MENA region in 2011, the administration was forced to re-allocate funds designated for other purposes in order to respond to immediate demands. These included the need for urgent humanitarian assistance following the escalation of violence in Libya and Yemen, immediate short-term economic assistance to help stabilize the economies of Tunisia and Egypt, and a rapid response in terms of democracy and governance programming. U.S. assistance has been essential to the preparation for and administering of historic elections in these countries, and U.S. assistance has also been instrumental in providing im-

mediate support for the development of civil society, political parties, and independent media—all vital components of any successful democracy.

If the uprisings of 2011 happened at a moment when the U.S. had greater budget flexibility, it is likely that Congress would have acted to allocate a large amount of additional funding to facilitate U.S. support to the countries suddenly undergoing difficult and fragile political transitions. Past examples include the Support Eastern European Democracy (SEED) Act of 1989 and the FREEDOM Support Act of 1992, passed in response to the fall of communism in Eastern Europe and the collapse of the Soviet Union respectively. These stand-alone pieces of legislation have provided billions of dollars in U.S. assistance to support transitions to democracy in the former communist states of Eastern and Central Europe and the former Soviet Union. Now, 20 years later, 18 such countries continue to receive considerable assistance—economic, humanitarian, security, and democracy and governance—under the framework established by Congress in 1989 and 1992.

Unfortunately, due to current domestic U.S. budget constraints, Congress has not responded to the Arab uprisings of 2011 with similar initiatives. Instead, the U.S. administration has been forced to carve out funds from other parts of the budget in order to respond to urgent demands brought on by the changes in the region. In early 2011, the administration designated \$160 million in ESF funds from FY11 as the Middle East Response Fund (MERF) in order to give itself flexibility in responding to urgent needs as they may arise. In the end, the administration determined that \$135 million in such funds was needed in FY11, to which an additional \$75 million has been allocated from FY12 appropriations, for a total of \$210 million over two years. This represents approximately one-quarter of the approximately \$800 million total that has been spent by the administration to support the political transitions in the region, with more than

² Along with the Global Climate Change Initiative, the Global Health Initiative, and Feed the Future.

\$500 million having been reallocated from other accounts, including various bilateral assistance packages and regional and global funds.

\$71 million of the funds allocated through the MERF have been used to provide support to Tunisia's economy, including \$20 million in initial capitalization for the establishment of a Tunisian-American Enterprise Fund and \$30 million in loan guarantees for the Tunisian government. Other MERF funds have been used to provide much of the current support for Libya's political transition and also to supplement MEPI's budget to provide extra support as needed for civil society. Beginning in FY13, the administration has requested that the MERF essentially be replaced by or subsumed within the Middle East and North Africa Incentive Fund, discussed below.

III. Middle East and North Africa Incentive Fund

One of the most important new developments in the administration's budget request for FY13 is the proposal of a new Middle East Incentive Fund (MENA IF), which would serve three purposes: (i) most funds would be used to encourage both political and economic reforms by rewarding governments that propose specific reform initiatives, (ii) some smaller portion of funds would be used to provide needed short-term support to countries undergoing new political transitions, essentially replacing the MERF described above, and (iii) approximately one-tenth of the funds in this account would be used to fund two existing regional programs, MEPI and the USAID Office of Middle East Programs (OMEP), both of which were previously funded through the ESF account. For FY13, the administration has requested \$770 million for the MENA IF, with \$65 million of that amount designated for MEPI and \$5 million for OMEP,³ with the administra-

³ For more details on MEPI's programming, see the above section on MEPI. The \$5 million budget for OMEP breaks down as follows: \$1 million for a regional civil society initiative to build relationships among experts in the region and from international organizations on issues regarding youth, civil society, and media; \$1 million for a regional initiative to enhance efforts to increase youth employment; and \$3 million for a regional program to improve the quality of water management.

tion having flexibility to designate the remaining \$700 million between long-term programs to encourage reform and short-term programs to respond to the immediate demands of countries undergoing political transitions.

The effort to establish this incentive fund signals a recognition by the administration of the need to encourage genuine reform in the region, not only in countries thrust quickly into transitions by mass protest movements, but also in countries such as Jordan, Morocco, Algeria, and the GCC states, in which public demands for reform have not yet resulted in radical changes to the government. The idea is that the governments in the region that put forth clear plans for political and economic reform would then be provided with resources to assist with that process. This concept is very much in line with President Obama's pronouncement in his speech on May 19, 2011, to the governments of the MENA region that, "If you take the risks that reform entails, you will have the full support of the United States."

The details of the administration's budget request for FY13 make clear that the reform initiatives supported by this fund should support reforms that fit into one or more of three main priority areas: (i) democratic reforms that protect and promote human rights, political participation, democratic institutions, and independent civil society, (ii) security and justice sector reforms that focus on civil-military boundaries, justice and rule of law development, and the development of security forces that protect citizens, not authoritarian regimes, and (iii) regional integration and trade promotion reforms that reduce trade barriers to enhance international trade and investment.

The reform proposals that would be put forth by local governments in the region⁴ in order to receive support from the MENA Incentive Fund would be judged according to three main criteria: the proposals most likely to be supported will be those put

⁴ All MENA region countries will be eligible to receive funds except for Iraq and Israel.

forth by the host countries that demonstrate the greatest commitment to reform, where successful implementation of the proposals would have the greatest impact, and where U.S. strategic interests are greatest. Some may view these criteria as being potentially at odds with each other and see a risk that the U.S. could choose to reward strategic allies rather than rewarding those countries most committed to genuine reform. The success of this fund in fostering reform would require the U.S. to adhere to all of these criteria and not reward countries with a lesser commitment to reform for the sake of U.S. strategic interests.

This fund appears to be an appropriate response to the changes in the MENA region. The administration has publicly committed to supporting reform across the region with “all of the diplomatic, economic and strategic tools at our disposal.” It is clear that foreign assistance is one of those tools, and equally clear is that bilateral assistance packages and the existing multi-country initiatives are not sufficient to support or encourage reform across the region effectively. This dramatic, new moment in the MENA region requires a new foreign assistance mechanism, and the MENA IF is this administration’s proposed mechanism to meet the challenge of encouraging reform in the wake of the historic events of the past 18 months.

The incentive fund would draw on the lessons of previous initiatives, like the Millennium Challenge Corporation, that place funds granted by Congress into an established account to incentivize governments to reform. In addition, this fund would provide the administration with much-needed flexibility to respond to events in an extremely dynamic, volatile region. The administration has already spent roughly \$800 million responding to the countries in which political transitions are underway. These countries will need continued support, and it is quite likely that one or more additional countries will begin political transitions by the end of FY13.

IV. Bureau of Democracy, Human Rights, and Labor at the Department of State

The Bureau of Democracy, Human Rights, and Labor (DRL) is the State Department’s functional bureau designated with supporting democracy and human rights worldwide. DRL has been an essential component of the Obama administration’s support for democracy, including the administration’s focus on Internet freedom. Prior to the Arab uprisings, DRL played a leading role in implementing democracy and governance programming in Iraq, and it has long focused much of its work on the most closed societies in the region, often filling a need in countries where USAID may be less active on democracy issues.

The administration’s budget request for FY13 includes \$64 million for DRL’s programming. This is slightly less than in previous years—the total requested funding in FY12 for DRL’s programming and operational expenses worldwide was approximately \$93 million. For the sake of comparison, MEPI—which operates only in the Near East region—has now been granted a budget of \$80 million, and USAID funding greatly exceeds either of these amounts, with approximately \$400 million in democracy and governance funding requested to be delivered through USAID in the Near East alone.

Unlike MEPI, DRL does not provide direct grants to local NGOs, although it does support many such groups through subgrants. DRL primarily funds U.S.-based 501(c)(3) organizations, although it has recently established criteria to fund the equivalent of 501(c)(3) nonprofit organizations based in Europe or elsewhere. DRL’s ongoing programming in the Middle East has included programs to support independent media and women’s empowerment in Jordan, electoral reform and women’s participation in Lebanon, and human rights education in Morocco. In Egypt, DRL works to support labor unions as well as independent journalists and media outlets. DRL also funded large-scale efforts to support political party

development, civil society, and election observation through the National Democratic Institute (NDI) and the International Republican Institute (IRI) in 2011. These programs have mostly been shut down by the Egyptian government in 2012, as described in the Egypt section below.

The State Department describes DRL as the “lead bureau in the broad effort to support human rights and democracy worldwide.” Perhaps best known for producing the department’s annual Country Reports on Human Rights Practices, DRL has gradually increased its capacity for both supporting the democracy and human rights work of other bureaus within the State Department and USAID as well as administering its own programming. DRL programs focus especially on providing support through small, short-term grants for NGOs and civil society organizations to support democracy and human rights. DRL has recently gained a reputation for having become more aggressive and asserting itself more in internal policy debates within the State Department—and the administration more broadly—than in the past. DRL has steadily become more assertive in raising human rights concerns not only within the Department of State but also at the Pentagon and the National Security Council. Although DRL’s programming is global, Assistant Secretary of State Michael Posner, who has headed this bureau since September 2009, has strongly emphasized the importance of democracy and human rights concerns in the Arab world, particularly in Egypt.

V. Near East Regional Democracy Program

The Near East Regional Democracy (NERD) program was established in March 2009 as a new program to support democracy and human rights in the region, primarily Iran. Of course, democracy and governance programming cannot be conducted inside Iran as it is in most other countries in the region, as the Iranian government does not permit any activities in support of democracy and governance to take place legally. As a result,

the NERD program focuses primarily on activities that don’t require an in-country presence. This includes a strong focus on support for media, technology, and Internet freedom, as well as conferences and trainings for Iranian reformers that may take place outside Iran.

The establishment of the NERD program was widely viewed as a recognition by the Obama administration of the need to support democratic reformers in Iran, while at the same time reacting to criticisms of the Bush administration’s specific approach in this regard. Funding under the NERD heading is not legally required to be spent in Iran or any other specific country, which should in theory give the administration greater flexibility in programming the funds.

Many influential members of Congress, however, feel very strongly that the NERD program’s entire budget be committed to supporting democracy in Iran. When the Arab uprisings erupted in early 2011 amid Congressional debates on cutting funds for FY11, some observers wondered whether the NERD program might be a source of funds to support democracy in Arab countries such as Tunisia, Libya, or Syria. It quickly became clear, however, that shifting any funds from the NERD program to countries other than Iran would likely spark a significant backlash from Congress. The level of funding for the NERD program has modestly decreased, from \$40 million in FY10 to \$35 million in FY11 and FY12, and now the administration has requested \$30 million for FY13. Of that \$30 million, \$8 million is designated for programs that “defend and promote an open Internet.” Other areas of focus for the NERD program include legal defense training, programs supporting access to justice, and programs to support human rights activists and defenders.

VI. USAID Bureau for Democracy, Conflict, and Humanitarian Assistance

Although funding for democracy and governance programming through MEPI and

DRL are steadily increasing, the majority of nonmilitary assistance to the Middle East remains distributed through USAID. This level is at approximately \$400 million in the FY13 budget, as compared with approximately \$60 million in democracy and governance funding requested through MEPI, and \$64 million requested for DRL's democracy programming globally. Within USAID, the Office of Democracy and Governance, housed within the Bureau for Democracy, Conflict, and Humanitarian Assistance (DCHA), offers support to USAID country missions, regional bureaus, and U.S. embassies for programs to advance democracy, governance, and human rights; nearly all of USAID's programs, however, are funded through bilateral assistance budgets, discussed in the country sections below.

The overall request for FY12 for DCHA's budget worldwide is \$2.24 billion, a modest decrease from recent years. The vast majority of these funds (\$2.03 billion) are designated for humanitarian assistance, as has been the case in the past. The portion of the DCHA budget designated for the Governing Justly and Democratically (GJD) objective is \$69.1 million. This is a 15 percent increase over the amount requested in FY11 and FY12, though the actual amounts spent in each of those years have exceeded the original budget considerably, with \$85.6 million spent in FY11 and \$78.7 million spent in FY12.

The stated mission of DCHA at USAID is "to save lives; alleviate suffering; support democracy; and promote opportunities for people adversely affected by poverty, conflict, natural disasters and a breakdown of good governance." While the majority of funding directly administered by this bureau is for humanitarian assistance, DCHA also houses the USAID Center for Excellence in Democracy, Human Rights, and Governance. This center, formally established in February 2012 to replace the Office of Democracy and Governance, will focus largely on evaluating lessons learned in terms of what types of democracy and governance programming are successful, which efforts

are unsuccessful, and why. The Center aims to focus much more on research and evaluation of existing programs in order to advance best practices in democracy and governance than the previous USAID Office of Democracy and Governance. The Center will also continue the Office's work of providing support to USAID country missions on their democracy and governance programming, and it will oversee a modest portfolio of grants and contracts to support democracy programs itself. The goal of this bureaucratic restructuring is to elevate the place of democracy and governance goals within USAID, as recommended by the inaugural Quadrennial Diplomacy and Development Review. It is not yet entirely clear to what degree this move will have the desired effect of strengthening USAID's emphasis on democracy and governance worldwide.

VII. National Endowment for Democracy

The National Endowment for Democracy (NED) is a nongovernmental institution that was originally created by Congress and receives nearly all of its funding in an annual congressional appropriation. The NED now enjoys consistent bipartisan support from both Congress and the administration, with Congress routinely granting the NED more funds than requested in the administration's budget request.

Congress granted the NED \$118 million for FY12. This exceeded the administration's budget request by \$14 million, and this was the fifth consecutive year in which Congress exceeded the administration's budget for the NED. From FY06 to FY09, the President's budget request for the NED had remained constant at \$80 million, before increasing to \$100 million in FY10 and \$105 million in FY11. Congress, however, has exceeded the President's request since 2008, granting \$99.2 million in FY08, \$115 million in FY09 and FY10, and \$118 million in FY11 and FY12. For FY13, the administration has requested \$104 million, but it appears that—even with the anticipated additional cuts in international affairs spending expected in FY13—Con-

gress will once again grant the NED funds in excess of the administration's request. Indeed, the House has included \$122 million in its version of the appropriations bill for FY13, while the Senate has included \$236 million—exactly double the existing level of funding. This would represent quite a dramatic increase, and the Senate offsets this in their version of the bill by cutting funds globally for democracy and governance programs administered by USAID and the Department of State.

The NED was created in 1983 by Congress to strengthen democratic institutions around the world through nongovernmental efforts and now has a presence in more than 100 countries. In 2007, the institution identified five primary strategic priorities for the following five years: opening political space in authoritarian countries; aiding democrats and democratic processes in semi-authoritarian countries; helping new democracies succeed; building democracy after conflict; and aiding democracy in the Muslim world.⁵

When the Arab uprisings erupted across the region in early 2011, the NED quickly shifted its focus toward supporting political transitions in Egypt and Tunisia. The NED was also one of the first donors to fund the establishment of civil society organizations in Benghazi once Libyan opposition and the Transitional National Council had taken control of the city. Although the NED's budget has remained constant or even increased slightly, and it has shifted additional resources into its MENA programming, it may still find itself stretched thin in trying to meet the challenges of many democratic transitions all at once. It appears that the NED may be forced to cut back slightly on its funding in countries like Morocco that are comparatively stable in order to respond adequately in Tunisia, Libya, Egypt, and Yemen (with transitions possible in other Arab countries soon).

⁵ National Endowment for Democracy, "Strategy Document, January 2007."

VIII. Foundation for the Future

The Foundation for the Future (FFF), like the NED, is a nonprofit organization that receives nearly all of its funding from Western and Arab governments, with more than half of its funding having come from the U.S. government. The Foundation focuses on supporting, strengthening, and promoting civil society organizations across the region, primarily through direct grants. A locally and Arab-run foundation based in Amman, Jordan, the Foundation appears to have earned a reputation among Arab civil society actors as a credible, independent institution supporting reform across the region. In particular, it is able to support certain civil society actors across the region that would not accept support directly from the U.S. or other Western governments. Although approximately 60 percent of its funds were granted by the U.S. government, it is not viewed as an American institution or as being particularly close to the U.S. government, as it also receives funds from numerous other governments. The Foundation for the Future was established during the Bush administration in order to play roughly the same kind of role in the Middle East that the Asia Foundation plays in Asia.

Unlike the Asia Foundation, however, the Foundation's funding has been granted very irregularly, having received approximately \$21 million from the U.S. government in 2007, with very little additional U.S. funds since that time. Former Secretary of State Condoleezza Rice pledged \$35 million to the Foundation in 2005, and the \$21 million granted in 2007 was supposed to last for four years and then be followed with additional funding in 2011. By the time 2011 arrived, however, with a new administration and turnover within Congress, funding for FFF was nearly forgotten.

Immediately prior to the uprisings that swept the Arab world in 2011, the Foundation appeared on the surface to have significant support from State Department officials. In January 2011, a senior State

Department official cited the Foundation as one of the “biggest” positive outcomes of the Forum for the Future meetings that gather foreign ministers and civil society leaders annually.⁶ Nonetheless, in the wake of the Arab uprisings of 2011—with the sudden increased demand on U.S. resources and against the backdrop of an extremely constrained U.S. budget environment—the U.S. administration has struggled to deliver additional funds to the Foundation. Throughout 2011, as the U.S. government was unable to follow through on its pledge of additional funding, it appeared likely that the Foundation would run out of funds and be forced to cease operations during 2012. In early 2012, however, the Obama administration delivered \$700,000 in funds via MEPI. This should sustain FFF’s operations until at least early 2014.

Since the dramatic uprisings erupted in early 2011, FFF has responded by focusing its work on the countries in transition, particularly Tunisia. The President of FFF, Nabila Hamza, is a longtime Tunisian human rights and women’s rights activist, which positions the Foundation extremely well to play a role in supporting Tunisia’s transition. FFF has opened a new office in Tunisia, supported primarily by new funding from the Danish government, and has been supporting new civil society organizations around the country, with a particular emphasis on good governance and anticorruption programming. FFF has also recently opened an office in Libya with the intent of playing a similar role in Libya’s transition as in Tunisia, but it has yet to begin much programming in earnest.

⁶ “Background Briefing on the Secretary’s Upcoming Travel,” State Department Special Briefing, January 7, 2011.

Examining Bilateral Assistance by Country

It should be noted that the majority of funding for democracy programs in the region is normally provided through bilateral assistance administered by USAID—approximately \$400 million for GJD programs annually (as compared with, for example, MEPI’s full annual budget of approximately \$70 million). In the past 18 months, numerous other assistance mechanisms have started to play an increasing role in delivering nonmilitary assistance to countries in the region, particularly those currently in the process of political transitions. Seven countries in the Middle East have USAID missions and significant programs: Egypt, Iraq, Jordan, Lebanon, Morocco, West Bank and Gaza, and Yemen. Tunisia and Libya will also be considered in this section, as each receives considerable assistance through USAID’s Office of Transition Initiatives (OTI) and other mechanisms.

Egypt

Long before the Arab uprisings of 2011, Egypt was normally the center of discussions regarding the role of U.S. assistance in improving democracy, governance, and human rights in the Middle East. The most controversial issues regarding U.S. assistance and democracy in the region—conditioning aid on progress toward democratic reform, the balance between economic aid and military aid, the resistance of local governments toward U.S. direct aid to civil society, the reluctance of local NGOs to accept U.S. government assistance for fear that this may tarnish their reputation—were most contentious and most relevant in Egypt. While there have been many changes in Egypt over the past 18 months, Egypt still remains the center of controversy and debate regarding U.S. aid to the region, and the future of U.S. assistance to Egypt is quite uncertain. As of now, levels of U.S. bilateral assistance to Egypt remain nominally steady at \$1.3 billion in military aid and \$250 million in economic assistance, but it is unclear whether that will remain the case for long.

In early 2012, tensions in the U.S.-Egypt bilateral relationship were higher than they had been in decades, sparked by the filing of criminal charges against 43 employees

of American and German democracy-promoting organizations, including 16 U.S. citizens.⁷ This action, followed by the imposition of a travel ban on the foreign NGO staff facing charges, sparked an immediate outcry from Washington that threatened to disrupt the \$1.3 billion in annual military assistance, which has been in place since the early 1980s. Eventually, under heavy pressure from the U.S. administration and Congress, the travel ban on foreign workers was lifted after several million dollars in bail was paid on their behalf, although criminal charges were not dropped and the Egyptian employees of the same American and German NGOs remain in the country facing charges. Moreover, once the foreign NGO workers had left Egypt, the Egyptian government filed a request with Interpol for them to be arrested abroad.

This issue appears to have been handled extremely poorly by all sides, with the American and Egyptian governments both damaged in the public eye as a result. The U.S. government was seen by the Egyptian NGO community as largely ignoring the campaign against NGOs for months, only

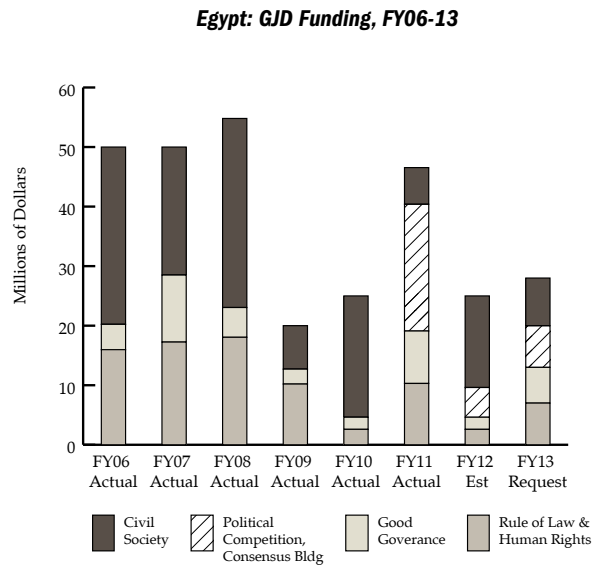
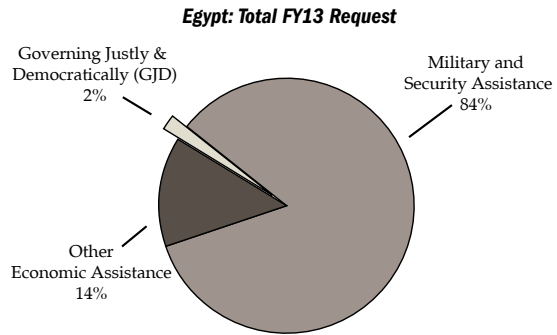
⁷ Seven of whom were held in Egypt, with the other nine outside the country. For more details regarding this case, see POMED’s reports by Daphne McCurdy, “Backgrounder: The Campaign Against NGOs in Egypt,” February 2012, and “Updated Backgrounder: The Campaign Against NGOs in Egypt,” March 2012.

responding when American NGO workers were directly threatened with criminal charges. As a result, the U.S. response was perceived as clumsy, shortsighted, and not driven by a commitment to the principle of supporting civil society, but instead narrowly focused on extricating a handful of U.S. citizens from the country. This perception was only confirmed when, soon after the U.S. citizens were allowed to leave Egypt, the U.S. administration appeared to withdraw its interest in the case and U.S. aid to Egypt's military was allowed to resume.

Likewise, the Egyptian government and the ruling Supreme Council of Armed Forces (SCAF) initially angered the Egyptian community of NGOs, liberals, and human rights activists with their campaign against NGOs. When the travel ban on the foreign NGO workers was lifted, the Egyptian public saw this as the SCAF succumbing to U.S. pressure, allowing the U.S. to interfere in Egyptian affairs and severely undermining the credibility of the Egyptian judiciary. Finally, after the travel ban on U.S. citizens was finally lifted, the Egyptian government's move to urge Interpol to arrest those workers abroad angered many in Washington who had worked to avoid an interruption of U.S. aid to Egypt's military.

This crisis represents a rapid escalation of longstanding tensions between the U.S. government and the Egyptian government that had existed for several years over the right of the Egyptian government to control U.S. direct assistance to NGOs in Egypt. Such tensions heightened considerably following Mubarak's ouster with a sweeping defamation campaign in the Egyptian state media against NGOs and a move by Minister of International Cooperation Fayza Abounnaga to launch an investigation into the activities and funding of numerous Egyptian and international NGOs.

Tensions in the U.S.-Egypt relationship over the past year were not limited to the attacks



on NGOs. More broadly, many in Washington have grown increasingly frustrated by the actions of the SCAF, particularly its reluctance to hand over power to elected civilian leaders. The Obama administration's natural inclination has been to support Egypt's military, to preserve the close military-military relationship, and to have faith in Egypt's generals. This close relationship, however, has proven embarrassing on the numerous occasions in which the SCAF has taken actions clearly at odds with the frequently stated goals of seeing a transition to genuine democracy in Egypt. The U.S. has lost its already-diminished credibility with

a host of other actors in Egypt as the SCAF has blatantly broken promises, continued to violate the basic rights of Egyptian citizens, and subvert democratic gains in order to maintain its own political power.

Particularly embarrassing for the U.S. was the series of moves taken by the SCAF on the eve of the long-awaited handover of power to an elected president: a government decree granting the military free reign to arrest any Egyptian civilian and refer them to military courts, the dissolution of Egypt's first freely elected parliament, and a new constitutional declaration stripping most powers from Egypt's newly elected president and granting them to the military. These steps rendered the handover of power nearly meaningless and in the eyes of many Egyptians constituted a military coup. Following frequent declarations by high-ranking U.S. officials expressing confidence in the SCAF's intention to fully handover power by July 1, 2012, such moves have shown the opposite to be the case.

For all of these reasons, the future of U.S. military aid to Egypt is more in doubt than it has been in decades. It is clear that the administration's default position will be to resist any changes to the annual \$1.3 billion military assistance package, but if the SCAF were to take further steps interpreted as obstructing Egypt's transition to democracy, it is quite possible that Congress may initiate changes in this regard.

U.S. assistance for democracy and governance is likewise quite uncertain. The two organizations that have been the largest recipients of U.S. democracy assistance since the overthrow of Mubarak—NDI and IRI—can essentially no longer work in the country. Moving forward, it is unclear to what degree other organizations will be able to carry out democracy programming in Egypt. This is true of other U.S.-based organizations as well as the more than 40 local Egyptian NGOs that have received direct U.S. support during this period. Such groups now operate in an environment in which they fear

being attacked, shut down, or charged with crimes. There have been alarming new NGO laws drafted during this period that could expand the Egyptian government's already wide-reaching authority to restrict and control foreign funding for both Egyptian and international NGOs inside Egypt. Some fear that the likelihood of such a law being passed may have increased now that the SCAF has once again assumed legislative authority. The FY13 budget request for bilateral aid to Egypt includes \$28 million for democracy and governance programming, including \$8 million to support civil society. In the current environment, however, it is extremely uncertain whether such funds will be able to be implemented as planned.

Amid heightened tensions in the U.S. relationship with Egypt's military, fueled by controversy over U.S. democracy funding, the most stable portion of U.S. aid to Egypt appears to be various forms of assistance to support Egypt's fragile economy. In recent weeks, the administration appears to have emphasized this economic side of its support for Egypt's transition. In addition to the more than \$200 million in annual bilateral economic assistance, the administration has also mobilized \$250 million in OPIC funds to support small- and medium-sized enterprises in Egypt and \$60 million for the initial capitalization of a new U.S.-Egypt Enterprise Fund. Perhaps most importantly, the U.S. Congress approved in 2011 a debt swap of \$1 billion, which will allow the Egyptian government to redirect \$1 billion in funds that it was scheduled to repay to the U.S. to instead support the Egyptian economy. Negotiations over exactly how these funds would be used have been on hold for most of the past year, but it appears that the administration is now seeking to move forward on this front, following the presidential elections.

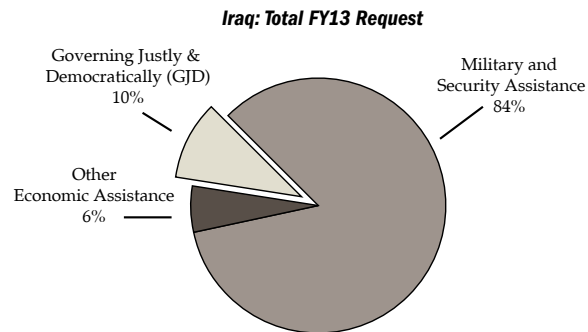
Iraq

The withdrawal of U.S. combat forces from Iraq was a centerpiece of President Obama's 2008 campaign, and a steady drawdown of

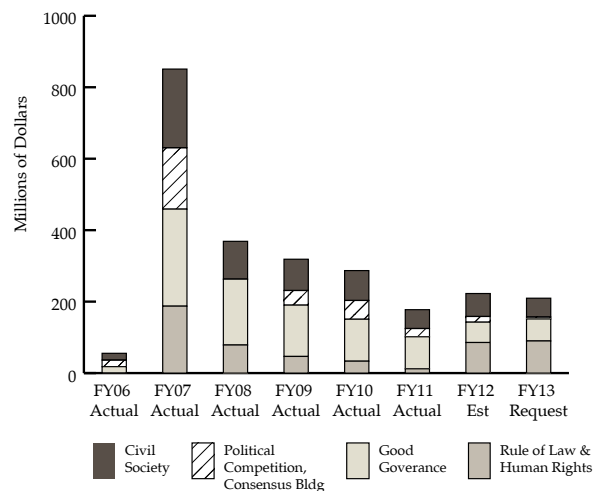
U.S. troops has been underway since the beginning of his administration. U.S. military forces withdrew from Iraq by the end of 2011, in accordance with the U.S.-Iraq Status of Forces Agreement signed by the Bush administration in November 2008. During President Obama's first two years in office, the administration planned to increase civilian resources in Iraq dramatically, including within the Department of State and USAID, to counteract the sharp decrease in military presence and resources. This plan appears to have been derailed by the domestic U.S. budget crunch, the large cuts to international affairs imposed by Congress, and increasing demands for resources elsewhere in the region.

Rather than dramatically increasing civilian assistance to Iraq as originally planned, the administration has instead overseen a steady decline in such aid over the past several years, from a peak of more than \$1.6 billion in 2007 to merely \$327 million in the current budget for 2013. Within this amount, funding for democracy and governance programming has declined by more than 75 percent from a peak of more than \$850 million to only \$209 million in the current budget. Most U.S.-funded democracy programs in Iraq have been discontinued or are in the process of being phased out. This is especially true of programming to support political competition and consensus building, for which funding has been cut by 97 percent from a peak of \$172 million to less than \$6 million. Moreover, the budget numbers alone actually understate the degree to which democracy programming has been cut in Iraq, as the few remaining programs have become considerably more costly due to sharp increases in costs for private security following the withdrawal of U.S. military forces.

Many in the democracy promotion community view such cuts as tragic. Support for building consensus and political pluralism



Iraq: GJD Funding, FY06-13



in Iraq is sorely needed, as Prime Minister Maliki appears to be consolidating his power and pushing Iraq in an alarmingly authoritarian direction. Although Congress had generally been very supportive of funding for the military campaign in Iraq, civilian support for Iraq appears to be a major casualty of congressional cuts to the international affairs budget, which could have dire, long-term consequences for the solidification of democracy in Iraq.

Jordan

Although the government of Jordan has not been upended by revolutions like many of its neighbors, Jordan has nonetheless seen increased domestic criticism of and opposition to the ruling monarchy over the past 18 months, and many observers consider Jordan to be among the most likely candidates to be shaken by larger-scale uprisings within the next year or two.⁸ In addition to growing domestic discontent, Jordan has also felt the destabilizing impact of conflict across its borders—in Iraq to its east and Israel and the West Bank to its west, and now in Syria to its north. As violent conflict continues to escalate in Syria, the possibility of serious unrest within Jordan increases as well. Over the past several years, Jordan has seen an influx of large-scale U.S. assistance, and unlike in some other Arab countries, this appears to have coincided with an increased interest in and focus on issues of democracy and governance.

The U.S.-Jordan foreign assistance relationship is currently unique among Arab countries in that a sizable package including both economic and military aid is governed by a Memorandum of Understanding (MOU) signed in 2008 between the governments, which commits the U.S. to providing at least \$360 million in economic aid (ESF) and \$300 million in military assistance (FMF) to Jordan annually through 2013. During FY08-FY10, the U.S. Congress actually granted assistance to Jordan considerably in excess of the minimum amounts agreed upon in the MOU. Now, given the domestic U.S. budget environment, aid levels have decreased since FY11 back to approximately the amounts specified in the five-year MOU. Technically, that agreement is not legally binding, but Congress has been extremely supportive of King Abdullah and even in the current budget climate there has been no discussion of reducing the economic or military assistance below the agreed-upon levels.

⁸ For example, see: Marc Lynch, "Jordan, Forever on the Brink," *Foreign Policy*, May 7, 2012, and Julien Barnes-Dacey, "Jordan's King Abdullah has Failed to Grasp the Power of the Arab Spring," *The Guardian*, April 19, 2012.

The level of U.S. assistance for democracy and governance programming in Jordan has fluctuated since 2006, ranging from \$14.7 million to \$28 million annually, with current funding for FY12 at \$28 million—the highest level in the past 7 years. The administration's current budget request for FY13 includes \$25 million for GJD programming, a slight decrease over FY12, but nonetheless maintains annual funding in a range higher than was the case a few years ago. In the three-year period from FY06 to FY08, GJD funding averaged \$17.7 million, and now from FY10 to FY12, the annual allocation for GJD programming has increased to an average of \$25.1 million, with the budget for FY13 holding steady in that range.

More important than the modest increases in funding under the GJD heading has been an increased political commitment to supporting democracy and governance programming in Jordan. The uprisings and revolutions across the region appear to have convinced some key U.S. policymakers of the need to encourage reform in Jordan, and that has been reflected by the approach of the U.S. Embassy and USAID Mission. While many reformers would still like to see much greater U.S. pressure on the monarchy to reform, there does appear to be greater U.S. interest in serious political reform than had been the case a few years ago. This interest has manifested itself in an increasingly robust program of democracy and governance assistance, including support for political party development and independent civil society as well as for organizations engaged in advocacy on behalf of needed political reforms. Such programming for independent actors has been strengthened, while funding continues for programs to strengthen Jordanian institutions including the parliament and the judiciary.

In 2011 and 2012, Jordanian civil society has begun to have an effect in pressuring the government on reform issues and expressing dissatisfaction with superficial or insincere efforts to reform. Such pressure has resulted in numerous moves by the monarchy, in-

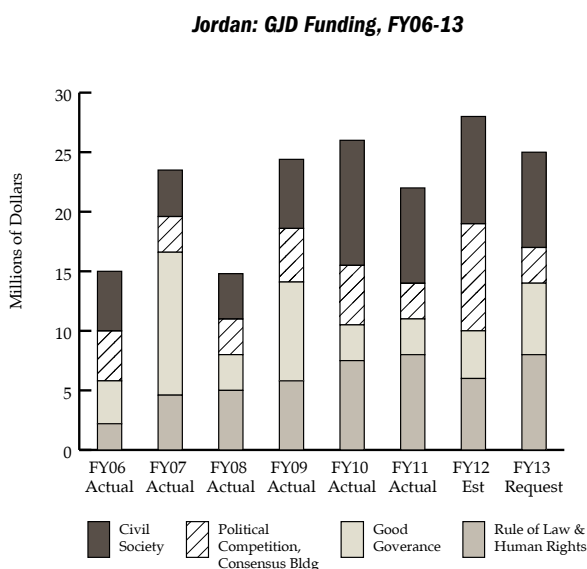
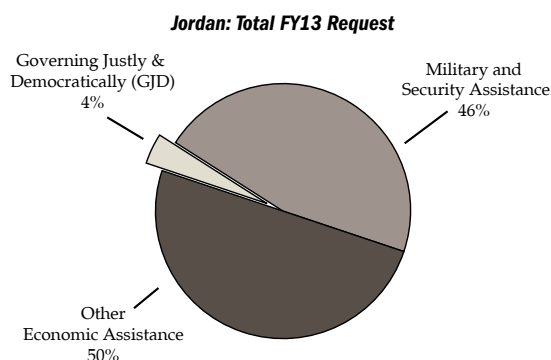
cluding four cabinet reshufflings and efforts to reform the much-maligned electoral law. Nonetheless, these moves have failed to ease popular discontent, and the passage in June 2012 of a new electoral law that failed to meet popular demands appears to have sparked a national outcry and re-energized Jordan's protest movement.⁹

In addition to \$670 million in annual bilateral assistance, Jordan also has a large-scale aid agreement with the Millennium Challenge Corporation (MCC). The MCC compact, signed in October 2010, provides \$275.1 million over five years for three integrated projects that will improve clean water delivery, sewage collection, and wastewater treatment. The MCC has prioritized improving the water quality in Jordan, which is "among the five most water-poor countries in the world."¹⁰ This five-year project is focused especially on the Zarqa governorate, one of the poorest areas of the country with the worst quality water infrastructure.

In general, U.S. assistance to Jordan is quite stable, and Congress is extremely supportive of the Jordanian monarchy and of a continued large-scale aid package. The next year or so could be pivotal for Jordan, both in terms of the domestic protest movement and also in terms of U.S. assistance. The five-year MOU signed in 2008 will expire during 2013, and the Government of Jordan will presumably seek to sign a new long-term agreement guaranteeing both military and economic aid for years to come. The U.S. administration and Congress are likely to be supportive of another broadly similar agreement, but domestic U.S. budget considerations could result in a smaller-scale aid package, and any dramatic political developments in Jordan could also disrupt the negotiations toward such an agreement.

⁹ Curtis Ryan, "Jordan's High Stakes Electoral Reform," *Foreign Policy*, June 29, 2012.

¹⁰ "MCC and Jordan Sign \$275.1 Million Grant for Water Project," Press Release of the Millennium Challenge Corporation, Washington DC, October 25, 2010.



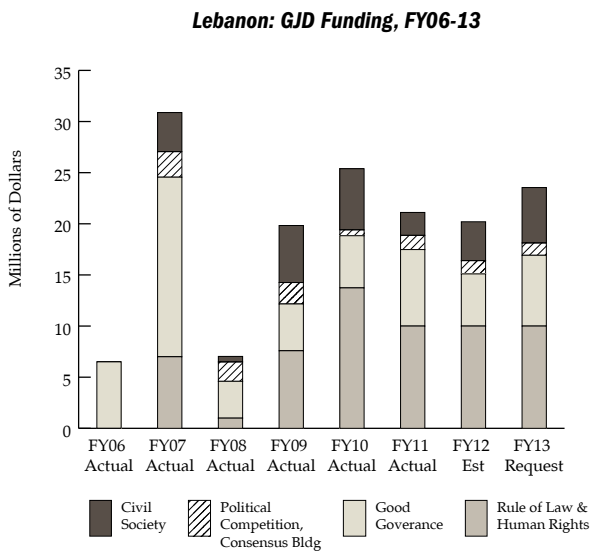
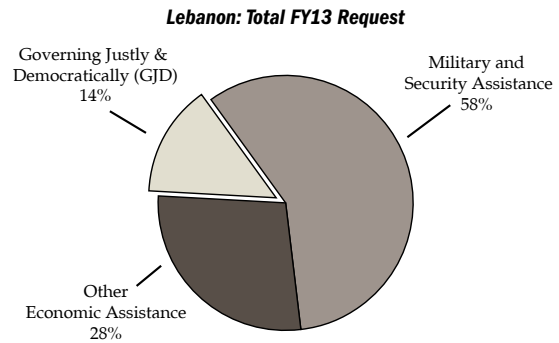
Lebanon

Although Lebanon has long been a focus of international attention and U.S. policy in the MENA region, the country has seen considerably reduced attention since the Arab uprisings began to sweep the region in 2011. Regarding democracy assistance specifically, this diminished attention only continues a trend that had begun prior to the uprisings. Although the level of annual funding for democracy and governance has not decreased, programming has steadily shifted away from

addressing fundamental political problems and focused rather on softer, less controversial issues. Those active in the democracy promotion community in Lebanon have seen a continued decrease in U.S. government enthusiasm for supporting democracy and governance there. Some have expressed surprise that in the wake of uprisings that highlight the need for serious political reform across the region, the U.S. has apparently lost interest on encouraging reform in Lebanon. This reluctance appears to have been steadily increasing over several years, spurred in part by Hezbollah's gradually increasing role in the Lebanese government.

Immediately following the formation of the Lebanese government in June 2011, in which 16 of the 30 cabinet seats were allocated to Hezbollah and its allies, numerous members of Congress questioned whether U.S. assistance to Lebanon should continue at all. Language put forward in an authorization bill for Department of State appropriations would have barred any U.S. security assistance whatsoever to Lebanon if any "member of Hezbollah or any other foreign terrorist organization serves in any position in a ministry, agency, or instrumentality of the Government of Lebanon." Had it been in place previously, this extremely broad language would have prevented any U.S. security assistance to Lebanon for many years now, as Hezbollah has long held various positions within the Lebanese government and its ministries.

Although the bill containing this language in 2011 was never expected or even intended to have been passed, it did raise the possibility that members of the House may move to cut off U.S. aid to Lebanon through other channels in 2011. By the end of 2011, support for such drastic moves appeared to have subsided, and the final version of the FY12 appropriations act included much narrower, less restrictive language only requiring the Secretary of State to certify that the Lebanese Armed Forces are "not controlled by, or closely collaborating with Hezbollah or any other foreign terrorist organization."



The overall level of funding that has been requested for Lebanon for FY13 is \$167.5 million, with \$97.5 million designated for military and security assistance and \$70 million in Economic Support Funds (ESF). Both of these levels represent further cuts to the levels provided in FY11 and FY12, which already represent significant cuts from the level of funding provided in FY09 and FY10. The level GJD funding requested is relatively steady at \$25 million, but nonetheless, the U.S. interest in supporting political reform and in programming to address fundamental political issues in Lebanon appears to be waning. Numerous U.S.-funded programs to support electoral reform, domestic election observation, civic education, and local

political advocacy have been brought to an end or will apparently end soon. Democracy advocates and reformers in Lebanon perceive that U.S. interest in such issues has gradually diminished over the past few years and is now nearly nonexistent. This appears to have only been exacerbated by escalating violence in Syria, which has sparked worries of serious internal conflict in Lebanon, which may, in turn, create a focus on issues of short-term stability and security rather than the need to achieve political reforms that address the root causes of internal tensions.

Libya

Following Tunisia and Egypt, Libya became the third Arab state in 2011 to see a long-ruling autocrat deposed. As compared with its two predecessors, Libya's struggle to overthrow Muammar Gaddafi was longer and bloodier, with thousands killed and wounded in nine months of armed conflict. In terms of U.S. financial assistance, Libya differs from many other countries in the region in at least two main respects: first, Libya was not a large-scale recipient of U.S. aid under Gaddafi, and secondly, owing to its large oil reserves, Libya does not face the same type of dire economic pressures as its neighbors. In addition, the Libyan government is in the process of working with multiple foreign governments to return tens of billions of dollars in assets seized from the Gaddafi family, which will further alleviate the need for large-scale financial assistance.

Although Libya does not have the same kind of financial needs as Egypt or Yemen for example, there have been a number of pressing needs over the past year that have required the urgent allocation of moderate levels of resources. To this end, the U.S. administration mobilized approximately \$140 million for Libya in FY11 funds from a variety of global and regional accounts, including the Complex Crisis Fund (CCF), the USAID Transition Initiatives (TI) account, as well as the Middle East Response Fund (MERF). The majority of these funds were used to

provide humanitarian assistance for war victims, refugees, and internally displaced persons, particularly during and in the immediate aftermath of the armed conflict. The three other main priorities for U.S. funding have been: supporting post-conflict efforts to secure and destroy weapons; cooperation on counterterrorism issues; and support for elections and political processes.

This last area has included support and capacity-building for Libyan political parties and civil society organizations, including groups focused on civic education and voter education, election-monitoring, and communal reconciliation. MEPI and USAID's Office of Transition Initiatives (OTI) have been quite active in supporting dozens of Libyan civil society organizations, both through direct grants and through international organizations serving as intermediaries. In the FY13 budget, there are almost no funds requested for bilateral assistance to Libya – only \$1.45 million, entirely for security assistance, primarily to assist in providing border security and stopping the flow of weapons across Libya's borders. Modest funding to support Libya's transition will continue to be provided in FY12 and FY13 through MEPI, OTI, and MERF.

In general, most Libyans are extremely grateful to the international community—and to the United States in particular—for their role in helping defeat Gaddafi in 2011. In part as a result of this, Libyans are generally much more open to advice and technical support than is the case in many other countries. As of now, this seems to be true of government officials, political party leaders, and civil society activists. In fact, many Libyans would like to see international actors more involved and playing a stronger role in advising Libya's interim bodies on various aspects of its political transition.

Although Libyan civil society actors have been appreciative of outside support, some clear frustration in this regard has arisen in recent months. One particularly common complaint has been fatigue with endless

“needs assessments” undertaken by numerous international organizations and foreign governments.¹¹ In the eyes of many Libyan civil society leaders and activists, they have been bombarded by a never-ending string of teams asking questions, who are then never to be seen again. Libyans have expressed surprise and confusion that the various international actors apparently don’t communicate with each other (as they all ask essentially the same questions) and frustration that many such groups fail to follow through on promises to engage more fully and to support Libyan civil society. This has reflected poorly on the international community including the United States, with some Libyans concluding that such groups never intended to support Libya’s transition in any meaningful way but wished to achieve the appearance of being supportive by undertaking a simple and largely unneeded assessment. Other Libyans have even more negative views, suspecting that such assessment teams from international organizations are in fact fronts for foreign intelligence services that seek to gather information.

In addition, in recent months, suspicion has also arisen specifically regarding foreign institutions seeking to provide funding for Libyan civil society organizations. This suspicion appears to have been largely driven by the controversy in Egypt regarding foreign-funded democracy organizations and the accusations by Egyptian government officials that such organizations are seeking to sow chaos and undermine Egypt’s revolution on behalf of foreign interests. This suspicion, along with the greater wealth in the country, has resulted in most Libyan civil society organizations being much less interested in receiving substantial foreign funding than in many other countries. At present, there is still a strong appetite for technical assistance and genuine efforts to help build the capacity of Libyan civil society and institutions, but an increasing wariness that those who appear to offer such support may not follow through on their promise.

¹¹ For example, see: Layla Ibrahim, “View from the Street,” *Libya Herald*, April 9, 2012.

Morocco

Although the Moroccan government has not been destabilized by uprisings on the scale experienced by its neighbors in North Africa, the country did experience sustained, large-scale street protests throughout 2011. These eventually pressured King Mohammed VI to announce a series of constitutional reforms, which were put to a vote in a referendum on July 1 and approved by a suspiciously high 98 percent of voters. The referendum was followed by parliamentary elections in November 2011, in which the Islamist Justice and Development Party (PJD) gained the largest number of seats, resulting in PJD leader Abdelilah Benkirane becoming Prime Minister. In general, Morocco appears to have undertaken more serious reform in the past 18 months than most other states in the region, but without seriously shifting political power from the monarchy to elected institutions as demanded by protesters. U.S. assistance to Morocco is rather modest and has not seen any significant changes in reaction to the events of 2011.

Total U.S. assistance to Morocco has fluctuated between \$25 million and \$35 million since 2006, which makes it the smallest aid recipient of the seven Arab countries with a USAID mission and a longstanding assistance relationship.¹² For FY13, the administration has requested a total of \$32.6 million in aid to Morocco, including \$15.1 million in security assistance, \$7.7 million in assistance for democracy and governance programming, and \$9.7 million in other economic aid. These funding levels are consistent with what has been provided over the past few years. The request of \$7.7 million in GJD funding follows three consecutive years in which \$10 million had been requested for such programs, but with smaller amounts being allocated each year.

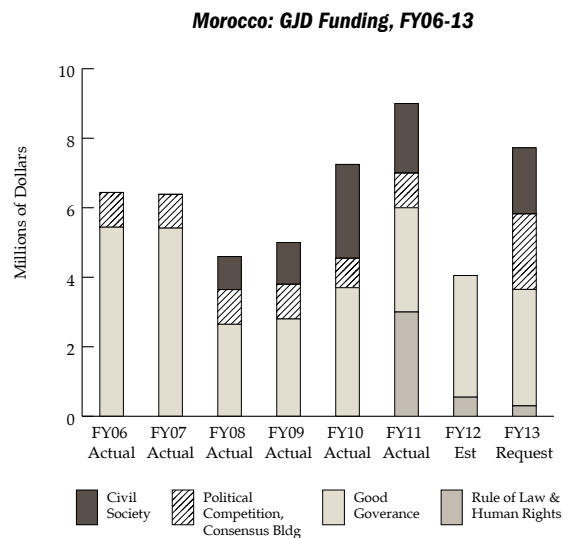
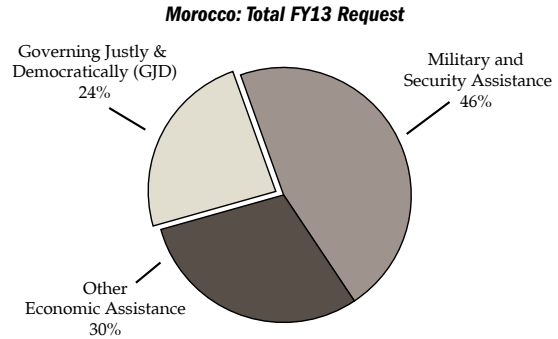
U.S. democracy and governance programming in Morocco includes multiyear projects that aim to improve the ability of government

¹² Egypt, Iraq, Jordan, Lebanon, Morocco, West Bank/Gaza, and Yemen.

institutions—especially local municipalities—to deliver services; strengthen political parties; build the capacity of civil society organizations to engage in advocacy; and increase the political engagement and participation of youth and women. Many of USAID’s programs in Morocco have had a focus on youth involvement for several years.

It was noted in last year’s edition of this report that many democracy advocates in Morocco have been disappointed with the U.S. democracy and governance program both in terms of its small size and its content and focus. It was also noted that there have been promises for several years that GJD programming would be significantly expanded, none of which has come to fruition. A year later, none of this has changed. There are no real signs that the approach of the U.S. Embassy or USAID mission in Morocco has changed noticeably in reaction to the events of 2011. The democracy and governance program in Morocco is the smallest such program in any country in the region with a significant aid relationship. This is surprising because of Morocco’s sizable population, the very high demand for civil society and political party development aid, and the relatively permissive environment for such work.

The next year, however, will offer some real opportunities to reconsider the structure of U.S. assistance and to address concerns that GJD programming is too small in scope and excessively focused on improving the technical expertise of government institutions. First, USAID is scheduled to complete a five-year strategy in the next year to guide USAID programming from 2013-2017. Secondly, in conjunction with this, several of USAID’s multiyear programs will be completed in FY13, which will leave room for new projects to begin in FY14 in line with the new five-year strategy. Finally, Morocco’s current five-year, \$697.5 million compact with the Millennium Challenge Corporation (MCC) is scheduled to be completed by September 2013. It is expected that Morocco will seek another MCC agreement, but no real progress has been made toward such a renewal as of yet.



Tunisia

The uprisings that have swept the Arab world over the past 18 months were kicked off by Tunisia’s remarkable revolution that ousted Zine El Abidine Ben Ali from the presidency on January 14, 2011. In terms of U.S. assistance and the relationship with the United States, Tunisia differs in several respects from many other countries in the region, and in particular, it differs greatly from Egypt, the other Arab country to begin its political transition on roughly the same timetable. Prior to 2011, Tunisia did not have a large-scale bilateral assistance relationship—for either military aid or economic development aid—and in fact it does not have

a USAID mission. These factors have been both a blessing and a curse as the U.S. administration has tried to mobilize assistance to support Tunisia's political transition. In general, the U.S. administration has viewed Tunisia as an important opportunity, as a country where assistance is welcomed, where strategic interests are not viewed as an impediment to supporting democracy, and where modest resources can have an outsized impact, due to the small size and relatively high level of development and infrastructure. As such, the administration has made support for Tunisia's transition a real priority and has demonstrated impressive agility and creativity in providing much-needed support through a wide variety of mechanisms.

The current structure and content of U.S. assistance to Tunisia differs from most other countries in the region in two main ways. First, whereas the majority of assistance to the region (more than 80 percent) is for military and security assistance, in Tunisia, such security assistance constitutes less than 15 percent of all assistance given in 2011 and 2012. Furthermore, across the entire region, approximately 80 percent of nonmilitary assistance is bilateral aid administered by USAID missions. Tunisia, on the other hand, does not have a USAID mission, and only a small fraction of nonmilitary aid is allocated through traditional, bilateral accounts, with the majority of assistance coming through a variety of other multi-country accounts and programs such as MERF, MEPI, OPIC, and MCC.

The lack of a large bilateral funding stream prior to Tunisia's revolution impeded the administration's ability to reallocate funds immediately to support Tunisia's unexpected political transition. In the first six months following the ouster of Ben Ali, the U.S. administration was able to reallocate approximately \$40 million to provide assistance to Tunisia's transition, and much of this reprogramming of funds was held up by members of Congress supportive of other programs from which the funds were

reallocated.¹³ For the sake of comparison, the administration was able to reprogram \$165 million from unspent bilateral funds in Egypt to support Egypt's transition during the same period. As of July 2011, it appeared that support for Tunisia's transition would be limited considerably by the lack of a bilateral funding stream. In the year since that time, however, the administration has been able to provide approximately \$400 million in additional funds to support various aspects of Tunisia's transition.

This has included approximately \$45 million in direct grants to both Tunisian and international NGOs working to: carry out civic education and voter education programs, train and build the capacity of political parties, provide technical assistance to the institutions responsible for managing and administering elections, train journalists and develop the independent media sector, and hold government institutions accountable on issues of good governance and human rights. Other initiatives have included grants to facilitate 13 partnerships between American and Tunisian universities, the re-establishment of the Peace Corps in Tunisia, and the expansion of Fulbright educational exchanges in Tunisia. The Millennium Challenge Corporation (MCC) also announced in September 2011 that Tunisia had been selected as eligible for a threshold program, which should result in a \$20-\$30 million agreement being signed in late 2012. If the threshold program is deemed successful and continued progress is made on political and economic reform, then Tunisia could be rewarded with a multiyear compact agreement that could deliver as much as several hundred million dollars.

Another focus of U.S. assistance has been a multifaceted effort to bolster various components of the Tunisian private sector. This has included the establishment of a Tunisian-

¹³ For example, \$20 million in MEPI funds reprogrammed immediately to support Tunisia were held up by members of both the House and the Senate because the programs from which MEPI reallocated the funds included scholarship programs for students at American universities in Lebanon and Egypt that were popular on Capitol Hill (and supported by influential lobbyists).

American Enterprise Fund with an initial capitalization of \$20 million, officially approved by Congress in February 2012, and funded through the Middle East Response Fund (MERF) account. The Overseas Private Investment Corporation (OPIC) has also played a leading role in this regard by allocating \$150 million to be invested in Tunisia, including \$30 million to establish a debt facility to provide capital loans to franchises and small- and medium-enterprises, as well as \$52.5 million to a local Tunisian private equity fund. Other areas of focus in private sector support have included information and communications technology and the renewable energy sector, particularly wind and solar.

Finally, the U.S. has made an effort, despite the constrained domestic budget environment, to provide basic budgetary support for the Tunisian government. In early 2012, Congress approved the allocation of \$30 million in funds from the MERF to sovereign loan guarantees to the Tunisian government that should facilitate access to international bond markets to borrow \$400 to \$500 million at lower interest rates than would otherwise be possible. Then in May 2012, Secretary Clinton signed a \$100 million cash transfer to the Tunisian government to pay existing debts to the World Bank and African Development Bank.

The U.S. administration has done an impressive job of mobilizing resources from diverse sources and programs to support Tunisia's transition. In addition, the lack of a large-scale assistance program to Tunisia prior to the revolution, which did impede the administration's ability to respond immediately in early 2011, has also spared the U.S. from being tarnished by its support for the previous authoritarian regime, as is the case in many other countries in the region. As a result, U.S. assistance and support has been welcomed and sought after in Tunisia, as opposed to the resistance that has been encountered elsewhere. Finally, the U.S. has accompanied financial support by important symbolic signals of political support,

including numerous visits to Tunis by high-ranking administration officials including a visit by Secretary Clinton in February 2012, which was extremely well received across the political spectrum.

West Bank and Gaza

When President Obama entered office in 2009, restarting the Israeli-Palestinian peace process was a key goal of his administration's foreign policy. Since that time, those efforts have essentially stalled after achieving little or no real progress, and few are expecting the administration to focus much on this issue during the remainder of this term in office. The administration's approach in the West Bank and Gaza has been focused on security issues and on strengthening institutions of the Palestinian Authority (PA) to lay the groundwork for a Palestinian state. Many members of the democracy promotion community view this approach as being at odds with the need to foster pluralism and offer more democratic political alternatives while both Fatah and Hamas have been increasingly repressing dissent and eliminating opportunities for opposition in the West Bank and in Gaza respectively. In addition, the administration has clashed with some key members of Congress who have aimed to suspend development assistance in the wake of the PA's effort to gain recognition for Palestinian statehood at the United Nations.

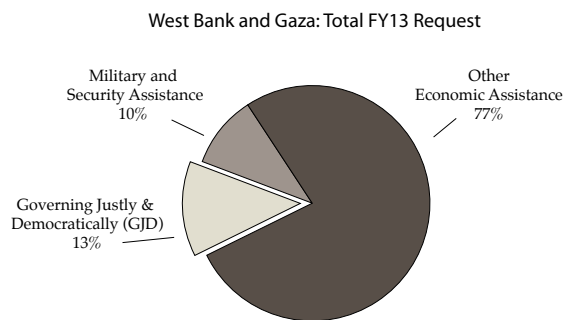
The administration's budget request for FY13 includes a total of \$409.2 million, which breaks down as \$40.2 million for security assistance, \$52.3 million for democracy and governance programming, and \$316.7 for other economic assistance. The \$40 million requested for security assistance would represent a 36 percent decrease over existing FY12 funding levels, continuing a trend in which security assistance has been steadily decreasing since it peaked in FY09 at \$233.5 million.

The \$52.3 million for GJD programming holds steady at roughly the current level, which is itself a considerable increase over recent years. As mentioned above, the major concern in terms of support for democracy programming is not the overall level of funds allocated, but rather that the focus of such programming seems to overlook increasing repression of internal dissent and political expression by the Palestinian Authority within the West Bank.¹⁴ Previous concerns in this regard have only increased, and many democracy advocates are deeply disappointed to see diminished U.S. interest in supporting pluralism, political competition, and independent civil society within the Palestinian territories, which in the 1990s became the first site in the MENA region for some of these programs.

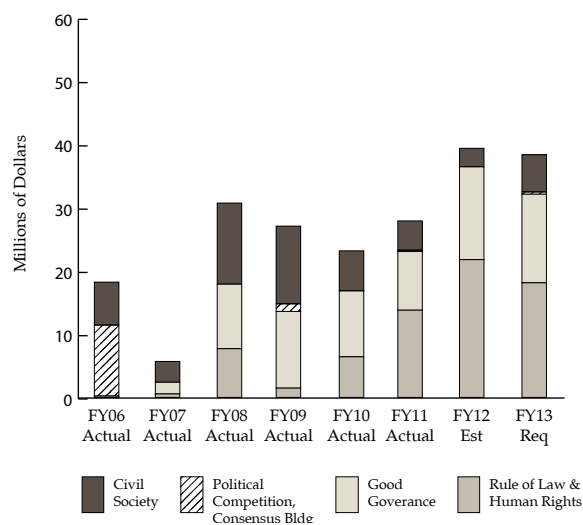
As has been the case in recent years, the largest sector of aid to the West Bank and Gaza is requested under the “Investing in People” objective, with \$229 million of such funds going to health services and social and economic services for the protection of vulnerable populations. The priorities of this assistance include supporting the Palestinian health sector, increasing access to clean water, repairing water infrastructure networks, addressing chronic sanitation infrastructure needs, and supporting improvements in education.

It should also be noted that key members of Congress have sought to halt all U.S. assistance to the Palestinian Authority following the PA’s effort to gain recognition for Palestinian statehood at the United Nations in 2011. Notably, both Kay Granger (R-TX), chair of the House Appropriations Subcommittee for State and Foreign Operations, and Ileana Ros-Lehtinen (R-FL), chair of the House Foreign Affairs Committee, placed holds on \$147 million in development assistance to the West Bank and Gaza in August 2011 for this reason. In March

¹⁴ There is equivalent or even greater repression in Gaza, but that in the West Bank is executed by the same Palestinian Authority that benefits from U.S. assistance, as opposed to the repression in Gaza at the hands of Hamas.



West Bank and Gaza: GJD Funding, FY06-13



2012, Granger dropped her hold and Ros-Lehtinen removed her hold on \$88.6 million while leaving it in place on the remaining \$58.4 million. In April, however, Secretary Clinton announced her decision to move forward with the full amount of aid despite Ros-Lehtinen’s hold. (The hold was not legally binding, but it is unusual for an administration to ignore such an objection from the chair of a relevant committee.) It is unclear how Ros-Lehtinen or other lawmakers may choose to respond in the next budget cycle, although such efforts to halt U.S. aid to the Palestinian authority could be even stronger. This is particularly possible if there were to be further progress in negotiations between Fatah and Hamas, which Ros-Lehtinen and other lawmakers have long warned would endanger U.S. assistance.

Yemen

In February 2012, President Ali Abdullah Saleh became the fourth Arab autocrat pushed from power by the recent uprisings, as he officially handed over power temporarily to his vice president, Abdu Rabbu Mansour Hadi. Broadly speaking, Yemen's political transition has received less international attention than the three that preceded it in 2011. In terms of the U.S. assistance relationship, Yemen is unusual in the region in several key respects. First, Yemen has seen dramatic increases in various forms of U.S. financial assistance, not only in response to its uprising in 2011, but even prior to that. Yemen has become an increasingly important priority in the region as concerns regarding the strength of Al-Qa-eda in the Arabian Peninsula (AQAP) have grown steadily since late 2009. Like two other countries currently undergoing political transitions—Libya and Tunisia—the majority of assistance to Yemen is not given through conventional bilateral accounts, but instead through a variety of global initiatives. In addition, Yemen has been one of the largest recipients of Section 1207 funding, funds included in the Department of Defense (DOD) budget that are given to foreign governments to combat terrorism. Support for democracy and governance in Yemen has increased dramatically along with the overall aid package, particularly since Saleh finally agreed to turn over power.

U.S. assistance to Yemen is increasingly rapidly, with several new allocations made in the past few months. Yemen has received \$170 million in nonmilitary assistance in FY12, along with more than \$30 million in conventional bilateral security assistance. Section 1207 funding was previously suspended to Yemen due to fears over unrest. The administration has recently chosen to resume 1207 funding to Yemen, thus providing an expected additional \$75 million in counterterrorism funds; the decision, however, must still gain the approval of Congress. Out of this total of nearly \$300 million in assistance to Yemen in FY12, less than

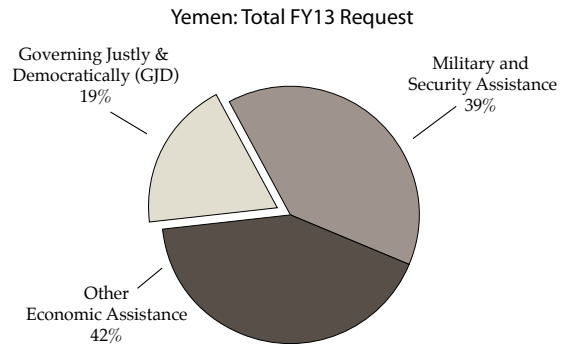
25 percent is given through conventional bilateral channels. \$105 million has been given in FY12 for humanitarian assistance to support refugees, internally displaced persons, and other vulnerable populations throughout the country. This humanitarian aid includes approximately \$68 million from USAID's Food for Peace office, \$20 million from the U.S. Department of State's Bureau of Population, Refugees, and Migration (PRM), and \$17 million from USAID's Office of U.S. Foreign Disaster Assistance (OFDA).

Funding to support democracy and governance has also increased dramatically over the past year. Unlike Libya or Tunisia, however, GJD assistance to Yemen had already been increased considerably even before 2011. Prior to FY09, democracy and governance programming in Yemen was extremely limited, never exceeding \$2 million in funding annually. This began to change in 2010, however, with increases up to \$4 million for FY10 and then \$11 million in FY11. The budget request for FY13 includes \$13.5 million in bilateral funds for democracy and governance programming.

Before the uprising in 2011, it appeared that GJD programming in Yemen was excessively focused on improving the ability of government ministries to deliver services, with little focus on or interest in more politically sensitive areas of reform such as decentralization. In the past several months, this trend seems to have reversed itself, with increasing emphasis on key areas perceived to have been avoided in 2009 and 2010. While much work continues to build the capacity of numerous government ministries and help them become more responsive to the needs of the population, additional programming now also focuses more strongly on building political pluralism including through the training of political parties and support for political coalition-building. Support for civil society has also increased, including for independent NGOs that seek to hold government institutions accountable and undertake advocacy on economic and human rights issues, as well as groups working on voter education and election monitoring.

Along with the recent increases in funding for democracy and governance programming in Yemen, the U.S. Embassy and USAID mission have been perceived by some democracy advocates in Yemen to have demonstrated increased interest in genuine support for political reform. Some of the same actors who were previously frustrated with a lack of U.S. interest in the need for fundamental political reforms have seen a clear shift since Saleh was forced from power. This improvement in perceptions of the U.S. positions and policy, however, appears to be limited to a relatively small community of politically engaged Yemenis in the capital. More broadly, U.S. policy remains extremely unpopular, and there remains the perception that the administration is focused exclusively on short-term efforts to combat terrorism and that support for the political transition, economic development, and humanitarian assistance remain secondary.

In recent weeks, the administration has taken steps to combat this perception, including visits by USAID administrator Rajiv Shah and Assistant Administrator Nancy Lindborg, who made separate visits a few weeks apart in June 2012. Each visit aimed to highlight U.S. development assistance efforts, with Lindborg announcing an additional \$6.5 million in humanitarian aid on her visit, and Shah announcing another \$52 million in development aid on his visit a few weeks later. It remains to be seen how such efforts will affect Yemeni perceptions of the U.S. role.



Looking Ahead: *What Might We Expect from Congress?*

As mentioned in the introduction, any consideration of U.S. funding and assistance to the MENA region would be incomplete without considering the constrained domestic budget environment, as well as the positions of members of Congress, who must ultimately approve any appropriations.

In May, the respective appropriations committees in the House of Representatives and the Senate each approved a different version of the appropriations bill for the Department of State and Foreign Operations for FY13. The two bills included considerably different overall levels of funds for international affairs, with the Senate version providing \$52.1 billion and the House version only \$40.1 billion, but both less than the \$54.7 billion requested by the President's budget.¹⁵

Of course this overall level of funding provided for international affairs is extremely important, as any cuts to this top budget line restrict the administration's ability to fund various programs and to provide various countries with desired levels of funding. Beyond this, in terms of specific earmarks for countries or binding language on the nature of assistance, neither bill is extremely limiting within the MENA. That is to say, there are relatively few mandated funding levels for specific countries or programs that differ greatly from the administration's budget request. The most important exception in this regard is the newly proposed MENA Incentive Fund, for which the House refuses to grant any funds at all while the Senate supports the fund at a level of \$1 billion, even in excess of the budget request.

¹⁵ For a comprehensive overview of the two bills and the differences between them, see POMED's report by Cole Bockenfeld, "The Department of State, Foreign Operations, and Related Programs: Appropriations Bills, FY13," June 2012.

Consequently, the establishment of this new foreign assistance initiative will depend on the negotiations between the House and Senate, whenever they may occur. On most other aspects of the bill, negotiations will simply take place between two levels of funding.

Final passage by Congress of the appropriations bills for FY13 should theoretically occur by the end of the current fiscal year on September 30, 2012. It has become standard practice, however, for Congress to extend federal funding temporarily for several weeks at a time until they agree on a final version. Even under amicable circumstances, the appropriations for State and Foreign Operations have in recent years rarely been passed earlier than mid-December.

Because of the U.S. presidential elections this year, the FY13 appropriations are likely to be passed even later, most likely not until after the end of calendar year 2012. Precedent was set for this in 2008—at that time, the Democrat-controlled Congress preferred to wait until 2009 to pass the appropriations bills, in the hope that their candidate would become president, allowing them to include funding that may have been vetoed by President Bush. It seems likely that the Republican-controlled House will now take a similar approach, preferring to wait until after the elections in the hope that their candidate will win the elections and perhaps that the Republicans will also gain control of the Senate.

As a result, the outcome of the appropriations process is more uncertain this year than is often the case at this point. Assuming that the appropriations are in fact not finalized until calendar year 2013, there are at least three broadly different scenarios that could unfold.

If President Obama were to be re-elected and control of each chamber of Congress remained unchanged, then we would expect the House and Senate to roughly negotiate between the two existing versions of the bill. If President Obama were re-elected and the control of either chamber were to change hands, then the basis of negotiations would be somewhat different. If the Republican nominee Mitt Romney were to be elected, then his new administration would likely engage Congress informally and advocate various changes to the bills before final passage. This last scenario is similar to what took place in 2008.

This uncertainty further complicates the administration's current task of responding to changes in the region, and it could have serious consequences if there were to be dramatic developments—such as the fall of the Assad regime in Syria, for example—before the Congress has allocated any funds that could be used in response. As time passes, the administration's ability to continue to mobilize funds from various global accounts to respond to events in the region becomes diminished, as some sources of funds that have been used no longer have funds available.

Conclusions

The historic significance of the events in the Middle East and North Africa over the past 18 months can hardly be overstated, and such unprecedented changes in the region call for equally dramatic responses and changes to U.S. policy. This thinking was reflected in the words of President Obama, who openly declared in several speeches in the spring of 2011 that U.S. policy in the region would indeed change dramatically, that support for democratic reform would no longer be subjugated to other strategic interests. More than a year later, U.S. policy toward the region does not appear in most cases to have lived up to these lofty goals.

From the perspective of U.S. funding and foreign assistance, the administration's performance is mixed. The administration has done an impressive job of maintaining funding levels for the MENA region despite large overall cuts by Congress to the international affairs budget. It has taken positive steps to support political transitions currently underway, but beyond that, the approach to much of the rest of the region does not appear to have changed considerably.

In a sense, perhaps it should not be surprising that the U.S. policy approach in many countries of the region has not yet changed to a significant degree. What is alarming, however, is the widespread perception that in many cases the U.S. is now less interested in supporting democratic reform than was the case before the uprisings that spurred President Obama to declare boldly that the U.S. would support democratic principles with "all of the diplomatic, economic and strategic tools at our disposal" and that "wherever people long to be free, they will find a friend in the United States." This perception is held widely, and some of the changes to democracy and governance funding and program-

ming appear consistent with it. While the administration deserves great credit for its response in a few specific countries, U.S. policy on the whole does not reflect the ambitious changes in policy staked out by the president in 2011.

More narrowly, there are a number of specific conclusions that can be drawn regarding the administration's responses in the MENA region:

U.S. support for the political transitions currently underway remains strong, especially in Tunisia. The administration has made support for Tunisia's transition a real priority and has demonstrated impressive agility and creativity in providing much-needed support through a wide variety of mechanisms. In January 2011, Tunisia was in the international spotlight, and it very briefly appeared that support for its transition would be the top priority for the U.S. and the broader international community. Within a few weeks, however, when large-scale uprisings spread quickly to Egypt, Libya, Bahrain, and the rest of the region, many in Tunisia feared that they would be forgotten by the international community and that the U.S. in particular would overlook Tunisia as it focused on countries deemed to be of greater strategic importance. The U.S. administration deserves real credit for not allowing this to happen and for remaining committed to supporting Tunisia's transition to democracy despite the overwhelming demand for resources across the region. The administration also deserves credit for providing support to Libya's transition, albeit on a somewhat more modest scale. Yemen's transition now seems to be becoming a priority, although that appears to have occurred more slowly.

The U.S. administration has proposed a bold, impressive new assistance initiative, the Middle East and North Africa Incentive Fund, as the centerpiece of its response to the uprisings, but the actual establishment of the fund is endangered by the appropriations schedule and the 2012 U.S. elections.

The request of \$700 million in new funds from Congress would establish this incentive fund as the Obama administration's signature foreign assistance initiative in the region, which could provide much-needed support for political and economic reform in transitioning countries as well as countries that have not yet undergone dramatic uprisings or political upheavals. On paper, the Incentive Fund seems to be well conceived and an appropriate initiative to meet the demands of the changes in the region. Although some in Congress view the amount requested as large, \$700 million is in fact rather modest given the context. It should be remembered that the administration has already mobilized approximately \$800 million in funds from a variety of existing accounts to respond to the Arab uprisings over the past 18 months. As of now, the reaction from Congress to this new proposal has been mixed, with the current House version of its appropriations bill refusing to grant any funds at all for the fund and the Senate supporting the fund at a level of \$1 billion, even in excess of the budget request. As of now, it seems quite likely that Congress will not finalize FY13 appropriations until after the end of the 2012 calendar year. As a result, whether the MENA Incentive Fund is established or not may depend on the outcome of the 2012 U.S. elections, both in terms of the presidency and the control of the two chambers of Congress.

The future of U.S. assistance to Egypt is more uncertain than it has been in decades.

The past year has seen a dramatic escalation of tensions between the U.S. and Egypt, driven in large part by Egyptian government attacks on NGOs, including the criminal prosecution of employees of American democracy promotion organizations. As a result, the future of U.S.-funded democracy

programming is very much in doubt. Likewise, growing frustration in Congress with the reluctance of Egypt's Supreme Council of the Armed Forces (SCAF) to hand over power casts some doubt on the future of Egypt's longstanding military aid package. At the same time, there is growing support in Washington for a serious evaluation of U.S. assistance to Egypt that could result in a new, considerably revamped aid program. In the short term, the administration appears to be turning its attention to support for Egypt's economy, which appears to be at the moment the least controversial component of U.S. assistance. In the longer term, the future of the longstanding large-scale U.S. aid relationship with Egypt appears uncertain and will likely depend on unpredictable political developments in Egypt and in Washington.

Despite bold pronouncements from President Obama and Secretary Clinton that support for democratic reform will be a top priority across the entire region, U.S. support for democratic reform in the GCC states, Lebanon, and the West Bank and Gaza appears to have diminished.

Contrary to the administration's enthusiastic efforts to support political transitions where they are now underway, the approach and thinking about democratic reform in most other states seems to be relatively unchanged by the events of the past 18 months. And in a number of countries, the U.S. appetite for supporting democratic reform appears to have diminished. This is perhaps most noticeable in the Gulf, where the modest level of support for pro-democracy programming is decreasing in countries like Bahrain, Saudi Arabia, and the United Arab Emirates. Two other places that have been home to longstanding U.S. democracy projects—Lebanon and the West Bank and Gaza—have experienced the same kind of decreased interest in supporting democracy or political reform. In the Gulf, this seems to be U.S. acquiescence to pushback from GCC governments against democracy promotion projects or support for civil society, in reaction to the uprisings of the past 18 months. In both Lebanon and

the Palestinian territories, diminished support for democracy does not appear to be so directly connected to the broad changes underway in the region. Instead, this appears to be driven by local factors, including the increasing role of Hezbollah in the Lebanese government and a desire to bolster the Palestinian Authority in the West Bank. But it is disappointing for democracy advocates to see other interests result in decreased support for reform, following declarations from President Obama to the contrary.

The structure of military and security assistance to the region is excessively rigid and inflexible, making any adjustments or rebalancing between military aid and economic aid extremely difficult. In early 2011, several prominent figures in Washington, including Senate Foreign Relations Committee Chairman John Kerry (D-MA), suggested that it would be appropriate to re-assess the balance between military aid and economic aid in Egypt and elsewhere in the region. In

the year that has passed since, it has become clear that such actions could be more difficult than many may have imagined. Much U.S. military assistance to the region has been established in such a way that is extremely difficult to change. Military aid and weapons sales are governed by multi-year agreements much more often than is the case for nonmilitary assistance, resulting in the latter being more susceptible to budget cuts for various reasons. In addition, because much of the security assistance is used to purchase American-made weaponry and equipment, the domestic political influence of U.S. defense manufacturing companies also complicates any effort to cut such aid or shift it elsewhere as may be needed. In the wake of the historic changes in the region and with growing interest in adjusting this balance, the administration and Congress should begin exploring options for restructuring military assistance to make any desired changes in the future less difficult.

Appendix: Data Tables

Table 1: Total Assistance by Strategic Objective, FY08-FY13 (in millions of dollars)

	FY08 Actual	%	FY09 Actual	%	FY10 Actual	%	FY11 Actual	%	FY12 Est	%	FY13 Request	%
Near East Total												
Peace and Security	4374.1	69.1	4857.4	68.6	4890.7	73.4	5125.0	73.1	6321.5	78.5	6701.3	74.5
Governing Justly, Democratically (GJD)	538.3	8.5	483.5	6.8	495.1	7.4	422.0	6.0	458.9	5.7	457.0	5.1
Investing in People	616.5	9.7	939.9	13.3	602.5	9.0	603.5	8.6	600.7	7.5	462.6	5.1
Economic Growth	666.2	10.5	679.7	9.6	614.0	9.2	643.7	9.2	559.8	7.0	633.9	7.1
Humanitarian Assistance	131.3	2.1	118.8	1.7	64.1	1.0	84.1	1.2	37.1	0.5	36.3	0.4
TOTAL*	6326.4	100	7079.3	100	6666.4	100	7013.3	100	8053.0	99	8991.1	92*
Near East Less Iraq												
Peace and Security	4168.5	73.2	4708.8	72.7	4510.7	77.5	4809.1	75.9	6005.5	81.4	6390.7	76.8
Governing Justly, Democratically (GJD)	169.5	3.0	164.8	2.5	469.1	8.1	400.0	6.3	430.9	5.8	432.0	5.2
Investing in People	616.5	10.8	922.2	14.2	428.0	7.3	492.2	7.8	507.7	6.9	370.6	4.5
Economic Growth	631.2	11.1	565.8	8.7	351.5	6.0	414.7	6.5	320.8	4.3	390.9	4.7
Humanitarian Assistance	107.6	1.9	118.8	1.8	64.1	1.1	84.1	1.3	37.1	0.5	36.3	0.4
TOTAL*	5693.3	100	6480.4	100	5823.4	100	6335.1	98	7376.0	99	8320.5	92*

*Note: These totals include a sixth category of assistance (which does not appear in this table) identified in the Congressional Budget Justification as “Program Support.” In previous years, the amount under this heading was negligible; for the FY13 request, however, the \$700 million requested for the MENA Incentive Fund is currently temporarily labeled as Program Support. The administration has stated that funds allocated within this heading will later be assigned to specific strategic objectives.

Table 2: GJD Funds by Program Area in Various Middle East Regional Groupings, FY06-FY13 (in millions of dollars)

Near East	FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Est	FY13 Request
Rule of Law and Human Rights	34.7	221.6	121.0	82.6	79.7	77.1	150.3	162.4
Good Governance	40.2	323.5	217.4	186.4	157.1	134.9	98.5	109.8
Political Competition, Consensus Building	55.4	184.3	16.6	59.3	70.2	70.9	51.7	39.2
Civil Society	95.1	266.9	183.3	155.3	188.1	139.1	158.4	145.6
GJD Total	225.4	996.2	538.3	483.5	495.1	422.0	458.9	457.0
Near East Less Iraq	FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Est	FY13 Request
Rule of Law and Human Rights	34.7	34.3	42.4	36.0	46.4	65.1	64.7	72.5
Good Governance	22.2	51.8	33.2	42.7	39.7	45.3	41.6	48.2
Political Competition, Consensus Building	36.9	12.4	16.6	18.3	17.6	47.7	35.7	33.7
Civil Society	76.2	46.8	77.4	67.8	104.5	86.4	94.2	93.0
GJD Total	170.0	145.3	169.5	164.8	208.2	244.5	236.1	247.4

**Table 3 - Bilateral Foreign Assistance by Country and by Strategic Objective, FY06-FY13
(in millions of dollars)**

Algeria	FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Est	FY13 Request
Military and Security Assistance	0.8	1.8	1.6	1.4	2.4	1.6	2.1	3.0
Governing Justly, Democratically (GJD)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investing in People	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Economic Growth	0.0	0.0	0.0	0.4	0.0	0.0	0.0	0.0
Humanitarian Assistance	0.0	0.0	0.0	0.0	6.2	8.2	0.0	0.0
Total Bilateral Assistance	0.8	1.8	1.6	1.8	8.6	9.8	2.1	3.0
Egypt	FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Est	FY13 Request
Military and Security Assistance	1290.5	1302.7	1293.6	1304.7	1305.7	1304.3	1306.5	1310.3
Governing Justly, Democratically (GJD)	50.0	50.0	54.8	20.0	25.0	46.5	25.0	28.0
Investing in People	178.1	196.8	170.6	119.4	75.9	55.5	96.0	44.8
Economic Growth	260.6	208.2	186.2	110.6	149.1	147.4	129.0	180.2
Humanitarian Assistance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL BILATERAL ASSISTANCE	1779.3	1757.7	1705.2	1554.7	1555.7	1553.8	1556.5	1563.3
Iraq	FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Est	FY13 Request
Military and Security Assistance	0.0	1055.8	205.6	148.6	60.3	146.4	1323.3	1717.7
Governing Justly, Democratically (GJD)	55.4	850.9	368.8	318.7	286.9	177.5	222.8	209.6
Investing in People	0.0	0.0	0.0	17.7	5.1	61.1	39.4	36.6
Economic Growth	0.0	204.5	35.0	113.9	62.5	86.8	97.9	81.3
Humanitarian Assistance	0.0	5.0	23.8	0.0	0.0	0.0	0.0	0.0
TOTAL BILATERAL ASSISTANCE	55.4	2116.3	633.2	599.0	414.8	471.8	1683.3	2045.2
Jordan	FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Est	FY13 Request
Military and Security Assistance	213.4	283.9	376.4	358.3	380.0	315.9	316.0	310.6
Governing Justly, Democratically (GJD)	15.0	23.5	14.7	24.3	26.0	22.0	28.0	25.0
Investing in People	48.0	78.3	171.5	192.4	174.5	111.3	93.0	92.0
Economic Growth	184.5	152.2	330.2	296.9	262.5	229.0	239.0	243.0
Humanitarian Assistance	0.0	0.0	45.0	0.0	0.0	0.0	0.0	0.0
TOTAL BILATERAL ASSISTANCE	460.9	537.9	937.8	871.8	843.0	678.2	676.0	670.6

Table 3 – (continued)
(in millions of dollars)

Lebanon	FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Est	FY13 Request
Military and Security Assistance	7.4	296.5	13.2	172.6	129.3	101.6	106.4	97.5
Governing Justly, Democratically (GJD)	6.5	80.9	7.0	18.3	25.4	21.1	20.2	23.5
Investing in People	8.3	18.5	9.0	27.6	48.1	48.8	47.5	26.5
Economic Growth	12.9	268.2	16.1	16.6	35.5	14.8	17.1	19.9
Humanitarian Assistance	14.1	19.1	13.0	5.0	0.0	0.0	0.0	0.0
TOTAL BILATERAL ASSISTANCE	49.3	683.1	58.3	240.1	238.3	186.4	191.2	167.5
Libya*	FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Est	FY13 Request
Military and Security Assistance	0.0	0.0	1.0	3.3	0.8	0.0	2.5	1.5
Governing Justly, Democratically (GJD)	0.0	0.0	0.0	1.0	0.0	0.0	0.0	0.0
Investing in People	0.0	0.0	0.0	1.0	0.0	0.0	0.0	0.0
Economic Growth	0.0	0.0	0.0	0.5	0.0	0.0	0.0	0.0
Humanitarian Assistance	0.0	0.0	0.0	0.0	0.0	5.7	0.0	0.0
TOTAL BILATERAL ASSISTANCE	0.0	0.0	1.0	5.8	0.8	5.7	2.5	1.5
Morocco	FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Est	FY13 Request
Military and Security Assistance	16.0	16.3	7.0	7.2	15.7	15.1	14.1	15.1
Governing Justly, Democratically (GJD)	6.4	6.4	4.6	5.0	7.2	9.0	4.1	7.7
Investing in People	4.8	2.7	4.8	6.5	6.5	4.5	6.5	4.5
Economic Growth	8.0	9.5	10.1	6.5	5.8	5.5	6.5	5.3
Humanitarian Assistance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL BILATERAL ASSISTANCE	35.2	34.9	26.5	25.2	35.3	34.1	31.1	32.6
Tunisia*	FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Est	FY13 Request
Military and Security Assistance	10.3	10.8	10.4	13.8	19.9	20.2	19.9	23.6
Governing Justly, Democratically (GJD)	0.0	0.0	0.6	0.3	0.5	2.0	1.5	6.4
Investing in People	0.0	0.0	0.0	0.0	0.5	1.6	1.6	1.6
Economic Growth	0.0	0.0	0.6	0.5	1.0	1.9	1.9	5.0
Humanitarian Assistance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL BILATERAL ASSISTANCE	10.3	10.8	11.6	14.6	21.9	25.7	24.9	36.6

Table 3 – (continued)
(in millions of dollars)

Turkey	FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Est	FY13 Request
Military and Security Assistance	19.0	19.8	12.4	7.9	8.2	5.4	4.9	4.5
Governing Justly, Democratically (GJD)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investing in People	0.0	0.0	0.0	0.5	0.0	0.0	0.0	0.0
Economic Growth	0.0	0.0	0.0	7.0	0.0	0.0	0.0	0.0
Humanitarian Assistance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL BILATERAL ASSISTANCE	19.0	19.8	12.4	15.4	8.2	5.4	4.9	4.5
West Bank and Gaza	FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Est	FY13 Request
Military and Security Assistance	95.8	0.0	26.4	233.5	100.7	133.5	62.6	40.2
Governing Justly, Democratically (GJD)	24.8	7.8	41.9	36.9	31.6	38.0	53.7	52.3
Investing in People	18.2	18.6	236.5	530.7	244.0	292.0	285.8	238.0
Economic Growth	7.8	9.8	82.7	121.9	74.5	38.9	56.5	78.7
Humanitarian Assistance	6.8	27.4	16.5	104.5	45.1	47.6	37.1	30.8
TOTAL BILATERAL ASSISTANCE	153.3	63.5	404.0	1027.5	495.9	550.1	495.7	440.0
Yemen*	FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Est	FY13 Request
Military and Security Assistance	10.8	13.7	7.9	5.9	19.6	26.6	31.9	27.7
Governing Justly, Democratically (GJD)	1.1	2.0	0.9	4.0	11.0	3.8	11.0	13.5
Investing in People	5.7	7.5	8.4	26.0	22.5	21.7	18.0	15.5
Economic Growth	1.1	0.5	0.0	4.0	14.5	8.3	7.6	14.5
Humanitarian Assistance	0.0	0.0	2.2	2.4	12.7	22.6	0.0	5.5
TOTAL BILATERAL ASSISTANCE	18.7	23.7	19.4	42.4	80.3	82.9	68.5	76.7

**Note: Libya, Tunisia, and Yemen receive most assistance to support their political transitions through accounts other than traditional bilateral assistance. As a result, the data in these tables grossly underestimate the assistance received by these three countries; such assistance is described in the text of this report, but cannot easily be broken down into the strategic objectives used here.*

Table 4 - Governing Justly and Democratically (GJD) Funding by Country, Program Area, FY06-FY13 (in millions of dollars)

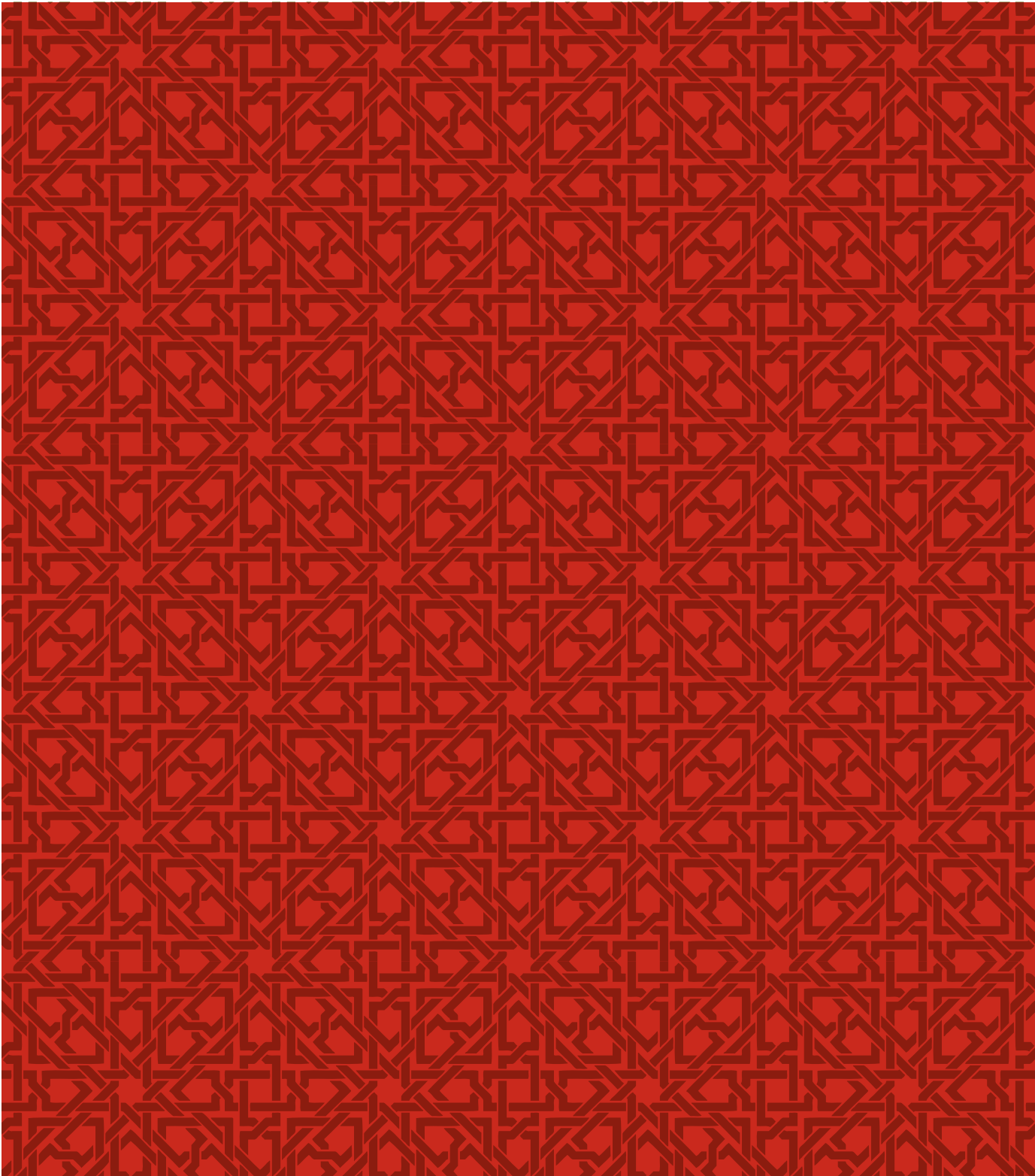
Algeria	FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Est	FY13 Request
Rule of Law and Human Rights	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Good Governance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Political Competition, Consensus Building	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Civil Society	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GJD Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Egypt	FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Est	FY13 Request
Rule of Law and Human Rights	16.0	17.3	18.1	10.2	2.6	10.3	2.6	7.0
Good Governance	4.3	11.3	5.0	2.5	2.0	8.8	2.0	6.0
Political Competition, Consensus Building	0.0	0.0	0.0	0.0	0.0	21.3	5.0	7.0
Civil Society	29.8	21.5	31.8	7.3	20.4	6.1	15.4	8.0
GJD Total	50.0	50.0	54.8	20.0	25.0	46.5	25.0	28.0
Iraq	FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Est	FY13 Request
Rule of Law and Human Rights	0.0	187.3	78.6	46.6	33.3	12.0	85.6	89.9
Good Governance	18.0	271.6	184.2	143.6	117.4	89.6	56.9	61.6
Political Competition, Consensus Building	18.5	171.9	0.0	41.0	52.6	23.2	16.0	5.5
Civil Society	18.9	220.1	106.0	87.5	83.6	52.7	64.2	52.6
GJD Total	55.4	850.9	368.8	318.7	286.9	177.5	222.8	209.6
Jordan	FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Est	FY13 Request
Rule of Law and Human Rights	2.2	4.6	5.0	5.8	7.5	8.0	6.0	8.0
Good Governance	3.6	12.0	3.0	8.3	3.0	3.0	4.0	6.0
Political Competition, Consensus Building	4.2	3.0	3.0	4.5	5.0	3.0	9.0	3.0
Civil Society	5.0	3.9	3.8	5.8	10.5	8.0	9.0	8.0
GJD Total	15.0	23.5	14.7	24.3	26.0	22.0	28.0	25.0

Table 4 (continued)
(in millions of dollars)

Lebanon	FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Est	FY13 Request
Rule of Law and Human Rights	0.0	7.0	1.0	7.6	13.7	10.0	10.0	10.0
Good Governance	6.5	17.6	3.6	4.6	5.1	7.5	5.1	6.9
Political Competition, Consensus Building	0.0	2.5	1.9	2.1	0.6	1.4	1.3	1.2
Civil Society	0.0	3.8	0.5	5.6	6.0	2.2	3.8	5.4
GJD Total	6.5	30.9	7.0	19.8	25.4	21.1	20.2	23.5
Libya	FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Est	FY13 Request
Rule of Law and Human Rights	0.0	0.0	0.0	0.3	0.0	0.0	0.0	0.0
Good Governance	0.0	0.0	0.0	0.5	0.0	0.0	0.0	0.0
Political Competition, Consensus Building	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Civil Society	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0
GJD Total	0.0	0.0	0.0	1.0	0.0	0.0	0.0	0.0
Morocco	FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Est	FY13 Request
Rule of Law and Human Rights	0.0	0.0	0.0	0.0	0.0	3.0	0.6	0.3
Good Governance	5.4	5.4	2.6	2.8	3.7	3.0	3.5	3.4
Political Competition, Consensus Building	1.0	1.0	1.0	1.0	0.8	1.0	0.0	2.2
Civil Society	0.0	0.0	1.0	1.2	2.7	2.0	0.0	1.9
GJD Total	6.4	6.4	4.6	5.0	7.2	9.0	4.1	7.7
Tunisia	FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Est	FY13 Request
Rule of Law and Human Rights	0.0	0.0	0.0	0.2	0.2	0.8	0.3	4.5
Good Governance	0.0	0.0	0.3	0.2	0.2	0.5	0.5	0.9
Political Competition, Consensus Building	0.0	0.0	0.0	0.0	0.0	0.4	0.4	0.3
Civil Society	0.0	0.0	0.3	0.0	0.2	0.5	0.5	0.7
GJD Total	0.0	0.0	0.6	0.3	0.5	2.0	1.5	6.4

Table 4 (continued)
(in millions of dollars)

Turkey	FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Est	FY13 Request
Rule of Law and Human Rights	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Good Governance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Political Competition, Consensus Building	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Civil Society	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GJD Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
West Bank and Gaza	FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Est	FY13 Request
Rule of Law and Human Rights	0.0	0.8	10.5	2.0	8.8	18.8	29.7	24.7
Good Governance	0.3	2.5	13.9	16.5	14.2	12.6	20.0	19.1
Political Competition, Consensus Building	15.3	0.0	0.0	1.7	0.1	0.3	0.0	0.5
Civil Society	9.2	4.5	17.5	16.7	8.6	6.3	4.0	8.0
GJD Total	24.8	7.8	41.9	36.9	31.6	38.0	53.7	52.3
Yemen	FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Est	FY13 Request
Rule of Law and Human Rights	0.0	0.0	0.0	0.0	0.0	0.9	5.0	4.5
Good Governance	0.9	1.4	0.9	1.7	7.6	1.4	2.0	3.0
Political Competition, Consensus Building	0.0	0.3	0.0	0.9	0.6	1.0	2.0	3.0
Civil Society	0.2	0.3	0.0	1.3	2.8	0.5	2.0	3.0
GJD Total	1.1	2.0	0.9	4.0	11.0	3.8	11.0	13.5



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