



**THE PRESIDENT'S BUDGET REQUEST FOR FISCAL YEAR 2009**

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**DEMOCRACY, GOVERNANCE, AND HUMAN RIGHTS  
IN THE MIDDLE EAST**

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PROJECT  
*on* Middle East  
Democracy


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**THE PROJECT ON MIDDLE EAST DEMOCRACY** is a non-partisan, 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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## ***Acronyms and Abbreviations***

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<b>BBG</b>	<i>Broadcasting Board of Governors</i>
<b>BMENA</b>	<i>Broader Middle East and North Africa</i>
<b>DA</b>	<i>Development Assistance</i>
<b>DCHA</b>	<i>Bureau for Democracy, Conflict, and Humanitarian Assistance (USAID)</i>
<b>DOD</b>	<i>Department of Defense</i>
<b>DRL</b>	<i>Bureau for Democracy, Human Rights, and Labor (Department of State)</i>
<b>ESF</b>	<i>Economic Support Funds</i>
<b>FMF</b>	<i>Foreign Military Financing</i>
<b>GAO</b>	<i>Government Accountability Office</i>
<b>GJD</b>	<i>Governing Justly and Democratically</i>
<b>MEPI</b>	<i>Middle East Partnership Initiative</i>
<b>MCA</b>	<i>Millennium Challenge Account</i>
<b>MCC</b>	<i>Millennium Challenge Corporation</i>
<b>NEA</b>	<i>Bureau of Near Eastern Affairs</i>
<b>NED</b>	<i>National Endowment for Democracy</i>
<b>NERA</b>	<i>Near East Regional Account</i>
<b>OMEF</b>	<i>USAID Office of Middle East Programs</i>
<b>UNDEF</b>	<i>United Nations Democracy Fund</i>
<b>USAID</b>	<i>United States Agency for International Development</i>
<b>VOA</b>	<i>Voice of America</i>

## ***Executive Summary***

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As Congress now prepares to begin the appropriations process for Fiscal Year 2009 (FY09), this report examines the President's budget request for FY09 from the perspective of democracy, governance, and human rights in the Broader Middle East and North Africa (BMENA).

The report highlights trends and changes in funding levels over the past several years and breaks down the budget request by strategic objective, by program area, and by country. Particular attention is paid to funding requested for the various programs designated under the State Department strategic objective of Governing Justly and Democratically (GJD). Finally, it draws conclusions regarding proposed funding changes and the potential consequences for the prospects of democratic reform in the region, and anticipates the likely reactions of Congress.

### ***Key findings:***

- The FY09 budget request includes \$7.41 billion in assistance for the Broader Middle East and North Africa, a 5.1% increase over the levels granted by Congress for FY08.
- Requested funding for democracy and governance programs in the BMENA region is \$758 million, an 89% increase over FY08 levels. This is 10.2% of the total request for the region, higher than the fraction of the budget in any previous year. GJD programs have received steady increases in funding throughout the Bush administration, and annual levels of funding now exceed the total granted for such programs from 1991 to 2001.
- Increases in funding for democracy and governance are requested for Jordan, Lebanon, Morocco, the West Bank and Gaza, and Yemen. Requested GJD funds for Egypt match FY08 levels; the Gulf states and Turkey continue to receive only military assistance, while bilateral GJD assistance to Tunisia is eliminated entirely in the FY09 request.
- Despite the increases, funding for democracy and governance across the region remains less than 1% of annual Department of Defense (DOD) expenditures in Iraq alone. And even within the international affairs account for the BMENA region – normally thought of as the “soft power” counterpart to the DOD budget – 69% is designated for various forms of military assistance, as compared with only 10% for democracy and governance.

All eyes now turn toward Congress as it begins its annual appropriations process. Although there is a reasonably broad Congressional consensus on the need to support democracy in the Middle East, Congress has in the past granted less than the President has requested for democracy and governance programs. At the same time, there are signs that this year Congress is likely to exceed the request for countries including Jordan and Pakistan.

It is widely expected that Congress will delay in passing all FY09 appropriations bills until January 2009. However, the President's current request is expected to form the basis of the FY09 State and Foreign Operations bill, whenever it may be passed.

## **Introduction:** *Looking Back, Looking Ahead*

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After months of discussions, the various appropriations subcommittees within Congress are now set to begin writing their annual appropriations bills for Fiscal Year 2009. On March 13 and 14, the House and Senate passed separate budget resolutions, with the House including \$38.3 billion for the international affairs 150 account while the Senate version allocates \$39.8 billion, matching the President's request for this account. While the legal deadline of April 15 came and went without the passage of a joint budget resolution, the conference committee designated to resolve differences between the House and Senate versions finally did release a conference report on Tuesday, May 20.<sup>1</sup> Congress is now expected to pass this version of the budget resolution in June. The numbers in this process will be watched closely as they will determine funding levels for all international programs.

Beginning with the President's 2003 speech at the National Endowment for Democracy, this administration has sought to elevate the role of democracy promotion in US foreign policy toward the Middle East. To some, this has been viewed as a noble attempt to transform the US approach to the region, enhancing American commitments to representative governance, rule of law, and individual liberties in a region where *realpolitik* considerations had too frequently banished these issues from diplomatic discussions. Others saw it as a cynical attempt to bring a new justification for the war in Iraq, as the US invasion failed to uncover nuclear,

chemical, or biological weapons. Clearly, by linking democracy promotion to the US invasion of Iraq, the Bush administration has undermined popular support for democracy initiatives at home and abroad<sup>2</sup>. Majorities in the U.S. and Middle East alike categorically reject the use of the military as a means to promote democratic change<sup>3</sup>.

At the same time, this administration, together with Congress, has steadily increased funding for peaceful democracy and governance programs in the broader Middle East region over the past 6 years. It also created a number of new regional and global initiatives to support democracy advocates in the region. Whereas prior to 2001, the U.S. had few ongoing efforts to support democratic development in the Middle East, today a host of programs provide valuable funding in support of civil society strengthening, party assistance, press freedom, rule of law, and transparent governance. Levels of annual funding for such programs in the Middle East now exceed the total amount spent on such programs from 1991 to 2001, effectively a more than tenfold increase. As the Bush tenure has seen funding for Middle East democracy initiatives reach their highest historic levels, it has also instituted major reforms and restructuring of the foreign assistance process with the introduction of the Bureau of Foreign Assistance at the Department of State (the "F Bureau").

The President's Fiscal Year 2009 budget is well worth examining in detail. For de-

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<sup>1</sup> "Concurrent Resolution on the Budget for Fiscal Year 2009: Conference Report to Accompany S.Con.Res.70." U.S. Government Printing Office, May 20, 2008.

<sup>2</sup> See, e.g. Thomas Carothers, "U.S. Democracy Promotion During and After Bush," Carnegie Endowment for International Peace, 2007.

<sup>3</sup> See David DeBartolo, "Perceptions of U.S. Democracy Promotion," Project on Middle East Democracy, May 2008.

mocracy, governance, and human rights, the International Affairs portion of the request, also known as the Function 150 account, has particular importance. This section of the budget, which will be enacted by Congress as the Appropriations Act for State and Foreign Operations, contains all bilateral foreign assistance, funds for multination programs such as the Middle East Partnership Initiative and the Millennium Challenge Corporation, and funds for all functional and regional bureaus within the Department of State and the U.S. Agency for International Development (USAID).

This report aims to examine the most important aspects of President Bush's budget request for FY09, from the perspective of democracy, governance, and human rights in the Broader Middle East and North Africa. It highlights trends and changes in funding levels over the past several years and breaks down the budget request by strategic objective, by program area, and by country. The focus is on funding requested for programs designated under the State Department strategic objective of Governing Justly and Democratically (GJD). Finally, it anticipates the likely reactions of Congress to various portions of the request and draws conclusions regarding reasons for proposed funding changes and potential consequences of the budget for the prospects of democratic reform in the region.

Of course budget numbers do not tell us everything. Increases in funding do not automatically result in more effective support for democracy and human rights. Some funds officially designated for Governing Justly and Democratically may in fact be primarily aimed at counterterrorism or basic infrastructure development. Moreover, even programs genuinely designed to support democracy, governance, and human rights

may be poorly conceived and relatively ineffective – or worse. The absorption capacity of programs in recipient nations must also be considered – increasing aid too quickly can in some cases pressure granting agencies to lower their standards for aid recipients and lead to corruption and waste among civil society groups and local government agencies alike. Most importantly, democracy and governance programs must be an integrated part of a larger policy strategy that includes diplomacy and other nonviolent policy tools for supporting democracy in the region. The quality and overall coherence of programming certainly matters as much or more than top line funding levels.<sup>4</sup>

However, while acknowledging that budget numbers do not tell the whole story, they do provide an opportunity to examine one aspect of what should be a multifaceted effort to support democracy in the Middle East. Funding levels play a powerful role in setting U.S. policy. They will determine the future of such programs as the Middle East Partnership Initiative and the Millennium Challenge Corporation. They also send important signals to leaders in other countries, conveying the priorities of the White House and Congress, and ultimately of the United States. Finally, these numbers represent one part of a larger debate over the manner in which – and the kinds of tools by which – the US should engage the world.

For the immediate present, however, as Congress formally begins the appropriations process, these figures play another important role: they set the terms of the debate ahead.

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<sup>4</sup> While acknowledging that increased funding for GJD programs does not guarantee improvements in democracy and governance, empirical evidence does suggest that in general, on average, increased funding does improve effectiveness. See Steven E. Finkel, Anibal Pérez-Liñán, Mitchell A. Seligson, and C. Neal Tate, "Deepening Our Understanding of the Effects of US Foreign Assistance on Democracy Building," USAID-University of Pittsburgh-Vanderbilt University, January 2008. This paper also concludes that the positive effects of GJD funding increases are generally lessened when large-scale military assistance is given to the country in question, perhaps another reason for concern with the vast disparity between military and non-military spending in BMENA.



## *The Big Picture: Requests for the Broader Middle East and North Africa*

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The President's budget request for Fiscal Year 2009 (FY09)<sup>5</sup> for Foreign Operations includes \$39.8 billion for international affairs, a \$5.5 billion (16%) increase over the FY08 international affairs budget.<sup>6</sup> But even with the increase, this represents only 1.3 % of the President's request for the entire federal budget for FY09, a figure 11% lower than the yearly average spent on international affairs during the Cold War.<sup>7</sup> And this represents less than 8% of the \$515.4 billion allocation for baseline spending for the Department of Defense (this does not include most expenses for the wars in Iraq and Afghanistan, which are allocated through emergency supplemental appropriations acts).

For the countries in the State Department's

Near East region<sup>8</sup>, the FY 2009 budget requests a total of \$5.52 billion, a 4.9% increase over the amount granted for FY 2008. Some have noted that this total amount of assistance for the region is \$1.1 billion less than the total amount of aid granted in FY 2000, and complained that this represents a comparative neglect of the region.<sup>9</sup> But this decrease over the past nine years can be primarily accounted for by the gradual elimination of economic assistance to Israel according to a ten-year agreement reached in 1998.<sup>10</sup> For the expanded BMENA<sup>11</sup> region, the request is \$7.41 billion, a 5.0% increase over FY08. To examine this request more closely, we can break the funding down into the State Department's five strategic objectives for foreign assistance:<sup>12</sup>

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<sup>5</sup> Office of Management and Budget, *Fiscal Year 2009 Budget of the U.S. Government*, February 2008.

<sup>6</sup> All figures cited for previous years are the levels provided through the annual State and Foreign Operations Appropriations Act and do not include funding provided in emergency supplemental bills. Although in recent years such bills have also provided significant funds for democracy and governance programs, because request levels for emergency supplemental bills for FY09 are not yet known, the most useful comparison is with the baseline numbers in the annual appropriations bills. In addition, the figures given for FY07 and all prior years are the actual amounts spent on programs in those years, which may deviate slightly from the amounts enacted by Congress; for FY08, all figures represent the State Department's most recent estimates, as cited in the *Congressional Budget Justification, Foreign Operations, Fiscal Year 2009*.

<sup>7</sup> "Administration Requests Essential Increase for International Affairs Budget," United States Global Leadership Campaign, Feb 4, 2008.

<sup>8</sup> The eighteen countries handled by the State Department's Bureau of Near Eastern Affairs are Algeria, Bahrain, Egypt, Iran, Iraq, Israel and the Palestinian territories, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, the United Arab Emirates, and Yemen.

<sup>9</sup> For example, see opening remarks of Subcommittee Chairman Gary Ackerman (D-NY) at congressional hearing, "U.S. Assistance to the Middle East: Old Tools for New Tasks?" House Committee on Foreign Affairs, Subcommittee on the Middle East and South Asia, May 8, 2008. Ackerman also observed that the New York City Police Department's annual budget is \$7.5 billion, or "\$2 billion more for peace and security on the streets of the Big Apple than the United States is going to spend on bringing peace and stability to the entire Middle East."

<sup>10</sup> The "glide path" agreement reached in 1998 arranged for economic assistance to Israel to decrease by \$120 million each year for ten years and for military assistance to increase \$60 million each year for ten years, resulting in the elimination of economic assistance (\$1.2 billion in FY98) and an increase of military aid from \$1.8 billion to \$2.4 billion by 2008.

<sup>11</sup> The BMENA group includes the countries in the Near East along with Afghanistan, Pakistan, Turkey, and Mauritania. While State Department accounting generally uses the Near East classification, POMED prefers to normally consider the broader BMENA group, because of the degree to which democracy and governance efforts in Afghanistan, Pakistan, and even Mauritania, are integrated with efforts in the MENA region.

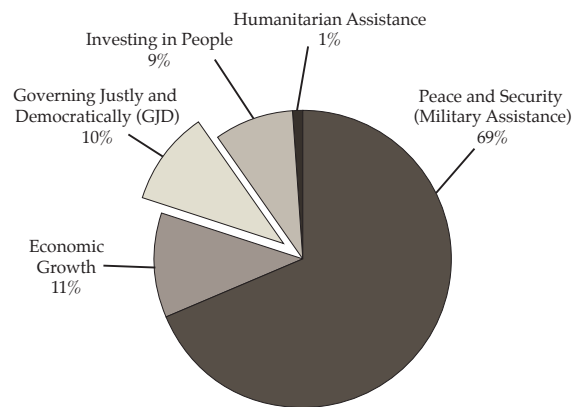
<sup>12</sup> For more detailed descriptions of these five strategic objectives, see "U.S. Department of State, U.S. Agency for International Development. Strategic Plan, Fiscal Years 2007-2012."



- **Peace and Security:** Provides various forms of military assistance within five program areas: Counter-Terrorism; Combating Weapons of Mass Destruction; Stabilization Operations and Security Sector Reform; Combating Transnational Crime; Conflict Mitigation and Reconciliation.
- **Governing Justly and Democratically (GJD):** Consists of four strategic priorities and program areas: Rule of Law and Human Rights; Good Governance; Political Competition and Consensus Building; Civil Society (more detail on each program area in the next section, on GJD).
- **Investing in People:** Focuses on ensuring good health, improving access to education and strengthening quality of education systems, and providing social services and protection to especially vulnerable populations.
- **Promoting Economic Growth and Prosperity:** Works to strengthen private markets, trade and investment, infrastructure, agriculture, the environment, economic opportunities, and the financial sector.
- **Humanitarian Assistance:** Provides protection, assistance, and solutions for civilians affected by conflict, disaster, and displacement from physical harm, persecution, exploitation, abuse, malnutrition and disease, family separation, gender-based violence, forcible recruitment, and other threats.

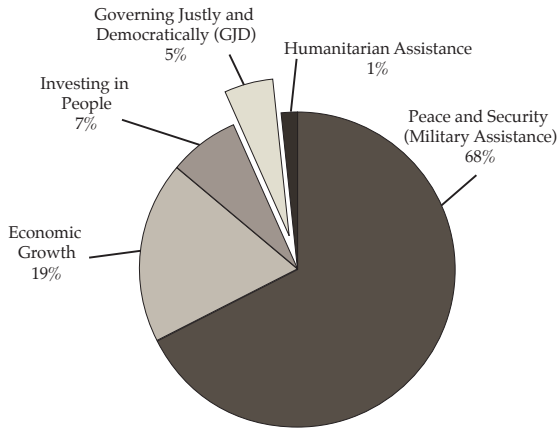
It is well known that the Department of Defense currently spends enormous quantities of U.S. government funds in the broader Middle East region – not only in the war efforts in Iraq and Afghanistan, but also at U.S. military bases in the Persian Gulf and elsewhere. It is somewhat less well known that the majority of U.S. expenditures in the region through the international affairs account – often thought of as the “soft power” counterpart to the DOD budget – are also military expenditures, in the form of military assistance, through five accounts: Foreign Military Financing (FMF); International Military Education and Training<sup>13</sup>; International Narcotics Control and Law Enforcement; Nonproliferation, Antiterrorism, Demining, and Related Programs; and Peacekeeping Operations. These categories make up the “Peace and Security” objective. As seen in the figure below, this military aid makes up 69% of all assistance to the BMENA region in the President’s request for FY 2009.

**FY09 Funding by Objective, BMENA**



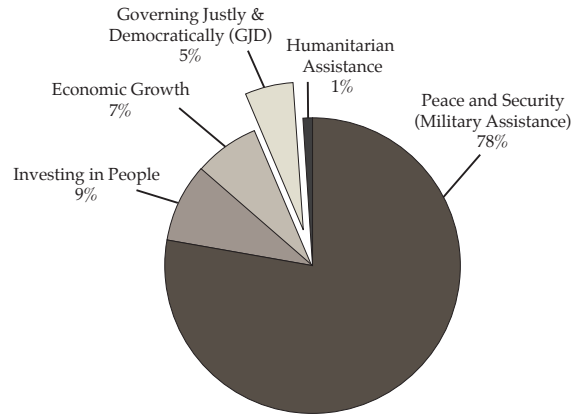
<sup>13</sup> The budget for IMET includes funding for Expanded IMET (E-IMET), managed by the Defense Security Cooperation Agency (DSCA). According to the E-IMET website ([http://www.dscs.osd.mil/programs/eimet/eimet\\_default.htm](http://www.dscs.osd.mil/programs/eimet/eimet_default.htm)), the program “is based upon the premise that active promotion of democratic values is one of the most effective means available for achieving U.S. national security and foreign policy objectives and fostering peaceful relationships among the nations of the world.” The E-IMET program focuses heavily on promoting good governance, transparency, and respect for human rights within the military and the value of civilian control of the military. Although E-IMET can arguably be considered a democracy and governance program within the military assistance accounts, its overall share of military funding is very small, and the precise allocation of E-IMET funds is not specified in the President’s budget request or the accompanying documents. It will therefore not be examined in any further detail in this paper. In addition, programs for democracy and governance that are funded outside of the international affairs budget (e.g. within the Department of Defense or Department of Justice) are not considered for similar reasons.

**FY06 Funding by Objective, BMENA**



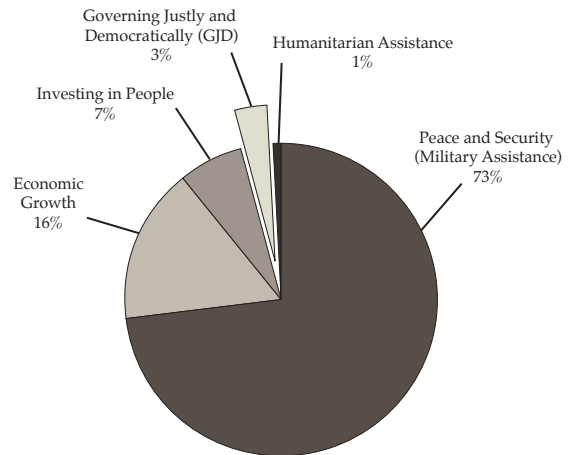
military aid, and a slightly increased allotment for Investing in People. These trends are the same with or without the inclusion of funds for Iraq and Afghanistan.

**FY09 Request by Objective  
BMENA Less Iraq, Afghanistan**



Three other objectives, Governing Justly and Democratically, Investing in People, and Economic Growth, receive nearly equal funding, while Humanitarian Aid receives only 1% of the requested funds for the region. However, these numbers are somewhat distorted by the funds for Iraq and Afghanistan, as the overwhelming majority of military assistance to these two nations is provided through emergency supplemental appropriations and through the Department of Defense, rather than through the Department of State or Foreign Operations. Removing Iraq and Afghanistan from these totals shows that an even higher proportion (78%) of funds to be sent to the region are for military and security purposes, and that GJD funding makes up merely 5% of the total.<sup>14</sup>

**FY06 by Objective  
BMENA Less Iraq, Afghanistan**



Despite the small fraction of the proposed budget that is dedicated to GJD programs, examining the enacted budgets from fiscal year 2006 for the sake of comparison shows that the current budget proposal has a higher proportion of the budget allocated for GJD, a smaller allocation for economic growth and

<sup>14</sup> Some would argue that comparing dollar amounts on expenditures for democracy and governance with amounts spent on other types of assistance, particularly military assistance, is a misleading, apples-to-oranges comparison, as democracy programs are simply not expensive in the way that military armaments and equipment are. Some see democracy and governance programs as a particularly good investment precisely because they are comparatively quite inexpensive. While this may be true, total dollar amounts do send clear signals about U.S. government priorities, and the disparity between military and soft power spending is great enough to outweigh differences in relative costs alone. While acknowledging that greater funding does not always result in more effective democracy programs, empirical evidence does suggest a positive correlation between the two. Further, such comparisons are instructive for comparisons of priorities over time and across various countries/regions.

## **Breaking Down Democracy and Governance Requests:**

*Rule of Law and Human Rights, Good Governance, Political Competition, and Civil Society*

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As mentioned above, the Department of State breaks down the budget for international affairs into five broad strategic objectives: Governing Justly and Democratically, Peace and Security, Investing in People, Economic Growth, and Humanitarian Assistance. Several of these areas are interconnected – it could certainly be argued that promoting peace, security, and economic development are themselves essential components of democratic development. Nonetheless, the Governing Justly and Democratically objective is generally seen as the best measure of funding for supporting democracy, governance, and human rights. The broad GJD program area is further divided into four program areas:<sup>15</sup>

- **Rule of Law and Human Rights:** Assists constitutional and legal reform, judicial independence and reform, the administration of and access to justice, protection of human rights, prevention of crime, and community-based efforts to improve security.
- **Good Governance:** Strengthens executive, legislative, and local government capabilities and improves transparency and accountability for government institutions; also strengthens anticorruption programs.
- **Political Competition and Consensus Building:** Promotes free, fair, and transparent multiparty elections, and promotes representative and accountable political parties committed to democracy.

- **Civil Society:** Strengthens independent media, nongovernmental organizations (particularly advocacy functions), think tanks, and labor unions.

These four categories are used to classify all funds designated for GJD, whether through bilateral assistance or multination programs through USAID, the Department of State, or MEPI. Broadly, the FY09 budget requests significant increases across the board for GJD programs in the Middle East, with clear increases to each of these four program areas and increases to most countries in the region (Tunisia is the only case where the Administration requested lower funding levels for GJD than in FY08). In total, the requested funding for such programs in the eighteen countries within the State Department's Near East classification was tripled over the enacted levels from FY08, from \$153 million to \$453 million. Although much of this increase (\$193 million of \$300 million) is for programs in Iraq, the GJD funding requested for all other countries in the Near East region is also increased by 73%, from \$148 million to \$256 million.

To put this in historical perspective, the U.S. government spent a total of \$250 million over ten years on democracy and governance programs in the region from 1991 to 2001.<sup>16</sup> This FY09 budget requests \$198 million for democracy and governance programs in Iraq and \$256 million for GJD programs in other countries of the region – more in a single year than was allocated throughout the 1990s.

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<sup>15</sup> U.S. Agency for International Development, "A Democracy and Governance Strategic Framework," December 2005.

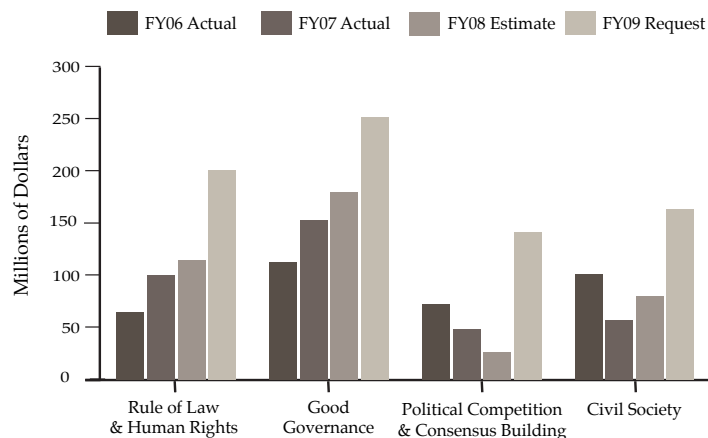
<sup>16</sup> Michele Dunne, "Integrating Democracy Promotion into U.S. Middle East Policy," Washington, D.C.: Carnegie Endowment for International Peace, Democracy and Rule of Law Project, Number 50, Oct 2004.

Broadening the perspective from the Near East classification to the BMENA group of countries, democracy and governance funding in the FY09 budget request for the BMENA countries totals \$758 million, nearly double the enacted FY08 amount of \$401 million. Some may argue that funding for democracy programs in Afghanistan and Iraq should not be considered together when examining the levels of support for democracy, governance, and human rights in the region. But even excluding the request for both Iraq and Afghanistan, the FY09 request for GJD programs in the BMENA region represents a 66% increase over the FY08 enacted levels from \$188 million to \$312 million. Furthermore, the level requested is 62% higher than the levels for FY06, the highest previous level allocated to date.

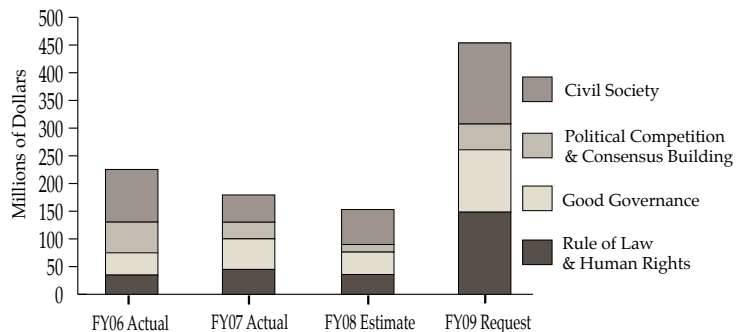
It should be noted here that one accomplishment of the Bush administration has been the establishment of more uniform definitions of what does constitute democracy and governance programs, and what does not. This has been achieved by classifying all expenditures according to the five strategic objectives above, and also according to narrower program areas within each objective. Prior to the establishment of such definitions, it was quite common for administrators to discover in-country infrastructure projects such as road-building and water treatment budgeted as democracy programs. While this may still exist to some degree, all signs are that the establishment of consistent definitions and categories has reduced this effect.

These definitions were established following the creation of the F-bureau and the F-process. They were used for the first time in the FY08 budget request, and also retroactively applied to categorize programs beginning with the FY06 budget. For this reason, the decreases in GJD funding observed from FY06 to FY08 may be somewhat misleading and partly explained by the application of narrower definitions and stricter categorizations. FY06 stands as the historic high-mark for GJD funding in the BMENA region, but if the FY09 funding for such programs meets or exceeds the FY06 levels, as requested, this would set a new standard while using the narrower definitions of GJD programs.

**Near East GJD Totals by Year, Program Area, FY06-09<sup>17</sup>**

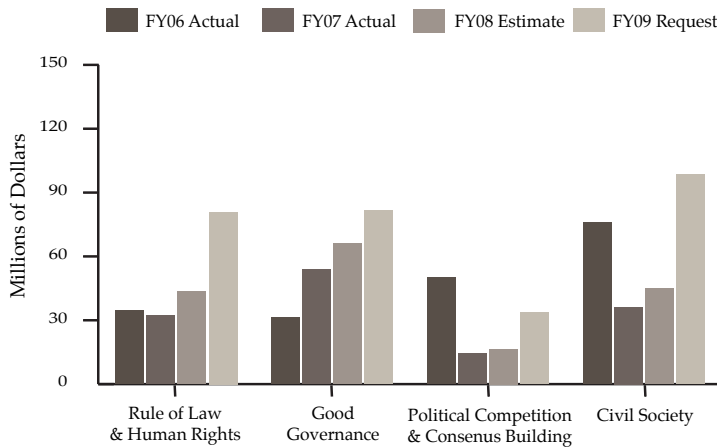


**Near East GJD Totals by Year, Program Area, FY06-09**



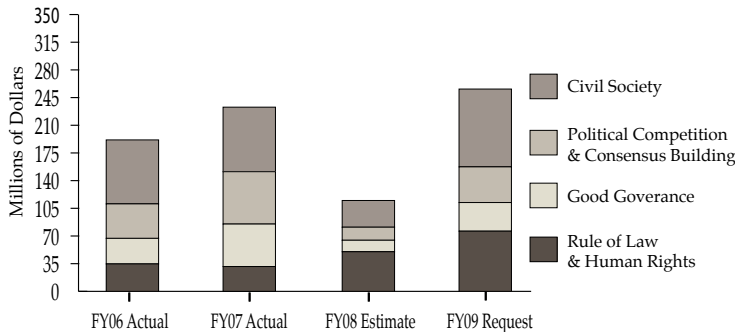
<sup>17</sup> The GJD strategic objective and the four program areas within it have not been used as standard classifications for budgets prior to FY 06. For this reason graphs beginning with FY06 are used.

**BMENA Totals Less Iraq, Afghanistan**



The increases for Civil Society and for Political Competition and Consensus Building are particularly notable, as both programs had been cut drastically in FY07 and FY08 from FY06 levels. The FY09 request for Civil Society restores all funding cut in FY07 and now exceeds the FY06 levels, while the requested funds for Political Competition and Consensus Building, fully double the levels from FY08, still fall short of the funding from FY06.

**BMENA Less Iraq, Afghanistan  
GJD Totals by Year, Program Area, FY06-09**



The total funding requested within BMENA for the Governing Justly and Democratically objective represents 10.2% of all Foreign Operations funding for the BMENA countries. This compares with 68% for Peace and Security (military assistance and counterterrorism operations), 8.5% for Investing in People (health, education, and social service provision), and 11.2% for Economic Growth. The 10.2% share allocated for GJD is a considerable increase, as the enacted

Of the four program areas within the GJD objective that are described above (Rule of Law and Human Rights; Good Governance; Political Competition and Consensus Building; Civil Society), all four receive substantial increases under the President's request for the region (under any of the above regional groupings – Near East, BMENA, with or without Afghanistan and Iraq). For the BMENA countries, excluding Iraq and Afghanistan, funding for three of the four program areas – Rule of Law and Human Rights, Political Competition and Consensus Building, and Civil Society – is approximately doubled from the FY08 levels, while funding for the Good Governance program area is increased by 23%.

levels for GJD have never before exceeded 5.7% of the total budget for the BMENA countries.



## **Major Initiatives:** *Multinational Accounts and Programs*

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There are a number of specific multinational programs and accounts that conduct efforts focused on improving the state of human rights, democracy, and governance in the broader Middle East. 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 and Office of Middle East Programs (OMEP); the National Endowment for Democracy (NED); and multilateral institutions such as the UN Democracy Fund. Other than MEPI and OMEP, which are exclusively focused on the Middle East, the funds for these multinational programs are not divided by region in the budget request. The total funding requested for each of these institutions will be considered, along with a brief discussion of the efforts of each within the Middle East region.

### **I. Middle East Partnership Initiative**

The Middle East Partnership Initiative (MEPI) was established in December 2002 within the Bureau of Near Eastern Affairs (NEA) at the Department of State to “provide a framework and funding for the U.S. to work together with governments and people in the Arab world to expand economic, political and educational opportunities for all.”<sup>18</sup> MEPI’s programs fall into one of four pillars: political reform, economic reform, educational reform, and women’s empowerment. The MEPI political reform pillar has four stated goal areas:

- **Elections and Political Processes:** Strengthens democratic practices, electoral systems, including political parties and parliamentarians.
- **Civil Society and Reform Advocacy:** Supports an expanded public space where democratic voices can be heard in the political process.
- **Media:** Strengthens the role of free and independent media in society.
- **Rule of Law:** Promotes the rule of law and accountable, effective government and judicial institutions.

As compared with USAID’s programs in the Middle East, MEPI programs are generally shorter-term and more focused on addressing specific political challenges that must be overcome in order for USAID’s longer-term development programs to have success. In the six years since its founding, MEPI has grown and begun to evolve as an institution. Initially, MEPI was quite dependent on USAID missions and support, as it lacked in office capacity and staff.

In the past few years, this has changed. MEPI now has growing offices in Washington DC, Tunis, and Abu Dhabi, and its staff has grown considerably, allowing it more freedom of operations. In this context, MEPI has shifted more toward work in countries that lack a USAID presence, such as Libya, Syria, and the Persian Gulf states, as well as providing assistance in countries such as Morocco

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<sup>18</sup> “The Middle East Partnership Initiative,” U.S. Department of State, December 12, 2002.

and Yemen where USAID does operate, but have seen significant cuts in assistance levels. In addition, MEPI's initial focus was on regional programs and strategies that could be applied across the region, but has steadily shifted toward more individualized country-specific strategies and programs.

Early on, MEPI drew criticism for lacking a coherent strategy and for not living up to initial promises to work directly with activists and civil society actors, instead focusing its programs on Arab government agencies.<sup>19</sup> In each of these aspects, MEPI seems to have made significant progress as it has expanded its capacity, become less reliant on USAID staff and resources, developed country-specific strategies, and launched a small grants program for civil society actors. It has also aimed to fill the niche of continual focus on issues of governance and political reform without the distraction of other strategic concerns that occupy other offices within NEA.

MEPI programs provide technical and material assistance to activists and reformers in legislatures and municipal councils, political parties, the judiciary, and NGOs. MEPI funds also provide support for civil society programs including initiatives like the G8 BMENA Foundation for the Future program, as well as support for free and independent media. MEPI programs for political reform have included youth advocacy initiatives in Yemen and Lebanon, voter education and

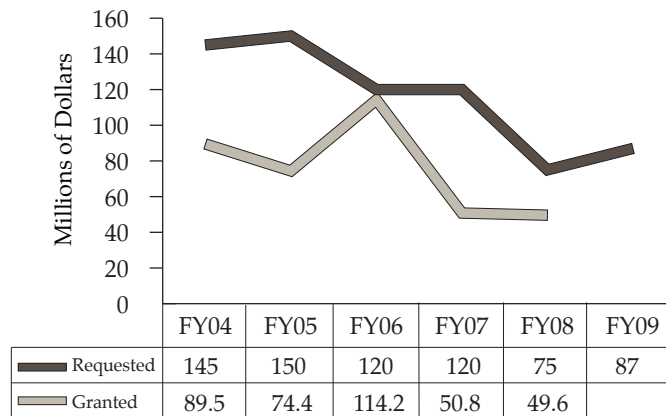
election official training in Algeria, training for parliamentary candidates in Morocco, and support for student civil society organizations in Bahrain, Qatar, and Oman.

Increasingly, MEPI funds focus on supporting civil society and democracy activists who operate in very challenging environments, "where freedoms of expression and association lag well behind the regional norm." Syria, the only Arab country for which no direct bilateral funds of any kind are requested, is singled out in the FY09 Congressional Budget Justification as a country of particular focus for MEPI, which promises to "work to strengthen the fledgling civil society movement and democracy activists in Syria," while acknowledging the challenging environment for such programs under the Assad regime.

In addition to the political pillar, most of MEPI's programs in the women's empowerment pillar can also be categorized under Governing Justly and Democratically. These include programs to train female candidates in basic skills needed to wage credible campaigns for political office at the national, regional, and local levels.

MEPI has encountered increasing resistance in obtaining Congressional funding in recent years. Congressional skepticism toward MEPI comes not only from Democrats hesitant to embrace what is widely viewed as a signature program of the Bush administration, but also from senior Republican mem-

**MEPI Funds, Requested vs Granted, FY04 - FY09**



<sup>19</sup> Sarah Yerkes and Tamara Cofman Wittes, "The Middle East Partnership Initiative: Progress, Problems, and Prospects," Brookings Institution, November 29, 2004.



bers of Congress. A November 2007 report released by Senator Richard Lugar (R-IN) and the Republican staff of the Senate Foreign Relations Committee describes MEPI as unevenly managed and lacking consistent coordination with embassies across the region.<sup>20</sup> Funding for MEPI peaked in FY06 at \$114.2 million, and since then the President's budget request has been gradually scaled back, with Congress remaining reluctant to grant the full amounts requested. For FY08, Congress appropriated \$49.5 million of the President's requested \$80 million, including \$22.5 million of \$40.8 million requested for Governing Justly and Democratically.

In addition to the reduced overall budget numbers, MEPI encountered an additional obstacle beginning in FY08 as funds earmarked by Congress for specific existing programs were designated by the Director of Foreign Assistance to come out of MEPI's budget. For example, in FY08, MEPI was granted \$49.6 million by Congress, but roughly \$17 million of this amount was designated for countries and programs earmarked by Congress, effectively leaving a discretionary budget of only \$33 million.<sup>21</sup>

For FY09, the President has requested \$87 million for MEPI, which breaks down as \$42 million for Governing Justly and Democratically, \$28.5 for economic growth, \$16 million for Investing in People through education programs, and \$500 thousand for administrative program support. This FY09 request represents a slight increase over the funding requested for FY08, and is a 75% increase over the appropriated levels for FY08. Funding for MEPI was provided in FY02 and FY03 through emergency supplemental appropriations, but has since been provided through an annual allocation to the Near East Regional Account.<sup>22</sup> A look at the lev-

els of funds requested and granted since FY 2004 shows a clear downward trend in both cases, and while the FY09 request is a slight increase over the previous year, it is still considerably lower than the requests made from FY04 to FY07 and does not reverse the overall trend. Some have expressed doubt over whether support for MEPI will outlive the Bush administration, although MEPI officials seem to be confident in being sufficiently funded for one or two years into the next administration at a minimum.

## **II. Millennium Challenge Corporation**

Along with MEPI, another key program established during the Bush administration for distributing foreign assistance has been the Millennium Challenge Corporation (MCC). The MCC was established in January 2004 and "based on the principle that aid is most effective when it reinforces good governance, economic freedom and investments in people." The Millennium Challenge Corporation manages the distribution of funds through the Millennium Challenge Account (MCA), which receives funding from Congress through annual appropriations. MCC has been controversial, with some criticizing its execution as inconsistent but others urging different assistance programs to follow MCC's lead on conditionality.<sup>23</sup> Currently, three Arab countries have assistance agreements with MCC – Jordan, Morocco, and Yemen.

The President's request for FY 2009 includes \$2.225 billion for the Millennium Challenge Corporation. This is 44 % more than was granted by Congress in the FY08 Consolidated Appropriations Act, but it represents a decrease in the President's request, which had held steady at \$3 billion for each of the

<sup>20</sup> Senator Richard Lugar, "Embassies Grapple to Guide Foreign Aid: A Report to Members of the Committee on Foreign Relations," United States Senate, November 16, 2007.

<sup>21</sup> Author interview with State Department official, April 28, 2008.

<sup>22</sup> Jeremy Sharp, "The Middle East Partnership Initiative (MEPI): an Overview," Congressional Research Service, July 20, 2005.

<sup>23</sup> E.g. Larry Diamond in "The Democratic Rollback," *Foreign Affairs*, March 2008.

three previous years, while Congress has never granted even 60 % of that amount. It remains to be seen whether Congress will allocate funds closer to this more modest request or whether the appropriations will retreat along with the request to an even lower figure.

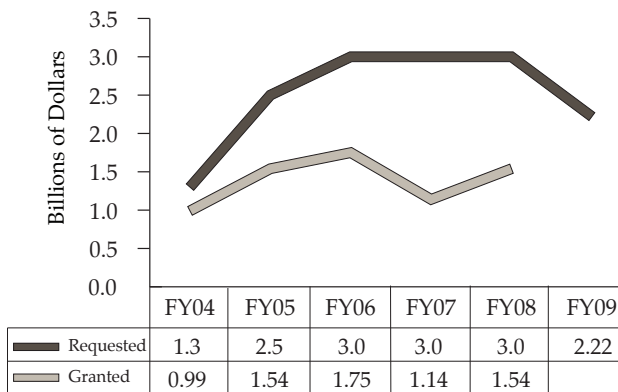
The MCC gives an annual scorecard to each of the 128 countries in the world classified as “Lower Income Countries” or “Lower Middle Income Countries.” The scorecard measures each country on seventeen indicators in three categories: Ruling Justly, Investing in People, and Economic Freedom. The MCC then awards multi-year compacts to countries deemed eligible based on performance on the seventeen indicators, the opportunities for reducing poverty and stimulating economic growth in that nation, and the availability of funds.

In addition, countries may earn eligibility for the MCC Threshold Program, designed to assist countries that are on the “threshold” of Millennium Challenge Account (MCA) eligibility for compact. Through the threshold program, countries may be awarded smaller, shorter-term grants than those awarded through MCC compacts. And the assistance provided through threshold agreements typically focuses more on political reform efforts which aim to bring continued improvement.

Although the programs funded through the longer-term compacts focus on economic

growth and private sector development rather than political reform, the goal is to continue providing incentives for political reform through annual scorecards and benchmarks. The seventeen indicators used in the annual country scorecards include six indicators under the objective of “Ruling Justly” – the Freedom House scores for civil liberties and political rights along with World Bank indicators for corruption, rule of law, government effectiveness, and voice and accountability. In theory, the use of such indicators provides an incentive for countries to make progress on political reforms in order to receive valuable economic assistance.

**MCC Funds, Requested vs Granted, FY04 - FY09**



However, the MCC has drawn criticism in some quarters for granting compacts to countries with very low performance in areas of democratic reform. Freedom House has called for a strict requirement disqualifying any country scoring worse than a 4

(on a 1 to 7 scale) on the Freedom House ratings for political rights and civil liberties from receiving any MCC compact.<sup>24</sup> The Arab countries that currently have MCC compacts – Jordan, Morocco, and Yemen – all have failing, below-median scores on both of these indicators. Another common criticism of MCC, particularly from members of Congress, has been that the Bush administration has not kept its promise that MCC assistance would be a new, additive program that would not take funds away from existing USAID programs.<sup>25</sup>

<sup>24</sup> “Millennium Challenge Corporation Should Hold Countries to Higher Standards of Democratic Governance,” Freedom House press release, Nov 2, 2006.

<sup>25</sup> See, e.g. “U.S. Foreign Assistance under the Microscope at Senate Hearing,” Office of Senator Robert Menendez (D-NJ), June 12, 2007. Congressman Adam Schiff (D-CA) has also raised this concern with regard to the significant reduction in USAID funds requested for Armenia in FY08, following the establishment of a MCC compact with Armenia.

More detailed descriptions of the MCC agreements with Jordan, Morocco, and Yemen are given in the sections for each of those countries below.

### **III. USAID Office of Middle East Programs**

USAID's Office of Middle East Programs (OMEP), located in Cairo, Egypt, is responsible for a number of regional, multinational programs. Its programs emphasize addressing transnational and transboundary challenges, and its focus appears to be more on economic development and counterterrorism than political development. Its three largest programs are: investing in the region's youth through educational programs and scholarships, coordinating regional efforts to improve access to safe drinking water, and fighting corruption through transnational programs. Overall funding for OMEP was reduced by just over 50% in the FY09 request, from \$11.8 million granted in FY08 to a request of \$5.5 million.

Within OMEP, the nearly \$1 million in funding for civil society in FY08 is cut entirely, while funding for anticorruption "Good Governance" programs was reduced by 29%, from \$1.7 million to \$1.25 million. This seems to reflect a shift away from multinational programs for promoting civil society and good governance and toward single country USAID programs, which received significant increases region-wide under the FY09 budget. OMEP's programs for Governing Justly and Democratically focus on transboundary issues such as human rights at border crossings and addressing the needs and rights of stateless populations and refugees.

The future role of OMEP in supporting democracy and governance in the region is uncertain. It has in some ways been eclipsed during the Bush administration by new programs such as MEPI, for which the FY09 requests approximately sixteen times as much funding as for OMEP. Further, democracy and governance issues are less of a focus for OMEP, as 70% of its annual funding is directed toward the Peace and Security

objective, and some funds classified as GJD for anti-corruption might be more accurately considered counterterrorism funding, as they focus on anti-money laundering activities in the context of fighting cross-border terrorist financing.

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

The State Department describes its Bureau of Democracy, Human Rights, and Labor (DRL) as the "lead bureau in the broad effort to support human rights and democracy worldwide." DRL focuses particularly on "priority countries where egregious human rights violations occur, where democracy and human rights advocates are under pressure." DRL works with USAID and efforts include support for "innovative" programming for democracy and human rights by American NGOs to respond to unexpected developments such as political crises and sudden crackdowns against human rights activists, including through the Global Human Rights Defenders Emergency Fund, which disburses emergency financial assistance to human rights defenders and their families when targeted by repressive regimes. For Fiscal Year 2009, Pakistan is singled out among BMENA countries as a priority country for DRL's programming.

When it was founded in the 1970s, the DRL Bureau primarily observed conditions of human rights and made formal complaints to embassies, urging them to take action or make statements. In recent years, DRL has become better funded and established, and it now plays a much more active role in a variety of programs for supporting democracy and human rights abroad. DRL can largely be seen as playing the same role for the State Department as a whole that MEPI plays within the Bureau for Near Eastern Affairs – seeking to focus consistently on democracy and governance concerns rather than on other short-term strategic priorities.

The DRL Bureau has in recent years provided support for independent media and

the judiciary in Libya, which included exchange programs to bring Libyan journalists, lawyers, and judges to the United States to witness American institutions and study the importance of judicial and media independence. In Syria, DRL assisted with efforts to promote religious freedom and interfaith dialogue and to provide Arabic-language materials on human rights and the rule of law to Syrian universities. In Tunisia, DRL provided support for a program to bring American law professors to teach as guest professors at Tunisian universities, as part of an effort to promote judicial competence, transparency, and independence.<sup>26</sup>

In the President's FY09 budget request, the Foreign Operations line item for the DRL Bureau is reduced from \$166.6 million in FY08 to \$60 million. However, this does not in reality represent a large reduction: the difference is almost entirely accounted for by the \$99.2 million granted to the National Endowment for Democracy in FY08, as NED funding was transferred into DRL's Democracy Fund for FY 2008 only. Nonetheless, the \$60 million request does represent a 36% reduction from FY07, before the NED funds were transferred to DRL. In addition, DRL also receives funding through an account in the Department of State Operations portion of the bill, in which \$17.7 million is requested, a 16% reduction from FY08. But it should be remembered that DRL assists in disbursing funds appropriated bilaterally and through other accounts, so that its line-item allocation should not be viewed alone in assessing the activities of the bureau.

#### ***V. USAID Bureau for Democracy, Conflict, and Humanitarian Assistance***

The stated mission of the Bureau for Democracy, Conflict, and Humanitarian Assistance (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." The DCHA Bureau houses the USAID Office of Democracy and Governance, which provides key support to USAID country missions, regional bureaus, and U.S. embassies in programs for democracy, governance, and human rights.

The overall request for FY09 for DCHA is \$1.34 billion, a 9% reduction from FY08 levels. However, the portion of the DCHA budget designated for GJD is actually increased 30%, from \$34.4 million to \$44.9 million. DCHA funding in FY 2009 will focus on promoting effective and democratic governance in fragile democracies and weak states. The USAID Office of Democracy and Governance provides support for a variety of programs in nearly every country in the region, not only supporting bilateral GJD programs, but it also works closely with initiatives such as MEPI and MCC's threshold programs in Yemen and Jordan. Increased funding for the USAID Office of Democracy and Governance seems to enable it to provide increasing support to in-country missions across the region on GJD programs.

#### ***VI. National Endowment for Democracy***

The National Endowment for Democracy (NED) is a private, nonprofit organization created in 1983 by the U.S. Congress to strengthen democratic institutions around the world through nongovernmental efforts. The Endowment is governed by an independent, nonpartisan board of directors. With its annual congressional appropriation, the NED makes hundreds of grants each year to support pro-democracy groups in more than 100 countries. The NED has five primary strategic priorities: opening political space in authoritarian countries; aiding democrats and democratic processes in semi-authoritar-

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<sup>26</sup> For more detail on these and other DRL efforts in the region, see the annual report entitled *Supporting Human Rights and Democracy: The U.S. Record*, publication of the U.S. Department of State, Bureau of Democracy, Human Rights, and Labor. Available online for download at <http://www.state.gov/g/drl/rls/shrd/>



ian countries; helping new democracies succeed; building democracy after conflict; and aiding democracy in the Muslim world.<sup>27</sup>

The President's budget requests \$80 million for the NED for FY 2009, and this level of \$80 million has been constant in the President's budget request since FY06. In the FY09 request, funding for the NED returns to a separate account within the Foreign Operations budget. In FY08, the NED funding of \$99.2 million (as Congress granted 24% more than requested) was transferred into the short-lived Democracy Fund within the Bureau of Democracy, Human Rights, and Labor (DRL) at the Department of State. The \$99.2 million granted in FY08 represented a fulfillment of President Bush's promise in his 2004 inaugural address to double the funding to the NED from the \$40 million it received at that time (as noted, the President has requested \$80 million every year since FY06, representing a doubling of the 2004 level, but prior to FY08, Congress appropriated less than this requested amount).

The NED has ongoing programs in nearly every country of the Middle East. These include efforts to support journalists and independent media in Jordan, Morocco, Yemen, and Tunisia; programs to encourage electoral participation by political activists followed by election monitoring and post-election assessment in Egypt, Lebanon, Kuwait, and Yemen; and activities to build and train civil society organizations and provide opportunities for building networks among political activists in closed political environments like Libya, Syria, Iran, and Saudi Arabia.<sup>28</sup> Some argue that the NED is a more suitable institution for U.S. democracy promotion efforts than agencies within the Department of State, as it is less likely to instrumentalize democracy promotion in the pursuit of other U.S. policy goals.<sup>29</sup>

Congress is generally supportive of the NED, and the President's full request of \$80 million is expected to be granted.

## VII. Multilateral International Organizations

Overall funding for multilateral international organizations was reduced by 13% from FY08, to \$277 million. However, these reductions were focused primarily on programs for promoting economic growth, which were reduced by more than \$28 million, or 18.4%, from FY08 levels. Within this amount, GJD programs see an overall increase of 4%, primarily due to the \$14 million allocated for the recently established United Nations Democracy Fund (UNDEF), which is included in the annual U.S. budget for the first time. UNDEF was established by the UN Secretary-General in 2005 to complement existing UN efforts to promote democracy. In particular, UNDEF focuses on supporting the interface between civil society and the official government institutions of democracy (e.g. election commissions, parliaments, provincial and local/urban councils, judiciaries, national human rights commissions, central and local governments). President Bush has been supportive of UNDEF and the inclusion of funds designated for UNDEF in the FY09 annual appropriations request may be seen as justification for reductions to GJD funds in other regional accounts such as MEPI and OMEP.

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<sup>27</sup> National Endowment for Democracy, "Strategy Document, January 2007."

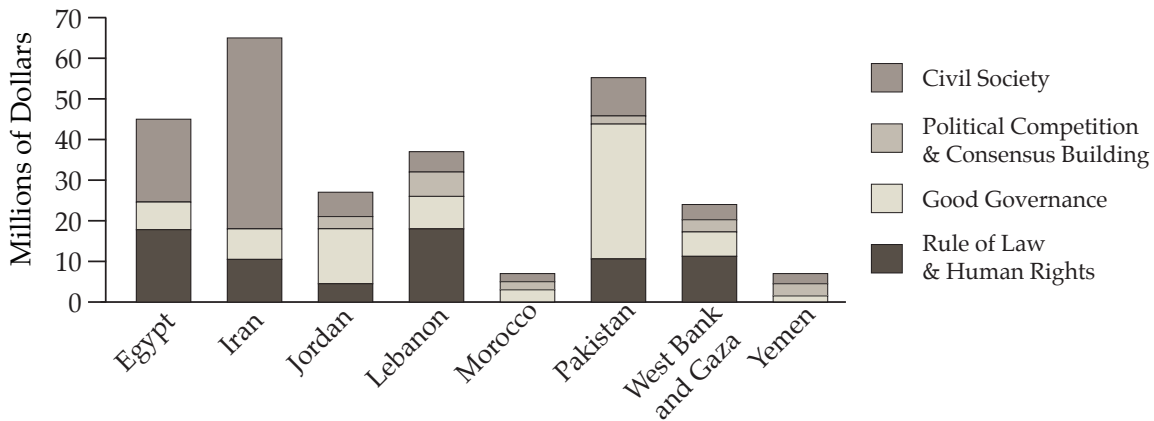
<sup>28</sup> "Congressional Budget Justification, Fiscal Year 2009," United States Department of State, pp. 885-887.

<sup>29</sup> See, e.g. Mustapha Khalfi, "Leave Democracy Promotion Outside the State Department," *The Daily Star*, Beirut, December 2, 2005.

## **A Closer Look:** *Bilateral Assistance in the FY09 Request by Country*

USAID operates seven country programs in the Middle East: in Egypt, Iraq, Jordan, Lebanon, Morocco, the West Bank and Gaza, and Yemen. The President's 2009 budget requests an increase in overall funding to five of these seven countries, with decreases to Egypt and Jordan. Moreover, the funds specifically designated for the Governing Justly and Democratically strategic objective are increased for six of the seven, with the GJD request for Egypt matching the FY 2008 allocation. Each of these seven countries will now be examined individually, followed by a brief look at six other countries – Near East countries such as Algeria and Iran that receive democracy and governance funds but not through a local USAID office, as well as four BMENA countries that lie outside the Near East classification.

**FY2009 Request for Governing Justly and Democratically (GJD)  
By Country and Program Area**



***Core USAID Near East Presence Countries***

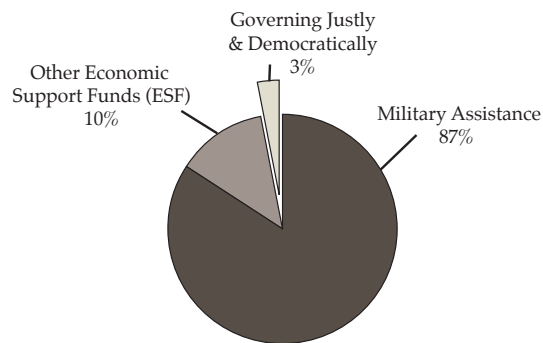


## Egypt

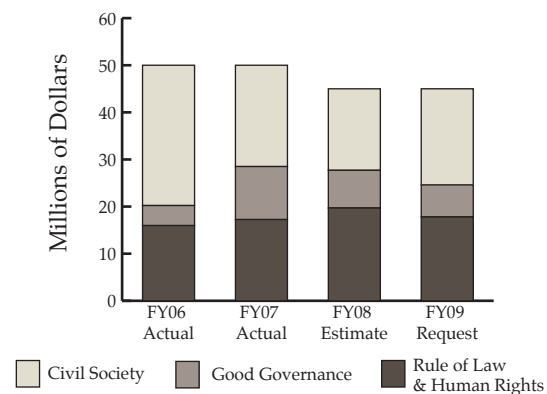
Overall assistance to Egypt in the President's FY09 request is reduced by 12% from FY08, from \$1.706 billion to \$1.505 billion, with this entire reduction being taken from the Economic Support Fund account, which is reduced by more than 50% from \$411.6 million to \$200 million. None of this reduction comes from democracy and governance money, which at \$45 million matches the amount granted by Congress in FY2008. However, this request can be seen as a bit of a retreat on democracy and governance funding for Egypt, which had received \$50 million in FY06 and FY07. \$50 million was requested again in FY08 but Congress granted \$5 million less than this amount, and the Bush administration seems to be accepting Congress' smaller allocation by only requesting \$45 million this year. Within the GJD classification, some funds for the Rule of Law and Human Rights and Good Governance programs areas were transferred to the account for Civil Society, which is increased 18% from \$17.3 million to \$20.4 million.

A further concern in Egypt is the perception that GJD funds sent to Egypt are used primarily to support and strengthen Mubarak's National Democratic Party (NDP) and its allies, effectively nullifying any intended effect of building pluralism or political competition. This perception has long prevailed, although in recent years some steps have been taken to correct this to some degree. An amendment offered by Senator Sam Brownback (R-KS) and passed in December 2004 gives USAID the authority to distribute aid directly to independent organizations without the approval of the Egyptian government.<sup>30</sup> Since that time, USAID funding for civil society or-

**Egypt: Total FY09 Request by Account**



**Egypt: GJD Funding, FY06-09**



ganizations such as the Ibn Khaldun Center for Development Studies has at times been met by frustration and anger from the Egyptian parliament.<sup>31</sup>

Related to this, a recent area of controversy has been Egyptian government insistence that all Egyptian NGOs register as such with the government. Many civil society groups, fearing heavy-handed interference of the government in their affairs, choose not to register as an NGO, but instead register as a civil corporation, opting to forfeit tax-

<sup>30</sup> See page 118 STAT 2986 of Public Law 108-447, The Consolidated Appropriations Act of 2005. See also Office of Senator Sam Brownback, "Brownback's Iran, North Korea, Egypt Provisions Pass Senate in Omnibus Spending Bill," December 1, 2004. Prior to passage of this Brownback amendment, Egypt was the only country in the world that had full discretion over the expenditure of U.S. funds for democracy and governance. See also the testimony of Assistant Secretary of State for Near Eastern Affairs C. David Welch before the Subcommittee on the Middle East and Central Asia of the House Committee on International Relations, "Review of U.S. Assistance Programs to Egypt," May 17, 2006.

<sup>31</sup> Gamal Essam El-Din, "USAID Grants Attacked," Al-Ahram Weekly, March 31, 2005.

exempt status in order to be free of Egyptian government regulation and interference. The Egyptian government has been particularly angered by U.S. government funds that have been disbursed to several of these “civil corporations,” which the Egyptian regime considers to be in violation of Egyptian law.

This issue is at the heart of current debates over U.S. assistance to Egypt – so many civil society groups choose not to register with the Egyptian government that cutting off aid to these groups would greatly impair U.S. efforts to reach Egyptian civil society. Furthermore, such a move is viewed by many within Congress as violating the Brownback amendment described above, which asserts the right of USAID to distribute funds without the approval of the Egyptian government.

Under the request, Egypt continues to receive no funding whatsoever for the Political Competition and Consensus Building program area, which receives 19% of GJD funding across the BMENA region, and is funded in each of the six other Arab countries that have USAID programs (Iraq, Jordan, Lebanon, Morocco, West Bank and Gaza, and Yemen). This continued omission may arouse some concern, given the Mubarak government’s increasing efforts to eliminate any space for political competition whatsoever. However, in reality, there is evidence that some funds designated for civil society in Egypt are in fact spent on building political parties and political competition, but are not labeled directly as such, presumably to avoid antagonizing the Egyptian government. Also of note is the reduction of more than \$30 million in funding for education for the second consecutive year, from \$103.4 million to \$72.5 million.

An additional area for concern may be the rather sharp reduction in funds for economic growth, which are cut by 76% in the 2009 request. Much of this reduction comes from financial sector assistance, which is almost entirely eliminated (reduced by 96%). This

is part of a long-term plan underway since 2005 to gradually reduce economic assistance to Egypt (while continuing large-scale military assistance). However, such a drastic single-year reduction may be unwise at this particular time, amid the current economic problems in Egypt that have sparked widespread strikes and protests. Large demonstrations against rising costs and stagnant wages have taken place regularly over the past year in the textile center of Mahalla el-Kubra and have recently escalated and become more overtly political in nature.

A final issue of interest in the FY09 appropriations process for assistance to Egypt will be the question of whether conditions of reform will be placed on any of the assistance granted by Congress. Efforts have been underway by members of Congress for several years to place various conditions on some portion of aid to Egypt. In December 2007, Congress passed the Consolidated Appropriations Act for Fiscal Year 2008 (P.L. 110-361), which conditioned \$100 million of the \$1.3 billion in military aid to Egypt upon certification by the Secretary of State that the Egyptian government had taken “concrete and measurable steps” to:

- Enact judicial reforms to protect judicial independence.
- Review criminal procedures and train police leadership to curb police abuses.
- Detect and destroy smuggling networks from Egypt into Gaza.

However, a clause was also included which allowed the Secretary of State, not sooner than 45 days after the enactment of the appropriations act, to waive these conditions if deemed in the national security of the United States. Barely had this 45-day window expired when Secretary Rice acknowledged in a press conference in Cairo that she had quietly exercised this waiver.<sup>32</sup> National security reasons for the waiver include the

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<sup>32</sup> “U.S. Waived Congressional Restriction on Egypt Aid,” Reuters, March 4, 2008.

need to ensure Egyptian cooperation on military issues such as the preferential, expedited treatment granted to U.S. military ships passing through the Suez Canal. Also of relevance is the fact that the entire \$1.3 billion in military assistance to Egypt is required to be spent on American weaponry and the necessary accompanying training, maintenance, and services. It remains to be seen whether Congress will abandon efforts to condition military aid to Egypt on reform in FY09, or whether such conditions will be passed without the waiver clause included in the final FY08 version.

In all, Egypt does receive more democracy and governance assistance than any other Arab country, in accordance with its size and importance as a key strategic ally of the United States. But given current conditions in Egypt, including an increasing crackdown on dissent and opposition to the Mubarak regime along with ever bolder expressions of political discontent, the decision to slowly draw back on GJD assistance, along with the waiving of mild conditions on political reform attached to military aid to Egypt in FY08, must be questioned.

## *Iraq*

The funding for U.S. assistance to Iraq in the President's 2009 request is considerably increased from the annual budgets for previous years. However, this does not mean much on its own, as the overwhelming majority of assistance to Iraq is provided through emergency supplemental appropriations, which will continue to be the case. This does appear, though, to be an effort to begin to shift more of the funding for USAID's operations in Iraq into the annual budget, rather than relying entirely on the emergency supplemental bills. Such a shift for Iraq funding has long been desired by some members of Congress who prefer to see spending accounted for in the annual budget and appropriated through normal channels, arguing that the wars in Iraq and Afghanistan can no longer be considered unexpected emergencies and are therefore inappropriately funded through emergency supplemental spending bills. However, other members of Congress oppose such action and prefer to see all Iraq funding in the supplemental, so that controversial debates over the Iraq war are held separate from the annual appropriations process.

The FY09 request allocates \$397 million in foreign assistance for Iraq, as compared with \$21 million in the FY08 annual budget and \$956 million requested in supplemental appropriations for FY08. \$198 million, or 50% of the \$397 million in the President's request, is designated for programs for Governing Justly and Democratically. This is approximately the same percentage of USAID funds requested for GJD in 2008 supplemental appropriations.

USAID's GJD programs in Iraq work to support upcoming elections at the national and provincial level, strengthen civil society groups, support reforms and capacity building within the Iraqi criminal justice system, promote issue-based political organizations, and support efforts to promote national rec-

onciliation. Additional programs aim to improve the capacity of mid- and senior-level management in the ten Iraqi ministries, as well as the capacity of local and provincial authorities to provide services.

The challenges to Iraq's fragile democracy remain numerous and difficult, and amid continued controversy and political maneuvering around the U.S. military presence in Iraq, programs for building democracy and governance in Iraq are expected to be supported by Congress, though it is unclear at this point whether requested funds are more likely to be granted as part of the annual appropriations process or shifted into emergency supplemental bills, as has occurred previously.

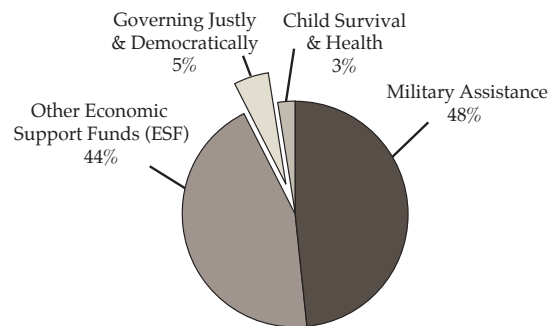
## Jordan

The request of \$535.4 million in total assistance to Jordan in the FY09 request represents a 22% decrease over the amount of \$687.8 million enacted in FY08, with this reduction relatively evenly distributed among Foreign Military Financing (FMF) and Economic Support Funds. However, within the ESF account, reductions are taken from programs for health, education, and economic growth, while funding requested for the Governing Justly and Democratically objective represents a modest 5% increase. This continues a trend in recent years of gradual increases to USAID's programs for GJD in Jordan.

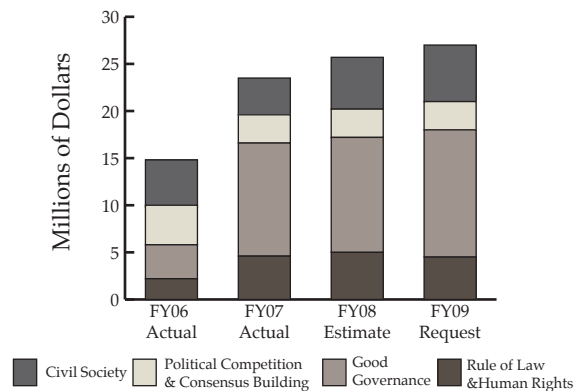
The distribution of GJD funds among the four programs areas is essentially unchanged, with slight increases in funding for Good Governance and Civil Society programs and a slight reduction in funding for Rule of Law and Human Rights. Priorities for GJD programs in Jordan include increasing transparency and accountability in the judicial and legislative branches through efforts to modernize the civil court system. An area of concern in the FY09 request is the 60% decrease in funding for education programs from FY08 from \$49 million to \$19.5 million.

However, there are some indications that Congress may grant Jordan a foreign assistance package that greatly exceeds that proposed in the President's budget. Congressman Adam Schiff (D-CA) recently said that a large assistance package that "includes \$500 million a year for three years of Economic Support Funds and \$400 million a year for three years of Foreign Military Financing" is expected to be voted on by the House this summer as part of the State and Foreign Operations appropriations bill. Numerous

**Jordan: Total FY09 Request by Account**



**Jordan: GJD Funding, FY06-09**



members of Congress have expressed support for increased assistance to Jordan, widely considered a valued ally that has been put under increased pressures by the arrival of close to one million Iraq refugees.<sup>33</sup>

Congressional support for the strategic relationship between the U.S. and Jordan has sometimes resulted in exuberant praise for the Jordanian regime and its efforts toward democratic reform. For example, in September 2007, Congressman Brian Baird (D-WA) introduced resolution H.Res.575, "commending the people and the Government of the Hashemite Kingdom of Jordan for their continued commitment to holding elections

<sup>33</sup> Linda Hindl, "House Mulls \$2.7 billion aid package to Kingdom," *Jordan Times*, March 25, 2008. Other members of Congress that have expressed support for increased assistance to Jordan include Rep. Brian Baird (D-WA), Rep. Charles Boustany (R-LA), Rep. Jeff Fortenberry (R-NE), and Rep. Joe Wilson (R-SC).



and broadening political participation.”<sup>34</sup> The bill was supported by a bipartisan group of 89 Congressional cosponsors and passed easily in the House by a voice vote.

This resolution offered no expression of concern with regard to any problems of democracy or human rights, despite numerous reports of cause for concern in the electoral process and of extensive human rights abuses.<sup>35</sup> While Jordan may deserve praise for cooperation with the U.S. on strategic issues, this should not unduly influence views of Jordan’s record on democratic reform and human rights. There is widespread concern that the U.S. and the Jordanian regime may again be sacrificing genuine progress on reform for the sake of short-term security interests.<sup>36</sup> Praise for reform beyond what is warranted undermines U.S. credibility and can reduce the incentives for regimes across the region to enact genuine reforms.

In addition to the bilateral assistance described above, Jordan also receives assistance from the Millennium Challenge Corporation through a two-year, \$25 million threshold agreement signed in October 2006. The agreement funds programs that seek to broaden public participation in the political and electoral process, increase government transparency and accountability, and enhance the efficiency and effectiveness of customs administration. In November 2006, the MCC Board of Directors announced Jordan’s eligibility for an MCC compact, which is widely expected to be awarded following the expiration of its threshold agreement in October 2008.

The perception of Jordan as a key strategic ally of the U.S. that is under pressure because of the flow of refugees from Iraq has heightened enthusiasm on Capitol Hill for

assistance to Jordan, which appears likely to receive markedly more than requested for the next three years.

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<sup>34</sup> H.Res.575, 110th Congress of the United States. Library of Congress, ‘Thomas’: <http://thomas.loc.gov/cgi-bin/bdquery/z?d110:h.res.00575>:

<sup>35</sup> For example, see: “Shutting out the Critics: Restrictive Laws Used to Repress Civil Society in Jordan,” Human Rights Watch, December 2007. Also see “Islamists’ Electoral Disaster,” *The Economist*, November 22, 2007, and “Jordan: Rampant Beatings in Prisons Go Unpunished,” Human Rights Watch, August 30, 2007.

<sup>36</sup> See Curtis Ryan, “Reform Retreats Amid Jordan’s Political Storms,” *Middle East Report (MERIP)*, June 10, 2005.

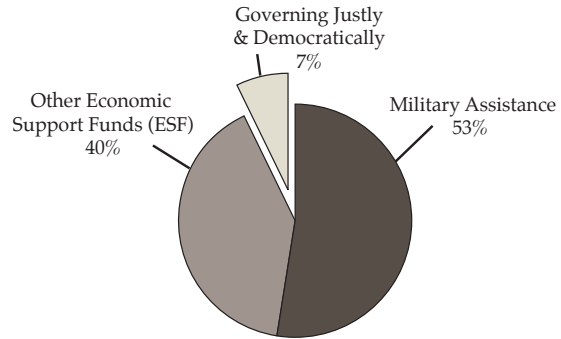
# Lebanon

Overall baseline assistance to Lebanon is more than doubled from the \$58.2 million appropriated in FY08 to \$142 million in the President's FY09 request. Most of this increase is in various forms of military assistance, which is increased from \$13.5 million in FY08 to \$74.9 million. However, it should be noted that the numbers and trends in funding for Lebanon are somewhat distorted by the large amounts of funding provided to Lebanon through emergency supplemental appropriations since the July 2006 war. \$585 million was granted in FY07 supplemental appropriations acts including \$29.3 million for GJD programs. Such supplemental acts still remain for FY08, so there is inherent imperfection in drawing conclusions based on baseline comparisons.

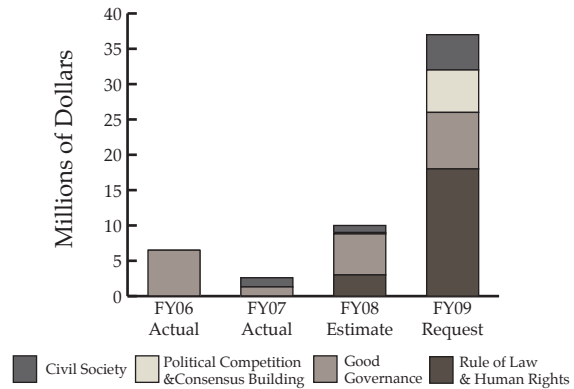
For democracy and governance programs, the FY09 request represents a significant increase over the funds appropriated by Congress in FY08; however, these numbers are again distorted by the use of emergency supplemental appropriations. Lebanon was the only Arab country (other than Iraq) to receive funding for the Governing Justly and Democratically objective through supplemental appropriations in FY07, and funding levels in the FY08 supplemental have not yet been determined. The FY09 request includes \$37 million for GJD, with sizable increases for Rule of Law and Human Rights, Political Competition and Consensus Building, and Civil Society.

Governing Justly and Democratically programs in Lebanon focus more on governmental reform at the local level than in most countries in the region, through providing technical assistance and training to municipalities working to strengthen municipal administration and encouraging citizens to participate in local government decisions.

**Lebanon: Total FY09 Request by Account**



**Lebanon: GJD Funding, FY06-09**



What was widely viewed as a real success story of the Bush "freedom agenda" following the withdrawal of Syrian troops and the holding of parliamentary elections in 2005 has since given way to the harsh realities of the July 2006 war, the presidential vacuum, political stalemate, and the eruption of violence between rival sectarian factions in May 2008. While overall assistance to Lebanon has tapered off somewhat following the initial outburst in response to the July 2006 war, annual funds for democracy and governance have steadily increased, a trend expected to continue. On the other hand, funding in FY08 or FY09 has not approached the levels granted in the FY07 emergency supplemental bill, and this may be questioned in light of the absence of real political progress during that time and the increasing threat of violent internal conflict.

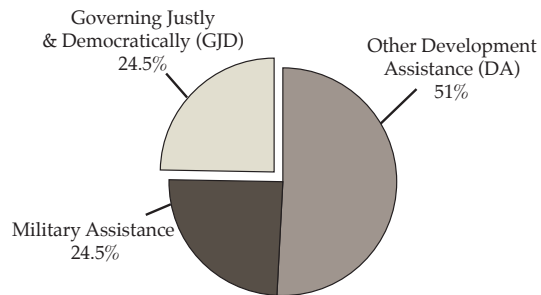


## Morocco

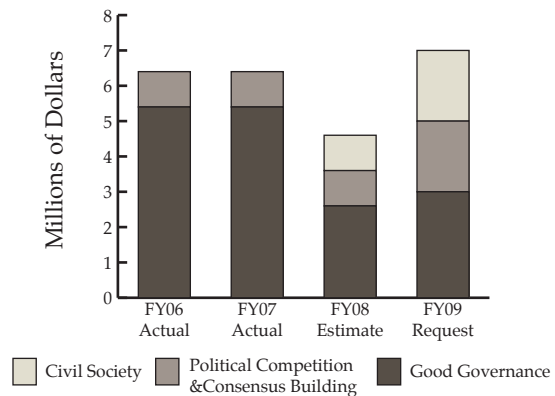
After seeing a significant (24%) reduction in bilateral assistance in FY08 from the levels of FY06 and FY07, the President's request for FY09 restores some of that funding, increasing overall assistance from \$26.7 million to \$28.5 million. The funding for Governing Justly and Democratically reflects this trend more dramatically, as GJD programs in Morocco received approximately \$6.4 million in FY06 and FY07 before 28% cuts during last year's appropriations process to reduce their budget to \$4.6 million. The FY09 budget restores all of the cuts in funds, requesting \$7.0 million for GJD programs in Morocco. The increases consist of doubling funding for Civil Society (funded for the first time in FY08) and for Political Competition and Consensus Building. GJD programs in Morocco focus particularly on citizen participation at the local level, with numerous projects to improve leadership within municipal structures.

Technically, the \$15.4 million in the Economic Support Fund account for Morocco has been eliminated, although in reality the funds in this account have merely been transferred to the Development Assistance (DA) account. DA funds were increased by \$17.4 million, and now include all of the USAID funds for Governing Justly and Democratically that were previously in the ESF account. In theory, DA funding is generally given on more of a humanitarian basis for development, while the ESF account contains assistance funds that are given more for strategic reasons. Because of the dominant U.S. strategic interests in the broader Middle East region, the overwhelming majority of assistance to the region has been through military aid and the ESF account. Morocco and Yemen are both currently undergoing similar shifts from the ESF account to the DA account, perhaps because it may be viewed by USAID as easier

**Morocco: Total FY09 Request by Account**



**Morocco: GJD Funding, FY06-09**



to justify funds for these two countries on humanitarian rather than strategic grounds. This change will have no practical, immediate effects on the ground, and is widely viewed as a superficial "bean-counting" maneuver.<sup>37</sup>

The largest component of assistance to Morocco is not delivered through bilateral aid or USAID, but through the Millennium Challenge Account (MCA). In August 2007, Morocco signed a five-year, \$697.5 million Millennium Challenge Compact which focuses on poverty reduction and economic growth. At an average of \$139.5 million per year, the compact dwarfs the \$28.5 million in bilateral assistance proposed in the FY09 budget request. The bulk of the funds in Morocco's MCC compact are designated for

<sup>37</sup> Interview with USAID official, April 21, 2008.

three large programs: one for rehabilitating and expanding fruit tree production, another for modernizing the small-scale fisheries sector, and a third for small entrepreneurships in traditional artisanal goods.

Although the MCA funds for Morocco do not focus directly on any programs for democracy, governance, or human rights, the seventeen indicators used in the annual country scorecards include six indicators under the objective of "Ruling Justly," and should provide incentive for progress on areas of political reform. However, as noted above, despite some positive steps in these areas, Morocco has failing, below-median scores from Freedom House on both political rights and civil liberties. Some question the wisdom of granting such a large MCC assistance package (the largest compact granted by MCC to date) to a state that has not demonstrated greater progress in the areas of political rights and freedoms.

In this context, the September 2007 parliamentary elections were viewed as very mixed. On one hand, the elections were seen as free and fair by outside observers, but on the other, the turnout was a record low of 37%, widely regarded as indicative of widespread disillusionment with the process and acknowledgement that the power in Morocco resides with the unelected monarch rather than with the parliament. While Morocco has in some regards progressed further in terms of democracy and human rights than most countries of the region, the challenge that lies ahead will be to move toward a real diffusion of power toward branches of government other than the monarchy.

President Bush's request for Morocco attempts to reverse a steady downward trend in bilateral assistance to Morocco, during which time Congress has consistently allocated less assistance for Morocco than requested. Some observers feel that this downward trend is justified by steady progress and because the USAID office in Morocco has adequate funding for existing programs and organizations, and suggest that funds could be shifted toward countries in more dire need of reform

efforts. On one hand, the large infusion of aid (at more than \$100 million annually) through MCC could be seen as relieving pressures for bilateral GJD assistance, but on the other hand, positive results from prior funding in conjunction with concerns raised by voter apathy in the fall elections could be viewed as cause for increasing funding as President Bush has requested.

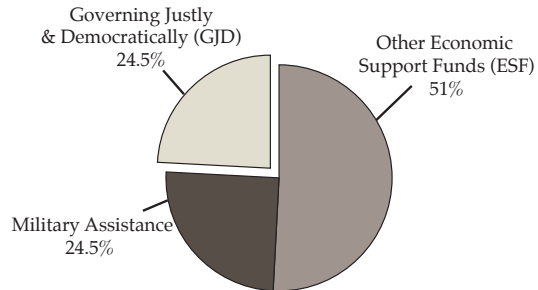
## West Bank and Gaza

The President has requested assistance of \$100 million for FY09 including \$25 million for law enforcement, stabilization operations and security sector reform, along with \$75 million in Economic Support Funds, of which \$24 million is allocated for Governing Justly and Democratically programs. This marks the restoration of assistance levels from prior to the 2006 parliamentary elections, after which GJD funding was cut sharply. Within the GJD objective, the distribution of funds has been adjusted somewhat – as compared with the levels that existed prior to the 2006 elections, funding for Rule of Law and Human Rights and Good Governance programs are increased significantly, while funding for Civil Society has been reduced somewhat. It should be noted that the overall request of \$100 million is less than half of the \$218.0 million granted in the FY08 consolidated appropriations bill.

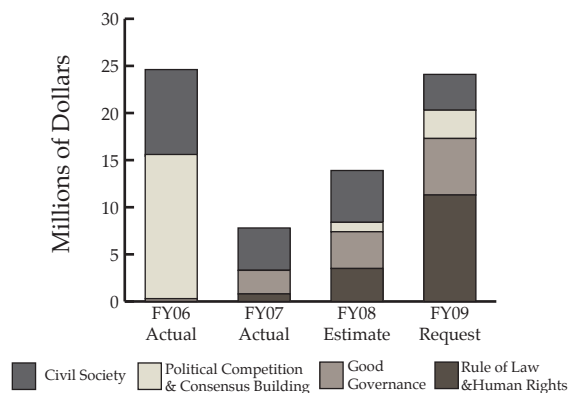
Following the Hamas victory in the Palestinian Legislative Council elections in January 2006 and their subsequent control of the Palestinian Authority (PA), U.S. assistance to the PA was suspended until June 2007, at which time Palestinian President Mahmoud Abbas took control of the PA in the West Bank following the Hamas takeover of Gaza. During this suspension of USAID programs in the West Bank and Gaza and direct assistance to the PA, humanitarian relief and funding for democracy and governance initiatives was disbursed through international NGOs. Following the formation of the new Palestinian government under Prime Minister Salam Fayyad in June 2007, aid to the PA in the West Bank resumed, including funding for democracy and governance programs. However, expenditure of funds and implementation of programs, particularly in Gaza, has been hampered by tight restrictions on funding enacted in the wake of the Hamas electoral victory.

In addition, \$35 million has been requested (but not yet granted) for GJD programs in the

**West Bank and Gaza:  
Total FY09 Request by Account**



**West Bank and Gaza: GJD Funding, FY06-09**



Palestinian territories in emergency supplemental appropriations for FY 2008, which is likely to distort the trends in the bar graph above, as this exceeds the amount given during any standard fiscal year appropriation. It is not known at this time whether additional funds will be requested or granted for the West Bank and Gaza through FY09 supplemental appropriations.

Generally, Congress has been supportive of providing assistance to the Mahmoud Abbas-led Palestinian Authority, as long as they receive assurances on the proper vetting of assistance to ensure that funds do not end up in the hands of Hamas or other groups regarded as terrorist organizations. As the President's request for GJD programs in the West Bank and Gaza essentially returns to the levels granted prior to the 2006 Hamas electoral victory, and represents lower levels of overall funding than granted last year, it is reasonable to expect that Congress will come close to granting the full amount requested for the Palestinian territories.

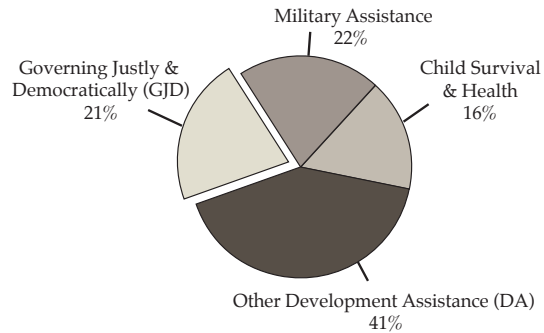
## Yemen

The FY09 request for assistance to Yemen nearly doubles the total amount granted in FY08, from \$17.6 million to \$33.8 million, surpassing the highest previous amount of funding granted to Yemen, \$29.1 million in FY 2005. The request also represents a restructuring of the assistance package to Yemen which appears in several ways to be modeled on the existing aid package for Morocco. This includes significant requests for funding for civil society and political competition and consensus-building, none of which received any funds under the FY08 appropriations. In addition, funding for the Good Governance program area sees a proposed 64% increase, which would bring the total requested funding for the Governing Justly and Democratically objective to a ninefold increase, from \$913 thousand in FY08 to \$7 million in the current request.

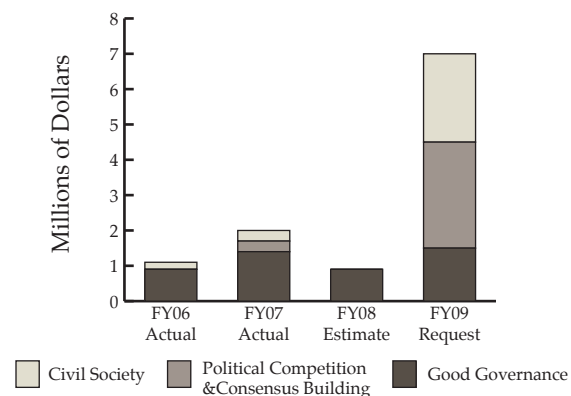
Yemen also receives assistance through the Millennium Challenge Corporation, in the form of a two-year, \$20.6 million threshold compact signed in September 2007, though the funds have not yet been given to Yemen pending a further review of grant proposals. The agreement designates funds for programs to decrease public sector corruption, increase capacity in the judicial sector, enhance election processes and participation, and enhance the investment climate through tax reform, domestic debt management, procurement reform, and customs modernization. Threshold agreements are made available to countries that do not yet meet the requirements in terms of indicators for political and economic reform, but meet less stringent requirements and are eligible for smaller, shorter-term agreements pending progress on indicators.

Yemen was initially declared eligible for an

**Yemen: Total FY09 Request by Account**



**Yemen: GJD Funding, FY06-09**



MCC threshold agreement in 2004, but the MCC Board announced the suspension of Yemen's eligibility in November 2005 due to deterioration in its performance on the selection criteria, particularly levels of government corruption.<sup>38</sup> Yemen's threshold eligibility was restored in February 2007, with the MCC Board praising an "aggressive reform effort" kicked off by President Ali Abdallah Saleh in February 2006 with a Cabinet shuffle, and which included presidential elections deemed reasonably free and fair in September 2006.

The request calls for overall economic/development assistance to exceed the peak levels

<sup>38</sup> See David Finkel's three-part *Washington Post* series, "Yemen: Exporting Democracy," December 18-20, 2005. In particular, part three, "In the End, a Painful Choice," December 20, 2005, describes U.S. government disappointment in Yemeni reform and anticorruption efforts at that time, leading to the suspension of the MCC agreement as well as reduction of World Bank assistance.

of FY05 and for considerable expansion of funding for democracy and governance programs. However, Congress has been reluctant to grant the President's requested funds for Yemen, and does not consider Yemen to be a top priority in the region. Consequently, it seems likely that the President's request will not be fully granted in this case.

***Other BMENA Countries***



## *Afghanistan*

Overall assistance for Afghanistan in the President's FY09 request remains at \$1.05 billion, matching the level allocated in FY08. However, like in Iraq, the annual budget requests do not alone describe the funding levels accurately, as much assistance to Afghanistan is given each year through emergency supplemental appropriations. Of the amount requested, the approximately \$150 million given in recent years for Development Assistance has been transferred entirely to Economic Support Funds (as noted in the Morocco section above, this has little or no practical effect on the implementation of programs, and is essentially a bookkeeping exercise). Of the total, \$248 million is designated for Governing Justly and Democratically, or 24% of the total assistance package. This is similar to the proportion of overall assistance to Afghanistan dedicated to GJD in recent years.

Democracy and Governance programs in Afghanistan in FY09 will focus particularly on strengthening political parties and the electoral commission ahead of elections in 2009 and 2010 at the parliamentary, presidential, and provincial level. Another key aspect of GJD programming will be building a stronger criminal justice system, in conjunction with counter-narcotic programs. Existing programs for education on human rights and rule of law awareness will be expanded, while support will continue to be provided to Afghan National Development Strategy programs, including the Afghan Reconstruction Trust Fund.

Given that the FY09 request is overall quite similar to the assistance package granted by Congress in FY08, and given the strong support within Congress for assisting the fragile democracy in Afghanistan, it appears that Congress will grant the full amount of the President's request, or perhaps exceed it.

## *Algeria*

Overall foreign assistance to Algeria is increased under the President's budget to \$2.27 million from \$1.68 million granted in FY08. Most notable in Algeria is the introduction of funds designated for Governing Justly and Democratically and also for economic growth. Until now, bilateral assistance to Algeria has consisted exclusively of military aid, primarily as part of counter-terrorism efforts. The FY09 request includes \$400 thousand for GJD programs, divided evenly between programs for the Rule of Law and Human Rights and those designated for Civil Society. While this is a rather modest amount when compared with other countries of the region, it is nonetheless symbolically important to propose to send non-military assistance to the country for the first time.

It remains to be seen whether Congress will grant the non-military assistance requested to Algeria – similar requests were made for the first time in FY08 for Kuwait, Bahrain, and Libya, but no such funds were granted by Congress to any of the three, and the President has withdrawn the requests for those countries for FY09.

## *Iran*

No assistance is granted to the government of Iran, but beginning in 2006, funding has been provided for independent programs to promote democracy, governance, and rule of law in Iran. Such funding has been a source of great controversy, with some human rights groups believing that the program has backfired and undermined indigenous democracy movements within Iran, allowing the Iranian regime to cast all democracy activists as foreign agents in its efforts to crack down on dissent.<sup>39</sup> Others dismiss such conclusions, arguing that the crackdown in Iran is simply in the nature

<sup>39</sup> Robin Wright, "Cut Democracy Funding, Groups Tell U.S." *Washington Post*, October 11, 2007, page A15. See also Haleh Esfandiari, "Held in My Homeland," *Washington Post*, September 16, 2007, page B01.



of the regime and that U.S. funding is merely an excuse for behavior that would take place regardless.<sup>40</sup> While some oppose the allocation of such funding for those reasons, others have questioned the wisdom of providing funding in such an open, public manner rather than covertly – or at least with far less fanfare.

The President's FY09 budget requests \$65 million in Economic Support Funds for democracy and governance programs in Iran. In fiscal year 2008, Congress allocated \$21.6 million in ESF democracy programs in Iran, far short of the President's \$75 million request. However, the FY08 Consolidated Appropriations Act had a total of \$60 million earmarked by Congress for Iran, with \$8 million coming from the Democracy Fund at the State Department Bureau for Democracy, Human Rights, and Labor, and the remaining \$30.2 million to come from other unspecified accounts, to be determined by the Director of Foreign Assistance. In the FY 2009 budget, President Bush requests \$65 million for ESF funds for Iran. Such funds were previously distributed through the Middle East Partnership Initiative (MEPI) and the Human Rights and Democracy Fund, but are now allocated through the Office of Iranian Affairs within the Bureau of Near Eastern Affairs at the Department of State (established in 2006), in programmatic collaboration with the Bureau of Democracy, Human Rights, and Labor.<sup>41</sup>

According to the Congressional Budget Justification for FY09<sup>42</sup>, these funds for Iran are directed to three main types of programs:

- Programs that provide training to employees of Iranian NGOs in management practices, democratic values, and civic practices, along with promoting sharing of information among activists and organizations.

- Educational, cultural, and professional exchanges that bring Iranians to the United States to study a variety of issues, giving them exposure to functioning democratic institutions and establishing ties to the next generation of Iranian leaders.
- Efforts to increase the availability of information about democratic values to Iranians through Persian language print and online publications and speaker programs featuring experts on issues such as rule of law.

This last area includes programming for Iran broadcasts by Broadcasting Board of Governors (BBG) programs, including the Voice of America (VOA) and Radio Free Europe/Radio Liberty (RFE/RL). These BBG programs have received a substantial portion of the funds designated for Iran since the inception of the program in 2006. Each of the programs above is expected to grow through FY09 funding, with plans to double the number of Iranian participants in exchange programs over the next two years, introduce a new English language distance-learning program, and significantly expand online Persian language materials including the introduction of Persian language video streaming to State Department websites.

It remains to be seen what funds Congress will approve for democracy and civil society programs in Iran. As noted above, these funds have been rather controversial in the Washington policy community, and opinions for and against this funding are likely to be even more strongly held this time around. Last year, the Senate was more in favor of this funding than the House and a compromise was reached in the end on the amount granted.

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<sup>40</sup> J. Scott Carpenter, "How We Can Bring Him Down," *New York Daily News*, September 24, 2007.

<sup>41</sup> According to one source, even when funds for democracy in Iran were officially budgeted through MEPI, MEPI did not lead the programming of these funds, which were always headed up by designated Iran staff in the Bureau of Near Eastern Affairs at the Department of State. Interview with State Department official, April 28, 2008.

<sup>42</sup> Department of State, Bureau of Foreign Assistance. *Congressional Budget Justification, Foreign Operations, Fiscal Year 2009*.

This year it seems likely that Congress may in the end grant an amount smaller than the President's request for democracy in Iran as a compromise between those supporting the funding and those strictly opposed. However, if Congress delays in passing appropriations bills until January 2009, the status of these funds could be impacted significantly by the U.S. Presidential election in November, as starkly contrasting opinions on Iran policy can be found in the various camps.

## *Mauritania*

Funding requested for FY 2009 for Mauritania represents a 24% increase over the FY08 levels, from \$5.6 million to \$7.0 million. Within this total, funding for programs for Governing Justly and Democratically are increased by more than 150% from \$500 thousand to \$1.3 million. Following the historic presidential elections in Mauritania in March 2007, the first democratic elections in the country's history, funds were granted for GJD programs for the first time in FY 2008. The FY09 request significantly increases funding for these new, relatively small GJD programs, including funds for Mauritanian civil society institutions for the first time. The increase in aid to Mauritania can be viewed as the administration's effort to support the relatively new democratic government in Mauritania, to continue to solidify the relationship of cooperation on counterterrorism efforts in the Sahel region, and to help protect the fragile peace reached with the Western Saharan Polisario with U.S. support.

Congress has often been reluctant to give much assistance to countries not viewed as having much strategic value as an ally and without longer-established programs for aid, and it is likely that Congress will grant assistance to Mauritania closer to the amount

granted in FY08 than the President's significantly increased request for FY09.

## *Pakistan*

The overall funding request for assistance to Pakistan for FY 2009 is \$826 million, a slight increase over levels for FY07 and FY08. This consists of \$345 million in military assistance and \$453 million in Economic Support Funds, of which \$55.2 million is designated for programs for Governing Justly and Democratically. This is nearly double the amount allocated by Congress in FY07 and a 39% increase over the baseline GJD funding for FY08. The added funding would come at a critical time in Pakistan, in the wake of parliamentary elections in February that saw a resounding defeat for President Musharraf and his allies, and a relatively peaceful democratic transition to a new coalition government led by the late Benazir Bhutto's PPP and the PML-N led by former Prime Minister Nawaz Sharif. The widespread violence that many feared would accompany the elections did not come to pass, and the peaceful transition was a welcome change from the previous year's events including a crackdown on opposition by President Musharraf and the dismissal of numerous high-ranking judges critical of his rule, including Supreme Court Chief Justice Iftikhar Muhammad Chaudhry.

In this context, U.S. assistance to Pakistan has drawn fire in recent months as being insufficiently focused on democracy and far too heavily directed toward the Pakistani military.<sup>43</sup> Senator Joe Biden (D-DE) has proposed tripling non-military assistance to Pakistan to \$1.5 billion as part of a multiyear \$7 billion assistance agreement. Biden also called for an additional \$1 billion "democracy dividend" to "jump-start" the new, democratically-elected Pakistani government.<sup>44</sup>

An April 2008 report from the Government

<sup>43</sup> "Democracy Gets Small Portion of U.S. Aid: Documents Show Much of the Money Helps Entity Controlled by Musharraf," Glenn Kessler, *Washington Post*, January 6, 2008.

<sup>44</sup> "Biden Recounts Lessons Learned from Pakistan Trip; Makes Policy Recommendations Moving Forward," Office of Senator Joe Biden, February 28, 2008.

Accountability Office (GAO)<sup>45</sup> criticizing existing Pakistan policy as lacking a “comprehensive plan” has given additional momentum to the push for a policy approach toward Pakistan focused more on diplomacy, development, and supporting a relationship with the Pakistani population rather than its military. This is likely to include large increases in support for democracy and governance programs in Pakistan.

Currently, USAID democracy and governance programs in Pakistan focus especially on justice sector reform, local government and decentralization, elections and political processes, civic participation and the media. The Pakistan Institute for Parliamentary Services, an institution jointly created and funded by the Government of Pakistan and USAID, aims to strengthen both the national parliament and local assemblies. Plans are also underway to expand existing initiatives to address gender equity and improve access to justice. Other programs work to reduce gender-based violence and the exploitation of women by building the capacity of service organizations and addressing relevant judicial reform issues.

Due to the explosive nature of recent events there, Pakistan is rapidly becoming a new focus for U.S. democracy promotion efforts, and the importance of the success and stability of the new, fragile Pakistani government is widely accepted. In this light, key members of Congress aim to grant non-military aid to Pakistan far in excess of the President’s request, which will include significant increases for GJD programs.<sup>46</sup>

## Turkey

Assistance to Turkey continues to be only in the form of military assistance. On one hand, the absence of democracy and governance funds for Turkey may be viewed as justifiable because Turkey has a more successful democratic government than any of its Arab neighbors, and it could be argued that GJD funds should be directed instead to countries where they are more desperately needed. But on the other hand, there are still numerous concerns with regard to democracy and the state of human rights, particularly the treatment of ethnic minorities and restrictions on freedom of expression. Moreover, the democratic government of Turkey has been increasingly under threat from its military over the past year, as the military threatened to intervene in the spring of 2007 to prevent the election of the AK Party’s Abdullah Gül as President, and more recently, two cases were brought before the Turkish Constitutional Court in an attempt to ban both the ruling AK Party and the Kurdish nationalist DTP, moves seen as backed by the Turkish military.<sup>47</sup>

It could be reasonably argued that not only are programs for democracy and governance still needed in Turkey to address issues of democratic governance and human rights, but also that support for such programs could be valuable in demonstrating U.S. support for Turkey’s democratically elected government. Turkey is a valuable military ally whom the U.S. is careful not to antago-

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<sup>45</sup> “The United States Lacks Comprehensive Plan to Destroy the Terrorist Threat and Close the Safe Haven in Pakistan’s Federally Administered Tribal Areas,” U.S. Government Accountability Office, April 2008.

<sup>46</sup> It should be noted that while events in Pakistan have galvanized support for democracy and governance programs within Congress in an effort to earn credibility and build a stable relationship with the new democratically elected Pakistani government, developments in Pakistan may have had the reverse effect on other authoritarian regimes in the BMENA region. For them, the lesson of Pakistan may be that the U.S. will readily shift away from a solid authoritarian ally like Musharraf in the event of the emergence of a more democratic alternative. Authoritarian regimes in countries such as Egypt may have concluded that it is essential to prevent the emergence of any alternative to their rule, resulting in intensified efforts to eliminate any avenue for political competition and to crackdown upon any dissent. This poses an additional challenge for efforts at reform and democratization.

<sup>47</sup> Lenore G. Martin, “Turkey’s Constitutional Crisis: From Lose-Lose to Win-Win,” *Middle East Progress*, April 14, 2008.

nize. But assistance for democratic reform and human rights in Turkey could serve to demonstrate that the U.S. relationship with the Turkish military does not have to come at the expense of Turkish democracy. The success of democracy in Turkey could set a powerful example for its Arab neighbors; conversely, its failure would be an enormous setback for democracy in the region.

The FY09 budget requests \$18.7 million in military assistance for Turkey, nearly restoring the level of \$19.8 million granted in FY07, after a reduction to only \$12.2 million in FY08. The military aid is divided among four accounts, with \$12 million in Foreign Military Financing, \$3 million in International Military Education and Training, \$3.4 million in Antiterrorism and Nonproliferation, and \$300 thousand in Narcotics Control and Law Enforcement.<sup>48</sup>

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<sup>48</sup> It can be noted here that the situation regarding assistance to the six countries of the Gulf Cooperation Council (GCC) is quite similar to that of Turkey, with only various forms of military assistance requested. Similar concerns exist regarding the message signaled by providing funding only for the military, although unlike Turkey, each of the GCC states does have GJD programs provided by MEPI. The amounts of military aid requested for the GCC states are: Bahrain, \$20.9 million; Oman, \$14.4 million; U.A.E., \$940 thousand; Saudi Arabia, \$365 thousand; Qatar, \$15 thousand; Kuwait, \$15 thousand. The request in military aid represents a significant increase over FY08 funds for the first four countries listed.

## **What Now?** *All Eyes on Congress*

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Ultimately, Congress passes budgets, and the ball is now in its court. In the coming weeks and months, House and Senate Appropriations Committees will debate where to match the numbers in President Bush's request and where to deviate from them, before forwarding their funding bills for consideration and passage by the full House and Senate. Finally, conference committees will have to work out the differences between the two versions, and each bill will have to be re-passed by each chamber.

It is now widely expected on Capitol Hill that the Democrat-controlled Congress will use a series of continuing appropriations resolutions to extend funding until January 2009 at existing FY 2008 levels, before passing appropriations bills (or most likely one consolidated bill) to be submitted to the new President at that time. But it is generally expected that such an appropriations act will be based on the current request. The objective of delaying the passage of annual appropriations bills would most likely be neither to begin fresh on entirely new bills nor to wait for the new administration to develop its own budget request, but merely to allow Congress to pass such spending bills without adhering to strict domestic spending guidelines set forth by President Bush under the threat of veto.

It is clear that many members of Congress share a skepticism toward the Bush administration's approach to foreign assistance reform and distribution of foreign aid. In June 2007, Senator Robert Menendez (D-NJ), Chairman of the Subcommittee on International Development and Foreign Assistance of the Senate Foreign Relations Committee,

expressed serious doubts with the President's priorities for foreign aid, stating that USAID "faces serious moral problems and questions about its future."<sup>49</sup> And in April 2008, House Committee on Foreign Affairs Chairman Howard Berman (D-CA) declared, "Next year, our committee intends to reform and rewrite the Foreign Assistance Act of 1961."<sup>50</sup> This would constitute the first reauthorization of the act since 1985. In addition, a new president will enter the White House in 2009, likely bringing a new set of priorities. As a consequence of these and other factors, this year's appropriations process may not set trends for the years ahead. However, in important ways it will lay the groundwork for future discussions over the U.S. engagement with the Middle East.

As mentioned above, Democratic members of Congress have informally proposed assistance to Jordan and Pakistan far exceeding the President's request, and both of these measures appear to have significant support within Congress. Both countries are expected to receive significant assistance in the FY 2008 emergency supplemental bill currently being debated by Congress. If Jordan and Pakistan are both granted substantial increases in the annual appropriations bills, there may be cause for concern that funding to other countries may be cut. Congress has historically granted total funding for democracy and governance in the region that matches or falls short of the President's request. A key concern would be whether significant increases to a couple of countries would mean region-wide increases or transfers of funds away from needed programs in other countries.

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<sup>49</sup> "U.S. Foreign Assistance under the Microscope at Senate Hearing," Office of Senator Robert Menendez (D-NJ), June 12, 2007.

<sup>50</sup> Opening remarks by Chairman Berman at hearing, "Foreign Assistance Reform in the New Administration: Challenges and Solutions?" House Committee on Foreign Affairs, April 23, 2008.



## **Conclusions:** *Small Positive Steps, but a Long Road Ahead*

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Throughout his two terms, President Bush has rhetorically stressed the importance of supporting democracy and human rights abroad, particularly in the Middle East. But policy has not always matched rhetoric, and his administration has come under fire for focusing too heavily on changing the region through military force in Iraq rather than utilizing the numerous nonviolent policy tools available for supporting democracy. Nonetheless, while the military efforts have received much of the attention, the Administration has also overseen steady increases in funding levels for peaceful US democracy initiatives.

Bush's latest and final budget request – more than those that preceded it – does take small steps toward living up to promises of prioritizing support for democracy abroad. Bilateral funds requested for the Governing Justly and Democratically objective across the region reflect significant increases. In particular, the program areas for Civil Society as well as Political Competition and Consensus Building – both of which saw considerably decreased funding in FY07 and FY08 as compared with FY06 levels – receive dramatic increases in funding (more than double their current levels in each case) in the FY 2009 request, exceeding the highest levels previously granted (in FY06).

The increases in the requested bilateral assistance for GJD programs extend to countries like Morocco, Yemen, and the Palestinian territories with long-standing assistance programs that had seen cuts to democracy and governance money in recent years, to those that have seen steady increases such as Jordan, and to countries such as Mauritania and Algeria that have received little or no prior funding for democracy and governance from the United States. Moreover, the amounts of democracy funding are not only increased

in absolute terms, but also increased significantly as compared with all other sources of assistance to the region.

However, despite these positive trends and developments, there are still clear causes for concern in the budget request. The oil-rich states and emirates of the Persian Gulf, home of the world's highest concentration of absolute monarchies, continue to receive only military assistance. And this military aid designated in the international affairs account is supplemented by DOD expenditures as well as large sales of military armaments, including \$20 billion in weaponry and military technology that the U.S. has agreed in the past year to sell to the Gulf states. Last year's budget also contained requests for democracy and governance money for the first time for Bahrain and Kuwait, as well as Libya, but these funds were not granted by Congress and the request is withdrawn in this year's budget. Although MEPI does run democracy and governance programs in Bahrain and elsewhere in the Gulf, establishing bilateral assistance for such programs would be welcome. Admittedly, there is the possibility that the Gulf regimes would reject bilateral funds for democracy and governance programs, but even in this case, the symbolism of designating funds for such purposes would be powerful, and could raise questions within the local populations as to why such funds were refused, as opposed to military aid.

In addition, bilateral assistance for democracy, governance, and civil society in Tunisia – a state whose autocratic leader recently celebrated twenty years in power and where freedoms have been increasingly curtailed – have been cut entirely after only one year.



Of the countries in the region with an established nonmilitary assistance relationship with the United States, only Egypt does not receive increased funding levels for democracy and governance under this request. This comes at a time when Egypt is visibly suffering from a lack of political competition amid a harsh crackdown on rights, escalating protests, and increasingly bold demonstrations of opposition to the regime.

Most importantly, military funding to authoritarian leaders with no strings attached still constitutes the largest sector of assistance requested in the International Affairs 150 account. And despite the positive steps and the increases in democracy funding, a wide chasm remains between military funding and all “soft power” non-military spending in the region. Not only does the international affairs budget pale in comparison with the Department of Defense funds headed to the region, but even the BMENA portion of the international affairs budget itself remains dominated by various forms of military assistance.

It is hard to argue with the fact that the President’s budget request for Fiscal Year 2009 is on balance at least a small step in the right direction for democracy, governance, and human rights. As compared with previous federal budgets, whether in recent years or the more distant past, the positive changes certainly outweigh the negative. As noted, the request for democracy and governance in the region for FY09 exceeds the total spent on such programs throughout the decade of the 1990s.

But these trends ultimately do not change the big picture – that democracy and governance money, and non-military funds more generally, remain woefully limited relative to American military engagement with the region. Even with considerable increases, the total amount spent on Middle East democracy and governance programs is still less than 1% of the DOD expenditures in Iraq alone. At a time when the importance of winning the hearts and minds of the Arab and Muslim world is increasingly accepted

as essential to U.S. national security, one must question the wisdom of maintaining such a vast disparity between military spending and soft power spending in the region. Further, any increases in funding for GJD programs as requested would need to be accompanied by a variety of policy steps in order to be effective.

There does now seem to be evidence of renewed interest in Congress for supporting democracy in the region, spurred most of all by recent events in Pakistan that have sparked awareness of the need for a “Pakistan policy” to replace the existing “Musharraf policy.” This has resulted in support within Congress for increasing engagement of Pakistan through non-military means, and recognition of the inadequate support for democracy and human rights in Pakistan over the course of Musharraf’s rule. The question remains as to whether this recognition of the need for greater non-military engagement will extend beyond Pakistan and other trouble spots of the moment and lead to a renewed commitment to supporting democracy across the region through nonviolent means.

## ***Appendix: Data Tables***

**Table 1 – Total Assistance by Strategic Objective in Various Middle East Regional Groupings, FY06-FY09 (dollars in millions)<sup>51</sup>**

<b>BMENA Totals</b>	<b>FY06 Actual</b>	<b>%</b>	<b>FY07 Actual</b>	<b>%</b>	<b>FY08 Estimate</b>	<b>%</b>	<b>FY09 Request</b>	<b>%</b>
Peace and Security (Military Assistance)	4,667.2	67.7	4,638.3	67.3	4,825.5	68.4	5,083.1	68.6
Governing Justly, Democratically (GJD)	350.6	5.1	359.0	5.2	401.7	5.7	758.2	10.2
Investing in People	503.5	7.3	738.3	10.7	914.3	13.0	626.4	8.5
Economic Growth	1,271.8	18.5	928.5	13.5	817.5	11.6	834.1	11.3
Humanitarian Assistance	98.6	1.4	180.6	2.6	99.4	1.4	79.0	1.1
Program Support	0.0	0.0	48.7	0.7	0.6	0.0	30.6	0.4
<b>TOTAL</b>	<b>6,891.7</b>	<b>100</b>	<b>6,893.4</b>	<b>100</b>	<b>7,059.0</b>	<b>100</b>	<b>7,411.4</b>	<b>100.0</b>
<b>BMENA Less Iraq, Afghanistan</b>	<b>FY06 Actual</b>	<b>%</b>	<b>FY07 Actual</b>	<b>%</b>	<b>FY08 Estimate</b>	<b>%</b>	<b>FY09 Request</b>	<b>%</b>
Peace and Security (Military Assistance)	4,289.1	73.1	4,309.2	75.2	4,425.3	74.0	4,641.9	77.9
Governing Justly, Democratically (GJD)	192.3	3.3	144.8	2.5	188.3	3.1	312.2	5.2
Investing in People	399.8	6.8	557.5	9.7	750.9	12.6	517.2	8.7
Economic Growth	948.8	16.2	551.3	9.6	537.3	9.0	431.5	7.2
Humanitarian Assistance	38.6	0.7	150.6	2.6	77.5	1.3	57.0	1.0
Program Support	0.0	0.0	14.1	0.2	0.6	0.0	0.6	0.0
<b>TOTAL</b>	<b>5,868.6</b>	<b>100</b>	<b>5,727.5</b>	<b>100</b>	<b>5,979.9</b>	<b>100</b>	<b>5,960.4</b>	<b>100.0</b>
<b>Near East Overall</b>	<b>FY06 Actual</b>	<b>%</b>	<b>FY07 Actual</b>	<b>%</b>	<b>FY08 Estimate</b>	<b>%</b>	<b>FY09 Request</b>	<b>%</b>
Peace and Security (Military Assistance)	3,946.5	75.7	4,014.8	78.1	4,111.9	78.2	4,320.7	78.2
Governing Justly, Democratically (GJD)	225.4	4.3	179.4	3.5	153.0	2.9	453.7	8.2
Investing in People	281.5	5.4	312.8	6.1	506.8	9.6	253.6	4.6
Economic Growth	736.9	14.1	581.5	11.3	457.7	8.7	488.6	8.8
Humanitarian Assistance	20.9	0.4	47.1	0.9	27.5	0.5	7.0	0.1
Program Support	0.0	0.0	6.5	0.1	0.6	0.0	0.6	0.0
<b>TOTAL</b>	<b>5,211.2</b>	<b>100</b>	<b>5,142.1</b>	<b>100</b>	<b>5,257.5</b>	<b>100</b>	<b>5,524.2</b>	<b>100.0</b>

<sup>51</sup> The GJD strategic objective and the four program areas within it have not been used as standard classifications for budgets prior to FY 06. For this reason totals beginning with FY06 are given here.

**Table 2 – GJD Funds by Program Area in Various Middle East Regional Groupings, FY06-FY09 (dollars in millions)**

<b>BMENA Totals</b>	<b>FY06 Actual</b>	<b>FY07 Actual</b>	<b>FY08 Estimate</b>	<b>FY09 Request</b>
Rule of Law & Human Rights	64.5	100.0	115.0	200.8
Good Governance	113.1	153.1	180.2	251.6
Political Competition, Consensus Bldg	72.1	48.5	26.5	141.8
Civil Society	100.9	57.4	80.1	164
<b>GJD Total</b>	<b>350.6</b>	<b>359.0</b>	<b>401.8</b>	<b>758.2</b>
<b>BMENA Less Iraq, Afghanistan</b>	<b>FY06 Actual</b>	<b>FY07 Actual</b>	<b>FY08 Estimate</b>	<b>FY09 Request</b>
Rule of Law & Human Rights	34.7	32.3	43.6	80.9
Good Governance	31.4	53.7	66.2	81.6
Political Competition, Consensus Bldg	50.1	14.5	16.5	33.8
Civil Society	76.1	44.3	62.2	116
<b>GJD Total</b>	<b>192.3</b>	<b>144.8</b>	<b>188.3</b>	<b>312.2</b>
<b>Near East Totals</b>	<b>FY06 Actual</b>	<b>FY07 Actual</b>	<b>FY08 Estimate</b>	<b>FY09 Request</b>
Rule of Law & Human Rights	34.7	44.9	35.7	148.3
Good Governance	40.2	55.2	40.5	112.6
Political Competition, Consensus Bldg	55.4	30.0	13.7	46.5
Civil Society	95.1	49.3	63.1	146.4
<b>GJD Total</b>	<b>225.4</b>	<b>179.4</b>	<b>153.0</b>	<b>453.7</b>
<b>Near East Less Iraq</b>	<b>FY06 Actual</b>	<b>FY07 Actual</b>	<b>FY08 Estimate</b>	<b>FY09 Request</b>
Rule of Law & Human Rights	34.7	27.3	35.7	70.3
Good Governance	22.2	34.6	40.5	47.6
Political Competition, Consensus Bldg	36.9	9.9	13.7	31.5
Civil Society	76.1	44.3	58.1	106.4
<b>GJD Total</b>	<b>169.9</b>	<b>116.1</b>	<b>148.0</b>	<b>255.7</b>
<b>Arab World Totals</b>	<b>FY06 Actual</b>	<b>FY07 Actual</b>	<b>FY08 Estimate</b>	<b>FY09 Request</b>
Rule of Law & Human Rights	34.7	44.9	34.2	137.8
Good Governance	40.2	55.2	35.8	105.9
Political Competition, Consensus Bldg	55.4	30.0	13.9	46.8
Civil Society	95.1	49.3	47.9	99.6
<b>GJD Total</b>	<b>225.4</b>	<b>179.4</b>	<b>131.8</b>	<b>390.0</b>
<b>Arab World Less Iraq</b>	<b>FY06 Actual</b>	<b>FY07 Actual</b>	<b>FY08 Estimate</b>	<b>FY09 Request</b>
Rule of Law & Human Rights	34.7	27.3	34.2	59.8
Good Governance	22.2	34.6	35.8	40.9
Political Competition, Consensus Bldg	36.9	9.9	13.9	31.8
Civil Society	76.2	44.3	43.0	59.6
<b>GJD Total</b>	<b>170.0</b>	<b>116.0</b>	<b>126.9</b>	<b>192.0</b>

**Table 3 - Governing Justly and Democratically (GJD) by Country, Program Area, FY06-FY09 (dollars in thousands)**

<b>Afghanistan</b>	<b>FY06 Actual</b>	<b>FY07 Actual</b>	<b>FY08 Estimate</b>	<b>FY09 Request</b>
Rule of Law and Human Rights	29,800	50,050	71,449	41,999
Good Governance	63,737	78,824	114,000	105,000
Political Competition, Consensus Bldg	3,537	13,900	10,000	93,000
Civil Society	5,835	8,100	13,000	8,000
<b>GJD Total</b>	<b>102,909</b>	<b>150,874</b>	<b>208,449</b>	<b>247,999</b>
<b>Algeria</b>	<b>FY06 Actual</b>	<b>FY07 Actual</b>	<b>FY08 Estimate</b>	<b>FY09 Request</b>
Rule of Law and Human Rights	0	0	0	200
Good Governance	0	0	0	0
Political Competition, Consensus Bldg	0	0	0	0
Civil Society	0	0	0	200
<b>GJD Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>400</b>
<b>Egypt</b>	<b>FY06 Actual</b>	<b>FY07 Actual</b>	<b>FY08 Estimate</b>	<b>FY09 Request</b>
Rule of Law and Human Rights	15,973	17,250	19,700	17,800
Good Governance	4,250	11,250	8,000	6,800
Political Competition, Consensus Bldg	0	0	0	0
Civil Society	29,777	21,500	17,300	20,400
<b>GJD Total</b>	<b>50,000</b>	<b>50,000</b>	<b>45,000</b>	<b>45,000</b>
<b>Iran</b>	<b>FY06 Actual</b>	<b>FY07 Actual</b>	<b>FY08 Estimate</b>	<b>FY09 Request</b>
Rule of Law and Human Rights	0	0	1,500	10,500
Good Governance	0	0	5,000	7,500
Political Competition, Consensus Bldg	0	0	0	0
Civil Society	0	0	15,123	47,000
<b>GJD Total</b>	<b>0</b>	<b>0</b>	<b>21,623*</b>	<b>65,000</b>
<b>Iraq</b>	<b>FY06 Actual</b>	<b>FY07 Actual</b>	<b>FY08 Estimate</b>	<b>FY09 Request</b>
Rule of Law and Human Rights	0	17,600	0	78,000
Good Governance	18,000	20,600	0	65,000
Political Competition, Consensus Bldg	18,500	20,100	0	15,000
Civil Society	18,940	5,000	4,960	40,000
<b>GJD Total</b>	<b>55,440</b>	<b>63,300</b>	<b>4,960</b>	<b>198,000</b>
<b>Jordan</b>	<b>FY06 Actual</b>	<b>FY07 Actual</b>	<b>FY08 Estimate</b>	<b>FY09 Request</b>
Rule of Law and Human Rights	2,200	4,600	5,000	4,500
Good Governance	3,600	12,030	12,197	13,530
Political Competition, Consensus Bldg	4,200	3,000	3,000	3,000
Civil Society	5,000	3,876	5,500	6,000
<b>GJD Total</b>	<b>15,000</b>	<b>23,506</b>	<b>25,697</b>	<b>27,030</b>

\*A total of \$60 million was earmarked by Congress for democracy and civil society programs in Iran, with the remainder of this amount to be taken from other accounts including that of the Broadcasting Board of Governors.

**Table 3 (continued)**  
**(dollars in thousands)**

<b>Lebanon</b>	<b>FY06 Actual</b>	<b>FY07 Actual</b>	<b>FY08 Estimate</b>	<b>FY09 Request</b>
Rule of Law and Human Rights	0	0	3,032	18,000
Good Governance	6,500	1,308	5,800	8,000
Political Competition, Consensus Bldg	0	0	200	6,000
Civil Society	0	1,319	1,000	5,000
<b>GJD Total</b>	<b>6,500</b>	<b>2,627</b>	<b>10,032</b>	<b>37,000</b>
<b>Mauritania</b>	<b>FY06 Actual</b>	<b>FY07 Actual</b>	<b>FY08 Estimate</b>	<b>FY09 Request</b>
Rule of Law and Human Rights	0	0	0	0
Good Governance	0	0	300	770
Political Competition, Consensus Bldg	0	0	200	300
Civil Society	0	0	0	250
<b>GJD Total</b>	<b>0</b>	<b>0</b>	<b>500</b>	<b>1,320</b>
<b>Morocco</b>	<b>FY06 Actual</b>	<b>FY07 Actual</b>	<b>FY08 Estimate</b>	<b>FY09 Request</b>
Rule of Law and Human Rights	0	0	0	0
Good Governance	5,440	5,414	2,646	3,000
Political Competition, Consensus Bldg	1,000	973	1,000	2,000
Civil Society	0	0	950	2,000
<b>GJD Total</b>	<b>6,440</b>	<b>6,387</b>	<b>4,596</b>	<b>7,000</b>
<b>Pakistan</b>	<b>FY06 Actual</b>	<b>FY07 Actual</b>	<b>FY08 Estimate</b>	<b>FY09 Request</b>
Rule of Law and Human Rights	0	5,020	7,843	10,600
Good Governance	9,140	19,100	25,400	33,200
Political Competition, Consensus Bldg	13,180	4,592	2,550	2,000
Civil Society	0	0	4,050	9,421
<b>GJD Total</b>	<b>22,320</b>	<b>28,712</b>	<b>39,843</b>	<b>55,221</b>
<b>West Bank and Gaza</b>	<b>FY06 Actual</b>	<b>FY07 Actual</b>	<b>FY08 Estimate</b>	<b>FY09 Request</b>
Rule of Law and Human Rights	0	750	3,500	11,250
Good Governance	300	2,500	3,897	6,000
Political Competition, Consensus Bldg	15,300	0	1,000	3,000
Civil Society	9,246	4,500	5,500	3,750
<b>GJD Total</b>	<b>24,846</b>	<b>7,750</b>	<b>13,897</b>	<b>24,000</b>
<b>Yemen</b>	<b>FY06 Actual</b>	<b>FY07 Actual</b>	<b>FY08 Estimate</b>	<b>FY09 Request</b>
Rule of Law and Human Rights	0	0	0	0
Good Governance	912	1,398	913	1,500
Political Competition, Consensus Bldg	0	300	0	3,000
Civil Society	197	300	0	2,500
<b>GJD Total</b>	<b>1,109</b>	<b>1,998</b>	<b>913</b>	<b>7,000</b>





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