



POMED

PROJECT
ON MIDDLE EAST
DEMOCRACY

SEPTEMBER 2015

STATE, FOREIGN OPERATIONS, & RELATED PROGRAMS: APPROPRIATIONS BILLS, FY16

Cole Bockenfeld

TABLE OF CONTENTS

Executive Summary	1
Acronyms and Abbreviations	3
Introduction	4
Relevant Global Programs	5
Broadcasting Board of Governors' (BBG)	
International Broadcasting Operations.....	5
Brownback Amendment	6
Complex Crises Fund	6
Conflict Stabilization Operations	6
Democracy Fund	6
Democracy Programs	7
Economic Support Funds (ESF)	10
International Religious Freedom (IRF)	10
Internet Freedom	10
Middle East Partnership Initiative (MEPI)	10
Millennium Challenge Corporation (MCC)	11
National Endowment for Democracy (NED)	11
Transition Initiatives (TI)	12
United States Agency for International Development (USAID)	12
United States Institute of Peace (USIP)	13
Security Assistance	13
Countering Violent Extremism	13
Crowd Control Items	14
Foreign Military Financing	15
Foreign Military Training Report (FMTR)	15
Global Security Contingency Fund	15
Language on Restricting Assistance Following Military Coups	16
Leahy Vetting Report	16
Security Assistance Report	17
Security Governance Initiative	17
Special Defense Acquisition Fund	18
Country Sections	18
Bahrain	18
Egypt	19
Iran	22
Iraq	22
Jordan	23
Lebanon	23
Libya	24
Morocco	24
Syria	25
Tunisia	26
West Bank and Gaza	28
Yemen	29
Recommendations for Appropriators	30

EXECUTIVE SUMMARY

In June and July, the House and Senate appropriations committees passed their respective versions of the State, Foreign Operations, and Related Programs appropriations bill for Fiscal Year 2016 (FY16). In a number of key areas, the House and Senate committees proposed similar changes in funding levels or legislative language, which are now expected to become enacted when the bills are finalized—most likely by the end of this year. In several other significant areas, there are meaningful differences between the two bills, and important decisions will need to be made by appropriators in reconciling the bills.

Congressional appropriators are proposing to decrease the amount of State and Foreign Operations funding in FY16, with the House bill proposing an overall amount of \$47.8 billion and the Senate proposing \$49 billion this year. Even if the final bill is enacted at the higher level of \$49 billion, this would represent a continuation of the recent trend of asking the administration to do more with less: the top line level of the State and Foreign Operations appropriations bill has declined steadily from \$53.0 billion in FY12 to \$49.2 billion in FY15.

Key Findings:

- **This year’s House bill would provide full backing of the \$134.4 million request for Tunisia in recognition of “the positive steps made by Tunisia along its democratic transition”—a bilateral assistance level that would nearly double Tunisia’s funding in FY15.** But in comparison, Senate appropriators fall short on bilateral assistance to Tunisia, providing only 65 percent of the amount requested by the administration.
- **When the administration announced a resumption of aid to Egypt in April 2015, U.S. officials also announced they would continue to request \$1.3 billion in annual military assistance for Egypt.** Congressional appropriators match that request and renew Egypt’s annual bilateral military

assistance at \$1.3 billion in FY16. Senate appropriators renew their FY15 approach on conditionality for Egypt's military aid package, which includes a national security waiver that has undermined the effectiveness of such conditions. In an effort to signal ongoing congressional concern about the state of human rights and reform in the country, both bills include reporting requirements that would require the administration to submit assessments of the internal situation in the country.

- **The House and Senate approach to Bahrain differs significantly in this year's bills.** The Senate renews prohibitions on crowd control items to the country and includes a new provision requiring an updated assessment of the government's implementation of the recommendations of the Bahrain Independent Commission of Inquiry (BICI). The House bill does not prohibit crowd control items to Bahrain and offers false praise for "Bahrain's progress to engage in a national dialogue to promote reform and governance."
- **This year's Senate bill includes a number of provisions that indicate a desire by appropriators to weigh in more strongly on democracy and governance programming.** The Senate bill includes lengthy new policy language on democracy programs, including the renewal of reporting requirements from the ADVANCE Democracy Act of 2007 regarding the administration's efforts to promote democracy. For the first time since Congress began including a figure for democracy programs in FY14, Senate appropriators include a regional breakdown for democracy programming, including \$409 million for the Middle East and North Africa.
- **Senate appropriators have inserted a number of provisions in this year's bill that aim to increase the level of transparency in U.S. security assistance.** If passed, new legislative requirements would expand congressional oversight of U.S. security assistance programs and increase resources to U.S. government offices tasked with vetting the intended recipients of such assistance.
- **If enacted, the Senate provision on countering violent extremism (CVE) would include a strong emphasis on governance in fragile states as a central element in the administration's counterterrorism strategy.**
- **Congressional appropriators rejected administration requests to weaken longstanding pro-democracy language in the Brownback Amendment, as well as a request to weaken a section restricting the provision of U.S. assistance after military coups.**
- **Both the House and the Senate bills propose to increase funding to the National Endowment for Democracy to an all-time high of \$170 million.**
- **Concerns about Yemen have led both the House and the Senate to defer funding to the country.** But if and when a negotiated political solution is found in Yemen, administration officials may have to reprogram and piece together funding to support reconstruction and reconciliation efforts in the country, a process that could delay the delivery of critical assistance to the country.

ACRONYMS & ABBREVIATIONS

BBG	Broadcasting Board of Governors
CSO	Bureau of Conflict and Stabilization Operations, U.S. Department of State
CVE	Countering Violent Extremism
DCHA	Office of Democracy, Conflict, and Humanitarian Assistance, USAID
DRL	Bureau for Democracy, Human Rights, and Labor, U.S. Department of State
EDA	Excess Defense Articles
ESF	Economic Support Funds
FMF	Foreign Military Financing
FMS	Foreign Military Sales
FMTR	Foreign Military Training Report
FTO	Foreign Terrorist Organization
GSCF	Global Security Contingency Fund
ICC	International Criminal Court
IMET	International Military Education and Training
INCLE	International Narcotics Control and Law Enforcement
ISF	Internal Security Forces of Lebanon
LAF	Lebanese Armed Forces
MCC	Millennium Challenge Corporation
MEPI	Middle East Partnership Initiative
MOU	Memorandum of Understanding
NADR	Nonproliferation, Anti-terrorism, Demining, and Related Programs
NDAA	National Defense Authorization Act
NEA/AC	Bureau of Near Eastern Affairs Office of Assistance Coordination, U.S. Department of State
NED	National Endowment for Democracy
NERD	Near East Regional Democracy
OCO/GWOT	Overseas Contingency Operations/Global War on Terrorism
OIG	Office of the Inspector General, U.S. Department of State
OTI	Office of Transition Initiatives, USAID
PKO	Peacekeeping Operations
QDDR	Quadrennial Diplomacy and Development Review
RFP	Request for Proposal
SDAF	Special Defense Acquisition Fund
SFOPS	State, Foreign Operations, and Related Programs
SGI	Security Governance Initiative
USAID	United States Agency for International Development
USCIRF	United States Commission on International Religious Freedom
USIP	United States Institute of Peace

INTRODUCTION

The State, Foreign Operations, and Related Programs appropriations legislation provides annual funding for nearly all of the international affairs programs generally considered to be part of the 150 International Affairs Budget Function (the major exception being food assistance). The legislation has also served as a vehicle for Congress to place conditions on the expenditure of those funds and to express its views regarding certain foreign policy issues.¹ The State Department portion composes approximately one-third of the funding, and the Foreign Operations portion—often called the “foreign aid” bill—makes up the remainder of the funds appropriated.²

On June 11, 2015, the House Appropriations Committee approved by voice vote its Fiscal Year 2016 State, Foreign Operations, and Related Programs Appropriations bill, H.R.2772.³ According to a committee press release, the bill totals \$47.8 billion, which is three percent below the FY15-enacted level and 11 percent below the fiscal year 2016 request from the administration.⁴ Accompanying the bill is the committee report, which provides additional detailed budget breakdowns for certain accounts and countries, as well as policy guidance and restrictions for the administration in spending allocated funds.⁵

On July 9, the Senate Appropriations Committee approved S.1725, its Fiscal Year 2016 State, Foreign Operations, and Related Programs Appropriations bill, by a vote of 27–3.⁶ The bill totals \$49.0 billion, which is 0.4 percent below the FY15 enacted level and nine percent below the President’s request, according to a committee press release.⁷ Accompanying the bill is the appropriations committee report, which offers additional details and guidance to the administration on how Congress intends funds to be spent, as well as policy language and guidance.⁸

House State and Foreign Operations Subcommittee Chairwoman Kay Granger (R–TX) described the bill as:

“[F]irst and foremost a national security bill. We live in an increasingly dangerous world where terrorist groups threaten the United States, our allies and partners, and our way of life. We see Russia and China continuing to assert territorial ambitions against its neighbors, and the threat of a nuclear Iran and its support and financing of terrorists is real.”⁹

¹ Tarnoff, C. and Tiersky, A. “State, Foreign Operations Appropriations: A Guide to Component Accounts.” Congressional Research Service, January 13, 2015. <https://www.fas.org/sgp/crs/row/R40482.pdf>

² *Ibid.*

³ “Making appropriations for the Department of State, foreign operations, and related programs for the fiscal year ending September 30, 2016, and for other purposes.” H.R.2772, 114th Congress (2015). <https://www.congress.gov/114/bills/hr2772/BILLS-114hr2772rh.pdf>

⁴ “Appropriations Committee Approves Fiscal Year 2016 State and Foreign Operations Bill.” U.S. House of Representatives Committee on Appropriations, June 11, 2015. <http://appropriations.house.gov/news/documentsingle.aspx?DocumentID=394258>

⁵ “State, Foreign Operations, and Related Programs Appropriations Bill.” Report 114–154, 114th Congress (2015). <http://appropriations.house.gov/uploadedfiles/hrpt-114-hr-fy2016-stateforop.pdf>

⁶ “FY2016 State & Foreign Operations Appropriations Bill Gains Full Committee Approval (Majority).” U.S. Senate Committee on Appropriations, July 9, 2015. <http://www.appropriations.senate.gov/news/fy2016-state-foreign-operations-appropriations-bill-gains-full-committee-approval>, and “Making appropriations for the Department of State, foreign operations, and related programs for the fiscal year ending September 30, 2016, and for other purposes.” S.1725, 114th Congress (2015). <https://www.congress.gov/114/bills/s1725/BILLS-114s1725pcs.pdf>

⁷ “FY2016 State & Foreign Operations Appropriations Bill Gains Full Committee Approval (Majority).”

⁸ “Department of State, Foreign Operations, and Related Programs Appropriations Bill, 2016.” Report 114–79, 114th Congress (2015). <https://www.congress.gov/114/crpt/srpt79/CRPT-114srpt79.pdf>

⁹ *Ibid.*

Senate appropriators described a more holistic view of national security in their committee report, employing a wider definition of countering violent extremism in counterterrorism policy:

“While there is no single antidote to the rise of extremist non-state entities and the violence they espouse, competent governance (defined as the provision of security, stability, and basic services to a population by functioning and accountable government institutions) and the legitimacy such governance confers may prove the most sustainable and effective bulwark against this challenge. It is therefore in the Nation’s national security interest to strengthen democracy, governance, and development abroad.”¹⁰

Use the following links for the House [summary](#) of the legislation, [full text](#), and accompanying [committee report](#). Follow these links for the Senate [summary](#) of the legislation, [full text](#), and accompanying [committee report](#).

This report aims to supplement POMED’s annual report on the budget and appropriations process, the most recent of which was released in May 2015.¹¹ That report includes an overview of relevant aspects of the U.S. administration’s budget request for Fiscal Year 2016, as well as a discussion of relevant developments in Congress from June 2014 through May 2015, including the enacted appropriations act for fiscal year 2015. This report focuses on the House and Senate foreign assistance bills introduced in June and July of 2015, and it also includes relevant developments since May 2015.

Below we have tried to identify all sections of the bills directly related to U.S. engagement with the Middle East and North Africa (MENA) and issues of democracy and human rights in the MENA region, accompanied where appropriate by relevant quotes from congressional hearings and background information and context.

On a number of issues, we have included specific recommendations for appropriators to consider in the conference process as they determine funding levels and policy language for the final appropriations act. These are included throughout the report in insets marked as POMED’s View, and they offer our position and rationale on different legislative options now available for consideration.

RELEVANT GLOBAL PROGRAMS

Broadcasting Board of Governors’ (BBG) International Broadcasting Operations

Both bills include perennial funding for the Broadcasting Board of Governors (BBG), “to carry out international communication activities, and to make and supervise grants for radio, internet, and television broadcasting to the Middle East.” The House bill includes \$746.8 million for such programming. This amount includes a designation of \$28.6 million for satellite transmissions and Internet freedom programs, of which not less than \$17.5 million is marked for Internet freedom programs. The Senate bill includes \$734.6 million for relevant programming. The Senate bill also designates \$28.6 million satellite transmissions and Internet freedom programs, of which not less than \$12.5 million is marked for Internet freedom programs.

¹⁰ “Department of State, Foreign Operations, and Related Programs Appropriations Bill, 2016.”

¹¹ McInerney, S. and Bockenfeld, C. “The Federal Budget and Appropriations for Fiscal Year 2016: Democracy, Governance, and Human Rights in the Middle East and North Africa.” Project on Middle East Democracy, May 20, 2015. <http://pomed.org/pomed-publications/fy16-budget-report/>

Brownback Amendment

As POMED noted in its May 2015 report,¹² the administration's FY16 budget request sought to weaken longstanding language ensuring that U.S. funding and support for democracy and governance programming be provided without seeking prior approval from the host government. Since FY09, the annual appropriations act has included global language asserting that "with respect to the provision of democracy, human rights, and governance activities, the organizations implementing such assistance, the specific nature of that assistance, and the participants in such programs shall not be subject to the prior approval by the government of any foreign country." The administration proposed replacing the Brownback language with alternative language stating that "the Secretary of State should oppose, through appropriate means, efforts by foreign governments to dictate the nature of United States assistance for civil society." Fortunately, congressional appropriators rejected the administration's request to weaken the Brownback language in their FY16 bills, renewing the perennial language that has been in place for years.

Complex Crises Fund

The House bill omits any specified funding level for the Complex Crises Fund, which was funded at \$20 million in FY15 to "support programs and activities to prevent or respond to emerging or unforeseen foreign challenges and complex crises overseas." This omission comes despite a \$30 million request from the administration, while the FY16 Senate bill matches the \$30 million request. Historically, House appropriators have neither provided nor explicitly prohibited funding for the Complex Crises Fund: the House version of the bill omitted such funding in FY13, FY14, and FY15 as well, although the final appropriations act included funding for this account in all of those years.

Conflict Stabilization Operations

The House bill does not provide any funding for the State Department's Bureau of Conflict and Stabilization Operations (CSO), deferring funding until the Office of the Inspector General (OIG) "confirms that the Bureau has resolved all fundamental issues involving the Bureau's mission, the extent of its overlap with other bureaus and interagency partners, and staff size and organization identified in both the OIG's March 2014 inspection report of the Bureau and the subsequent compliance follow-up review." The House did not provide any CSO funding in FY15 either, though Congress eventually included \$48.5 million in funding for CSO in the final FY15 appropriations act. In the FY16 Senate bill, appropriators include a reduced amount of funding for CSO with \$21 million, which would represent a significant reduction from the FY15 enacted level of \$38.5 million and the FY16 request of \$38.99 million.

Democracy Fund

Both the House and Senate bills include \$140.5 million for the President's Democracy Fund, which would represent a \$10 million increase from the FY15 enacted level. These are funds used to support democracy and governance programs worldwide, administered through the State Department's Bureau of Democracy, Human Rights, and Labor (DRL) and the USAID Office of Democracy, Conflict, and Humanitarian Assistance (DCHA). Despite providing the same top-line funding level for the Democracy Fund, the Senate and the House bills differ in their recommendation of how that money should be allocated between DRL and USAID. The Senate bill includes \$85.5 million for DRL and \$55 million for USAID, while the House bill includes

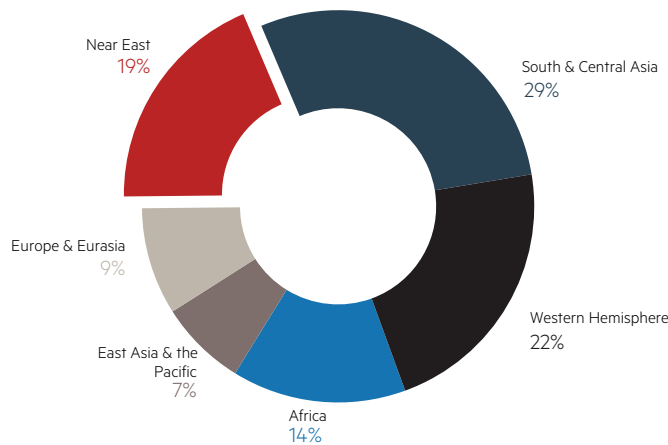
¹² *Ibid.*

\$77.75 million (of which \$8.5 million is designated for international religious freedom programs) and \$62.75 million for DRL and USAID, respectively. This difference in ratios of allocation in the Democracy Fund between chambers is consistent with recent years; the Senate regularly provides a higher proportion of funding to DRL over USAID than the House.

Democracy Programs

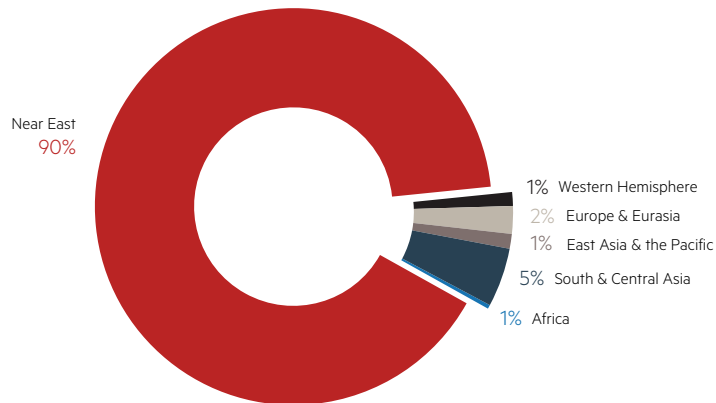
This year’s Senate bill significantly expands Section 7032 on democracy programs, which would govern \$2.31 billion designated for such programs globally. For the first time since a global figure for democracy programs was introduced in the FY14 appropriations act, Senate appropriators include a regional breakdown for democracy programming: \$313 million for Africa, \$157 million for the East Asia & Pacific region, \$193 million for Europe and Eurasia, \$628 million for South and Central Asia, \$481 million for the Western Hemisphere, and \$409 million for the Near East (of which, \$15 million is designated for development assistance, \$351 million for ESE, and \$43 million for INCLE).

SEC. 7032 DEMOCRACY PROGRAMS, SENATE RECOMMENDATIONS FY16



This regional breakdown is particularly notable in contrast to the regional breakdown of foreign military financing (FMF) requested in FY16: the Middle East and North Africa is slated to receive more than 90 percent of the global total:

FOREIGN MILITARY FINANCING REQUEST BY REGION, FY16



The Senate bill also includes policy guidance for the implementation of democracy programs. Senate appropriators include a new section that would prioritize grants and cooperative agreements as the primary delivery mechanisms for funding and would require the administration to notify Congress for any USAID or State Department contracts of more than \$1 million before requests for proposals (RFPs) are released. Some democracy implementers have criticized this proposed prioritization of grants and cooperative agreements, as they view this language as having the potential to “eliminate a significant portion of USAID’s partner community that has been implementing such programs through contracts for decades.”¹³ The office of Senator Lindsey Graham (R–SC), chair of the Senate SFOPS Appropriations Subcommittee, justified the inclusion of this language: “The Subcommittee is seeking to strengthen democracy programs in FY16, as the Administration has not made such programs a priority... There are numerous proposals to accomplish this in section 7032, from specific funding levels for each region to the use of grants and cooperative agreements as primary delivery systems.”¹⁴

Drawing on policy language included in the ADVANCE Democracy Act of 2007, the Senate bill includes a number of updated reporting requirements related to policies for promoting democracy abroad, as well as institutionalizing democracy promotion within the U.S. foreign service. The Advance Democratic Values, Address Nondemocratic Countries, and Enhance (ADVANCE) Democracy Act of 2007 was passed in August 2007 as Title XXI of the Implementing Recommendations of the 9/11 Commission Act of 2007.¹⁵

To this end, the Senate bill would require the State Department and USAID to develop (and consult with democracy implementers on) revised guidelines on democracy programs in line with the Quadrennial Diplomacy and Development Review (QDDR) and the foreign policy objectives in the ADVANCE Democracy Act of 2007.

To further incorporate democracy and human rights in the foreign service, the bill would also require an updated report on “the current and planned training provided to Foreign Service officers in human rights and democracy promotion, including such training provided to chiefs of mission serving or preparing to serve in nondemocratic countries or democratic transition countries,” as well as the “total number of democracy and human rights officers at State and USAID in 2013, 2014, and 2015.” This report was originally required by the ADVANCE Democracy Act of 2007, but it was only required to be submitted to Congress 180 days after passage, i.e. not on a recurring basis.

In reference to concerns—shared by House appropriators¹⁶—about the risks of democracy programming in countries with repressive environments, the Senate bill would require a report on detailed, intra-bureau country strategies¹⁷ for democracy programming to nondemocratic and transitioning countries prior to the obligation of funding, including:

¹³ “Letter to Senate Appropriations Committee on Choice of Instrument for Democracy Programs.” Council of International Development Companies, July 30, 2015. http://www.pscouncil.org/CommitteesandTaskForces/InternationalDevelopmentTaskForce/IDTF_letters_and_comments/Letter_to_Senate_Appropriations_Committee_on_Choice_of_Instrument_for_Democracy_Programs.aspx

¹⁴ Igoe, M. “What’s the right way to procure democracy?” Devex, September 2, 2015. <https://www.devex.com/news/whats-the-right-way-to-procure-democracy-86760>

¹⁵ “Implementing Recommendations of the 9/11 Commission Act of 2007.” Pub. L. 110–53. <http://www.gpo.gov/fdsys/pkg/PLAW-110publ53/pdf/PLAW-110publ53.pdf>

¹⁶ “Oversight Hearing — United States Assistance to Promote Freedom and Democracy in Countries with Repressive Environments.” U.S. House of Representatives Committee on Appropriations, February 26, 2014. <http://appropriations.house.gov/calendar/eventsingle.aspx?EventID=369914>

¹⁷ Each country strategy is to include a long-term, prioritized action plan to address and end nondemocratic practices in the state, as well as any actions taken in the prior year to address such practices. Additionally, each assessment should include “a long term strategy to promote and achieve a transition to full democracy and good governance in each country.”

- goals and objectives of such programs;
- political and social conditions in such country that may impact the promotion of democracy;
- assessed risks to intended beneficiaries of such programs;
- assessed risks to intended implementers in conduct of such programs; and
- funding requirements to initiate and sustain such programs.

This reporting requirement refers to the annual country strategies outlined in the ADVANCE Democracy Act of 2007 that direct Chiefs of Mission in each nondemocratic country or transitioning country to develop, as part of annual program planning, a strategy to promote democratic principles, practices, and values and to provide support, as appropriate, to nongovernmental organizations, individuals, and movements that are committed to democratic principles, practices, and values.¹⁸

The FY16 House bill also includes new language expressing concerns about associated risks, requiring notification by the State Department and USAID “within 30 days of a decision to change the objectives or the content of a democracy and governance program or to close a program due to the increasingly repressive nature of the host country government.”

For the purposes of this subsection of the Senate bill, the term “nondemocratic or democratic transitioning country” would have the same meaning as that of the ADVANCE Democracy Act of 2007:

The term “nondemocratic country” or “democratic transition country” shall include any country which is not governed by a fully functioning democratic form of government, as determined by the Secretary, taking into account the general consensus regarding the status of civil and political rights in a country by major nongovernmental organizations that conduct assessments of such conditions in countries and whether the country exhibits the following characteristics:

- (A) All citizens of such country have the right to, and are not restricted in practice from, fully and freely participating in the political life of such country.
- (B) The national legislative body of such country and, if directly elected, the head of government of such country, are chosen by free, fair, open, and periodic elections, by universal and equal suffrage, and by secret ballot.
- (C) More than one political party in such country has candidates who seek elected office at the national level and such parties are not restricted in their political activities or their process for selecting such candidates, except for reasonable administrative requirements commonly applied in countries categorized as fully democratic.
- (D) All citizens in such country have a right to, and are not restricted in practice from, fully exercising such fundamental freedoms as the freedom of expression, conscience, and peaceful assembly and association, and such country has a free, independent, and pluralistic media.
- (E) The current government of such country did not come to power in a manner contrary to the rule of law.
- (F) Such country possesses an independent judiciary and the government of such country generally respects the rule of law.
- (G) Such country does not violate other core principles enshrined in the United Nations Charter, the Universal Declaration of Human Rights, the International

¹⁸ “Implementing Recommendations of the 9/11 Commission Act of 2007.”

Covenant on Civil and Political Rights, United Nations Commission on Human Rights Resolution 1499/57 (entitled “Promotion of the Right to Democracy”), and the United Nations General Assembly Resolution 55/96 (entitled “Promoting and consolidating democracy”).

(H) As applicable, whether the country has scored favorably on the political, civil liberties, corruption, and rule of law indicators used to determine eligibility for financial assistance disbursed from the Millennium Challenge Account.

POMED'S VIEW

Appropriators should support the Senate proposal to renew language from the ADVANCE Democracy Act, as many of the reporting requirements that require the administration to update and revise strategies for promoting democracy and integrate these strategies into broader diplomatic efforts have essentially been dormant since 2008. Amid increasingly repressive environments for democracy promotion in the region, consideration of assessed risks to recipients of democracy programs should be incorporated into such strategies.

Economic Support Funds (ESF)

The House bill includes \$3.9 billion in Economic Support Funds (ESF), \$2.1 billion of which is designated for Overseas Contingency Operations (OCO) funding. In comparison, the Senate bill includes \$4.01 billion in ESF, of which \$2.02 billion is for OCO funding.

International Religious Freedom (IRF)

Both bills renew the FY15 enacted level of \$3.5 million in funding for the U.S. Commission on International Religious Freedom (USCIRF). In addition, the Senate includes a new provision that would provide \$5 million for the Office of the Ambassador-at-Large for International Religious Freedom and \$1 million for the Special Envoy to Promote Religious Freedom in the Near East and South Central Asia. This provision in the Senate bill would also increase assistance for international religious freedom programs globally to \$20 million, significantly above the administration’s request of \$3 million. The House bill does not specify a funding level for such programs. The Senate and House committee reports also support religious freedom training for U.S. diplomats, and the House provides \$1 million for the development of an international religious freedom curriculum at the Foreign Service Institute.

Internet Freedom

Both bills include \$50.5 million for programs to promote internet freedom programs globally—a renewal of the FY15 enacted level. This year’s Senate bill includes a breakdown for the sources of the \$50.5 million for this objective: \$15.5 from DRL’s \$85.5 million Democracy Fund allocation, \$3.5 million from USAID’s Democracy Fund allocation, \$9 million from the Near East Regional Democracy (NERD) fund, \$10 million from undesignated ESF, and \$12.5 million from the BBG.

Middle East Partnership Initiative (MEPI)

This year’s House bill includes \$70 million for MEPI, of which \$12 million is designated for scholarships. The FY16 Senate bill also includes \$10 million for MEPI scholarships, though it does not designate any overall funding level for MEPI. This represents a reversal of the scenario when the two chambers last differed on MEPI funding in FY14. For that fiscal year, the Senate recommended that MEPI be funded at \$75 million, while the House Committee made no recommendation. MEPI was eventually funded at \$75 million in the final FY14 bill.

The omission of an overall funding level in the FY16 Senate bill should not necessarily be interpreted as a lack of support for MEPI, but it could be read as a deferral to the administration as to how it chooses to allocate available funds to MEPI and other funding mechanisms. MEPI’s actual spending levels have fluctuated since it came under the control of the Bureau of Near Eastern Affairs Office of Assistance Coordination (NEA/AC) in the State Department, which has programmed funds to the region across the various mechanisms under its direction. POMED reported in May 2015 that MEPI’s actual spending level may be “reduced quite significantly below \$70 million, perhaps to as low as \$40 million.”¹⁹

Another plausible explanation for the Senate’s omission of funding is declining support for MEPI in Congress. POMED’s annual budget report noted in FY14 and FY15, “MEPI’s popularity on Capitol Hill now seems to be declining, following reasonably strong support from Congress from at least 2009 until 2012. Many legislators are beginning to see MEPI as redundant, with no clear comparative advantage over other aid institutions.”²⁰ A failure to include a specific level of funding for MEPI in the FY16 Senate bill could be interpreted as a manifestation of this sentiment.

Millennium Challenge Corporation (MCC)

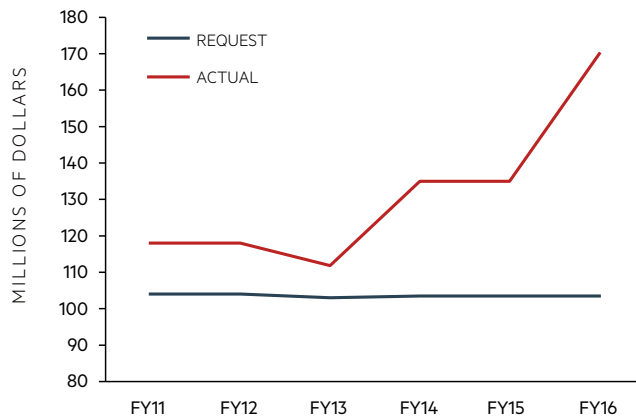
This year’s House bill renews the FY15 enacted level of \$899.5 million for the MCC, while the Senate bill includes \$901 million. Both levels are significantly below the administration’s FY16 request of \$1.25 billion, which it sought in order to “allow the agency to expand its poverty-reduction partnerships that incentivize policy reform and leverage private sector investment, leading to sustainable economic growth in the developing world.” Appropriators in both the House and Senate also refused to provide new concurrent compact legislative authority requested by the administration, which would have allowed an eligible country to have more than one MCC compact at the same time. This would have allowed the MCC to implement multi-country initiatives such as regional economic integration or cross-border development projects.

National Endowment for Democracy (NED)

Both the House and Senate bills in FY16 include a significant increase in funding for the National Endowment for Democracy (NED) to \$170 million. If enacted, this would represent a 26 percent increase over the FY15 enacted level and a 64 percent increase over the administration’s request. The Senate includes a further breakdown of how the \$170 million should be allocated: \$100 million for the NED’s core institutes²¹ and \$35 million for democracy programs (of which \$20 million is to address medium- and long-term threats to the promotion of democracy abroad, and \$15 million is to respond to immediate, unanticipated challenges or opportunities abroad).

Senate appropriators include in their committee report the rationale for the increase: a position that the NED

NATIONAL ENDOWMENT FOR DEMOCRACY FUNDING, FY11-16, REQUEST VS. ACTUAL



¹⁹ McInerney, S. and Bockenfeld, C. “The Federal Budget and Appropriations for Fiscal Year 2016: Democracy, Governance, and Human Rights in the Middle East and North Africa.”

²⁰ *Ibid.*

²¹ The National Democratic Institute (NDI), the International Republican Institute (IRI), the AFL-CIO Solidarity Center, and the Center for International Private Enterprise (CIPE).

“is a more appropriate and effective means of conducting democracy programs in closed and transitioning societies than either USAID or the Department of State, as evidenced by the complications arising from programs supported by those agencies in Egypt and Cuba.” This sentiment is consistent with previous years’ funding bills; in FY13 Senate appropriators attempted to nearly double NED funding to \$238 million, stating, “In many circumstances, the Committee recognizes the NED as a more appropriate and effective mechanism to promote democracy and human rights abroad than either the Department of State or USAID.”²²

Similarly, the House committee report states:

“[t]he Committee is concerned about increased repression of civil society in many countries, which inhibits the ability of citizens to exercise their fundamental freedoms, such as freedom of association, speech, and religion. This disturbing global trend requires new approaches to promote democracy in order to overcome obstacles put in place by increasingly repressive governments. The Committee notes that finding new approaches does not mean retreating from America’s role in advancing democracy worldwide. The Committee, therefore, increases funding for the National Endowment for Democracy and the Democracy Fund above the fiscal year 2015 enacted level.”

As POMED noted in its May 2015 report, the NED “is one of the very few institutions routinely granted funds by Congress well in excess of the level requested in the administration’s budget—even in a tight budget climate.” With the perceived mishandling of democracy and governance programming by USAID in Egypt²³ and Cuba,²⁴ appropriators’ preference for the NED to implement such sensitive programming has led to increased funding for the NED.

Transition Initiatives (TI)

Both the House and Senate bills include \$67 million for the Transition Initiatives account—just below the administration’s request of \$67.6 million—of which \$20 million is designated for Overseas Contingency Operations (OCO) funding. The TI account will address opportunities and challenges facing conflict-prone countries and assist those countries in crisis to transition toward sustainable development, peace, and democracy. The TI account also provides core funding for the Office of Transition Initiatives (OTI) within USAID’s Bureau for Democracy, Conflict, and Humanitarian Assistance (DCHA).

United States Agency for International Development (USAID)

The House bill includes \$1.71 billion for operating expenses of the United States Agency for International Development (USAID), \$650 million of which is provided under the Overseas Contingency Operations (OCO) heading. This year’s Senate bill includes \$1.28 billion, of which \$139 million is designated for OCO. These funds provide for the costs of administration and operation for USAID, separate from the foreign assistance funds programmed by the agency.

²² “Department of State, Foreign Operations, and Related Programs Appropriations Bill, 2016.”

²³ “Democracy Assistance: Lessons Learned from Egypt Should Inform Future U.S. Plans.” U.S. Government Accountability Office, July 2014. <http://www.gao.gov/assets/670/665008.pdf>

²⁴ “Comment of Senator Patrick Leahy (D-Vt., chairman of the Appropriations subcommittee that funds the State Department and U.S. foreign aid programs), on AP Report about a USAID Program In Cuba.” Office of Senator Patrick Leahy, August 4, 2014. <http://www.leahy.senate.gov/press/comment-of-senator-patrick-leahy-d-vt-chairman-of-the-appropriations-subcommittee-that-funds-the-state-department-and-us-foreign-aid-programs-on-ap-report-about-a-usaid-program-in-cuba>

United States Institute of Peace (USIP)

Both the House and the Senate bill this year include \$35.3 million for USIP, which is a renewal of the FY15 enacted level, slightly less than the administration's FY16 request of \$36.99 million. The House committee report urges USIP to "continue to seek competitive awards from Federal agencies and to fully implement fee-based or reimbursable agreements, where appropriate, as a means of sustaining USIP activities and programs in a fiscally constrained environment."

SECURITY ASSISTANCE

Countering Violent Extremism

This year's Senate bill includes a detailed new provision and matches the administration's request for \$141 million in funding for Countering Violent Extremism (CVE). In this year's budget request, the administration stated three objectives for CVE programming:

1. build resilience to violent extremism among those populations or communities most susceptible to radicalization and recruitment into violent extremism—as well as providing positive alternatives;
2. counter the messaging and narratives of violent extremist groups that incite and support violent activities and rhetoric; and
3. increase the will and capacity of governmental and nongovernmental partners to employ CVE strategies and address the drivers of violent extremism.²⁵

If enacted, the Senate provision on CVE would include a strong emphasis on governance in fragile states as a central element in the administration's strategy. The Senate bill would require:

- CT programs to concurrently strengthen governance and the legitimacy of states in which extremist groups operate;
- funds to counter the flow of foreign terrorist fighters;
- funds to counter violent extremism; and
- funds to strengthen governance and security in fragile states bordering countries in which violent extremist groups operate. The Secretary of State must post a list of such fragile states online within 90 days of the bill's passage.

In addition to defining the scope of CVE programs, Senate appropriators also call for the creation of a CVE Assistance Coordinator within the State Department's Bureau on Counterterrorism, who is to be assisted by a deputy appointed from USAID. That official would be tasked with carrying out the following duties:

- design an overall CVE assistance strategy, including strengthening governance;
- lead interagency coordination in countering extremism, implementing security sector reform and governance programs;
- coordinate with other countries and international organizations;
- ensure funding is compliant with U.S. laws and regulations;
- manage and provide oversight of CVE assistance programs; and
- coordinate the use of funds from ESF and FMF accounts for CVE purposes.

²⁵ "Congressional Budget Justification: Foreign Operations, Appendix 2." U.S. Department of State. <http://www.state.gov/documents/organization/238221.pdf>

If enacted, the provision would require the Assistance Coordinator to report to the State Department's Coordinator for Counterterrorism, who would have overall authority over the coordination of activities to counter terrorism and violent extremism. The Coordinator for Counterterrorism is deemed to be equivalent to the rank of Assistant Secretary of State to ensure appropriate bureaucratic weight for the coordination of such activities within the Department of State and USAID, as well as among other agencies.

In comparison, the House includes no specific figure for CVE programming and expressly avoids using the term "CVE" altogether. Instead, this year's House bill includes a section on "countering foreign terrorist fighters," which allows for funds to be drawn from ESF, NADR, and INCLE accounts for programs to counter the flow of foreign terrorist fighters, by supporting efforts of partner governments and multilateral organizations to:

1. counter recruitment;
2. detect and disrupt foreign terrorist fighter travel and secure ports of entry;
3. implement and establish criminal laws and policies to counter foreign terrorist fighters; and
4. arrest, investigate, prosecute, and incarcerate terrorist suspects, facilitators, and financiers.

The House bill would also require a strategy (in classified form if necessary) for countering foreign fighters, including a summary of relevant activities and funding and a clear mission statement and goals.

POMED'S VIEW

Appropriators should support inclusion of the Senate language on CVE, with its important emphasis on governance and fragile states as an integral component of counterterrorism strategy. Failed states provide safe havens for terrorist groups to operate, and repression by authoritarian regimes fuels the grievances that can lead to violent extremism. For U.S. counterterrorism strategy to succeed, it must include efforts to address poor governance and failed states as root causes of terrorism worldwide.

Crowd Control Items

The FY16 Senate bill renews language similar to that which has been in place since FY12 to restrict Foreign Military Financing (FMF) "for tear gas, small arms, light weapons, ammunition, or other items for crowd control purposes for foreign security forces that use excessive force to repress peaceful expression, association, or assembly in countries undergoing democratic transition." In comparison, this year's House bill again omits language restricting crowd control items. House appropriators did not include such language in their FY13, FY14, and FY15 bills as well, although the final appropriations act did include restrictions on crowd control items in all of those years.

This language emerged in appropriations bills beginning in FY12 after tear gas and other crowd control items manufactured in the United States were widely used to suppress peaceful protests in Egypt, Bahrain, and elsewhere in the region. For example, in February 2011, then-Senator John Kerry (D-MA) said in reference to Bahrain, "Using tear gas, batons, and rubber bullets on peaceful protestors is the worst kind of response to a nonviolent demonstration."²⁶ This issue is discussed in more detail in the Bahrain country section below.

²⁶ "Chairman Kerry Condemns Violence In Bahrain" U.S. Senate Committee on Foreign Relations, February 17, 2011. <http://www.foreign.senate.gov/press/chair/release/chairman-kerry-condemns-violence-in-bahrain>

POMED'S VIEW

Appropriators should support the Senate's renewal of restrictions on crowd control items. Peaceful protests in the region have been systematically repressed by security forces that receive crowd control items such as tear gas, small arms, and ammunition that is "Made in the USA." The U.S. government should not provide tools of repression to foreign governments that use excessive force to repress peaceful protest.

Foreign Military Financing

The House bill includes a total of \$5.9 billion in Foreign Military Financing (FMF), \$0.7 billion of which is designated for Overseas Contingency Operations (OCO) funding. In comparison, the Senate bill allocates \$5.64 billion in FME, of which \$1.19 billion is designated for OCO. The administration requested \$5.8 billion for FMF in FY16.²⁷ Historically, the Middle East and North Africa has received the overwhelming majority of FMF; FMF to the region in 2012 exceeded 70 percent of the entire U.S. FMF appropriated globally that year.²⁸ In 2013, the U.S. spent \$4.4 billion in FMF on four countries—Jordan, Israel, Iraq, and Egypt—out of a total \$4.6 billion of the FMF budget to the MENA region.²⁹ Enacted levels for FMF globally in FY15 and FY14 were \$5.88 billion and \$5.92 billion, respectively.

Foreign Military Training Report (FMTR)

This year's Senate bill also adds a new reporting requirement on annual foreign military training. If passed, the administration would be required to include all Defense Department- and State Department-funded trainings in its annual foreign military training reports. This report would be required for all countries that receive foreign military training except for most major non-NATO allies; Senate appropriators clarified that Egypt would be subject to this requirement. The proposed change this year would require the inclusion of trainings administered by third parties paid with U.S. government funds, including other nations.

Global Security Contingency Fund

The Global Security Contingency Fund (GSCF) was created in 2012 as a four-year pilot project to be jointly administered and funded by the Defense Department and the State Department to carry out security and counterterrorism training, as well as some rule of law programs. Libya and Yemen have been designated by the Secretary of State as eligible for receiving assistance from the GSCF since 2012.

Since inception of the fund, Congress has not directly appropriated funds to the GSCF as a separate account, but rather has provided funds for the GSCF through transfers from other accounts, despite administration requests for GSCF appropriated funding from FY12–FY14. The amount Congress has authorized in transfer authority for the State Department has varied: \$50 million in FY12, \$50 million in FY13, \$25 million in FY14, and \$25 million in FY15. The fund is also supported by funds from DOD that are authorized to be transferred from DOD's defense-wide Operations and Maintenance account. Congress has provided transfer authority to the DOD for this purpose at \$200 million each year from FY12–FY15.

²⁷ "Congressional Budget Justification: Department of State, Foreign Operations, and Related Programs." U.S. Department of State. <http://www.state.gov/documents/organization/236395.pdf>

²⁸ Rand, D. "Is American Influence in the Middle East and North Africa Declining?" Center for a New American Security, April 2014. http://www.cnas.org/sites/default/files/publications-pdf/CNAS_MENALeverage_policybrief_final.pdf

²⁹ "FY 2015 Congressional Budget Justification - Department of State, Foreign Operations, and Related Programs." U.S. Department of State. <http://www.state.gov/s/d/rm/rls/ebs/2015/index.htm>

This year's SFOPS funding bills demonstrate a divergence in support between the House and the Senate appropriators toward the fund. The Senate bill includes transfer authority for the administration to allocate up to \$150 million toward the GSCF, while the House omits any transfer authority for the fund whatsoever. Historically, House appropriators have not provided—but have also not explicitly prohibited—transfer authority for the GSCF; the House version of the bill omitted such authority in FY14 and FY15 as well, although the final appropriations bill included transfer authority for this fund in each of those years.

Language on Restricting Assistance Following Military Coups

As POMED noted in its May 2015 report, the administration's FY16 budget request sought to weaken longstanding restrictions on the provision of U.S. assistance following a coup d'état against a democratically elected government. Section 7008 of the FY15 appropriations act states that if "the government of any country whose duly elected head of government is deposed by military coup d'état or ... decree in which the military plays a decisive role" then direct foreign assistance to that government will be immediately suspended. Assistance can only be fully resumed after "a democratically elected government has taken office." The administration proposed language in the FY16 budget request that would allow for the restoration of aid if "the provision of assistance is in the national interest of the United States," regardless of whether a democratically elected government had taken office or not. Fortunately, congressional appropriators rejected the administration's request to weaken this language in their FY16 bills, renewing the perennial language that has been in place for nearly 30 years.

Leahy Law Vetting

This year's Senate bill includes new reporting language regarding the Leahy Law, a longstanding provision of law that prohibits security assistance or training to any unit of a foreign security force if there is credible information that the unit has committed a gross violation of human rights.

If passed, the proposed reporting language would require the administration to provide to Congress the total number of cases submitted, approved, suspended, or rejected for human rights reasons. For cases rejected for human rights reasons, a description of the steps taken to encourage and assist a foreign government to bring individuals to justice must be provided. The report would be required to be submitted in unclassified form but could be accompanied by a classified annex.

The State Department averages about 130,000 discrete new Leahy Law vettings each year, and the pace seems to be increasing.³⁰ To accommodate the increased workload, the Senate bill would provide \$7 million for implementation of Section 620M of the Foreign Assistance Act (Leahy Law Vetting), which would represent a significant increase from the \$5 million FY15 enacted level—itsself a significant increase from the \$2.75 million allocated in FY14 for this purpose. In comparison, the House bill does not include a specific amount for Leahy Law vetting, instead only recommending that funding be drawn from a \$30 million DRL designation.

³⁰ Serafino, N., Beittel, J., Ploch Blanchard, L., and Rosen, L. "Leahy Law' Human Rights Provisions and Security Assistance: Issue Overview." Congressional Research Service, January 29, 2014. <https://www.fas.org/sgp/crs/row/R43361.pdf>

POMED'S VIEW

Appropriators should support the reporting language and \$7 million level of funding for Leahy Law vetting in the Senate bill. In implementing Section 620M of the Foreign Assistance Act, State/DRL is mandated to vet all U.S. security assistance to ensure that funds are not going to forces that have committed gross human rights violations. An increase to \$7 million in FY15 would allow vetting capability to meet increased demands resulting from Congress's expansion of Leahy Law vetting in the FY14 omnibus to cover all 050-funded training, equipment, or other assistance.

Security Assistance Report

The FY16 Senate bill renews a reporting requirement on security assistance, which requires the administration to report on all FY15 funds obligated and expended by country and purpose of assistance under the accounts of Peacekeeping Operations (PKO), International Military Education and Training (IMET), and FMF. This year's Senate bill also proposes to add Excess Defense Articles (EDA) to the list of accounts that would be included in the annual report on security assistance. Working under authorities established in the Foreign Assistance Act of 1961 and the Arms Export Control Act, defense articles declared as excess by the Military Departments can be offered to foreign governments or international organizations in support of U. S. national security and foreign policy objectives. In FY13, more than \$650 million worth of EDA was offered to allied nations globally.³¹ For example, the administration granted Iraq a number of items under the EDA program for the fight against ISIL, including 300 Mine-Resistant Ambush Protected tactical vehicles (MRAPs), Armored Tactical Vehicles, Howitzers, OH-58 helicopters, soft-skinned High-Mobility Multipurpose Wheeled Vehicles (HMMWVs), and individual body armor.³²

Security Governance Initiative

The Security Governance Initiative (SGI) was created in August 2014 as a new joint endeavor between the U.S. and six African partners (including Tunisia) to improve security sector governance and capacity to address threats. In the first year, the administration provided \$65 million in initial funding for the SGI. In this year's Senate bill, appropriators matched the administration's request of \$16.85 million for SGI, though the House bill does not specify a funding level for SGI.

POMED'S VIEW

Appropriators should support the Senate's designation of \$16.85 million in funding for the SGI. A portion of this funding will be important to continuing security sector reform and capacity building programs with Tunisian security forces, addressing a key demand of the revolution while helping modernize the Tunisian military to cope with new domestic security threats.

³¹ "Excess Defense Articles (EDA)." Defense Security Cooperation Agency. <http://www.dsca.mil/programs/excess-defense-articles-eda>

³² "U.S Security Cooperation with Iraq." U.S. Department of State, August 19, 2015. <http://www.state.gov/t/pm/rls/fs/2015/246199.htm>

Special Defense Acquisition Fund

Previously active from 1981 to 1994, the Special Defense Acquisition Fund (SDAF) was resurrected in 2012 to expedite the foreign military sales (FMS) process in responding to the urgent needs of coalition partners, particularly in Iraq and Afghanistan. The Fund allows the U.S. government to initiate the manufacture of military equipment with U.S. contractors in anticipation of FMS in order to reduce time between an assessment of country needs and the delivery of defense articles.³³ Some analysts have concluded the “thorough checks and balances built into the FMS system are typically not conducive to fulfilling the needs of our partner nationals on an urgent basis.”³⁴ After the FMS process is completed, proceeds and fees collected from the sale are used to replenish the SDAF account.

Since 2012, Congress has provided obligation authority for \$100 million for the SDAF annually, matching the administration’s request. In FY16, the administration again requested \$100 million. The House bill provides the requested amount, while the Senate bill provides a significantly higher obligation authority amount of \$900 million. If enacted, the Senate level would allow the administration to reach the congressionally mandated \$1.07 billion capitalization ceiling much more quickly. This would allow the administration to use the fund to purchase and export greater quantities and more expensive military equipment from U.S. suppliers in anticipation of increased FMS demand from allies and partners.

COUNTRY SECTIONS

Bahrain

This year’s Senate bill includes \$9.2 million in bilateral assistance to Bahrain, of which \$1.7 million is designated for IMET and \$7.5 million for FME. Although the amounts of bilateral assistance are relatively small, congressional appropriators have included a number of legislative restrictions on some security assistance to the country, as well as policy language regarding the environment in the country for human rights and political reform.

As discussed in the section on crowd control items above, appropriators’ concern for misuse of crowd control equipment in Bahrain led to an explicit prohibition for crowd control items paid for by FMF to be provided to Bahrain in the FY15 appropriations act. However, this language does not restrict such items if purchased through foreign military sales (FMS), as evidenced by the administration’s recent announcement regarding a resumption of assistance to Bahrain’s National Guard and Defense Forces in June 2015.³⁵ The State Department stated that the items to be released would “comport with the same kinds of material they were getting before: armored personnel vehicles, MRAPs, Humvees, TOW missiles, arms and ammunition, that kind of thing.”³⁶ In comparison, the FY16 House bill contains no mention or restrictions on crowd control items.

This year’s Senate bill also includes a new provision that would require the State Department to submit a report “describing the specific steps taken by Bahrain to implement the recommendations in the BICI, including further steps the government should take to fully

³³ “Mission and Responsibilities of the Defense Security Assistance Agency.” *DISAM Journal of International Security Assistance Management*, (Summer 1987) 9:4, p. 49–55. <http://www.disam.dsca.mil/pubs/Vol%209-4/Mission.pdf>

³⁴ McClure, S. “The Special Defense Acquisition Fund Revisited.” *DISAM Journal of International Security Assistance Management*, November 12, 2013. <http://www.disamjournal.org/articles/the-special-defense-acquisition-fund-revisited-1181>

³⁵ Kirby, J. “Lifting Holds on Security Assistance to the Government of Bahrain.” U.S. Department of State, June 29, 2015. <http://www.state.gov/r/pa/prs/ps/2015/06/244478.htm>

³⁶ Kirby, J. “Daily Press Briefing.” U.S. Department of State, June 30, 2015. <http://www.state.gov/r/pa/prs/dpb/2015/06/244513.htm#BAHRAIN2>

implement the recommendations and an assessment of the impact of the findings of the Report for U.S. security in the region.” This language is similar to an amendment included in the FY13 National Defense Authorization Act (NDAA) introduced by Senators Wyden (D–OR) and Rubio (R–FL), which called for a U.S. assessment of the Bahraini government’s implementation of the recommendations of the Bahrain Independent Commission of Inquiry (BICI).³⁷ If passed, the Senate language would require an updated assessment, as well as a new component of how progress on reform, or lack thereof, impacts U.S. security in the region. When the administration last conducted its assessment in August 2013, the State Department found that the Bahraini government had fully implemented only 5 of the 26 BICI recommendations.

In comparison, the House bill does not include any specific funding levels for assistance to Bahrain and strikes a much different tone on the status of reform in the country. The House committee report “notes Bahrain’s progress to engage in a national dialogue to promote reform and governance and supports funds in this Act being made available for Bahrain.” Finally, the House bill would remove Bahrain from the list of countries that require notification to Congress before the obligation of funds, while the Senate bill would renew Bahrain’s inclusion on this list.

POMED’S VIEW

Appropriators should support the Senate language on Bahrain, on both the restrictions of crowd control items as well as the reporting requirement on BICI implementation. Security forces in Bahrain have used tear gas, small arms, and ammunition to brutally suppress peaceful protests for reform since 2011. The administration withheld³⁸ the delivery or sale of certain lethal and non-lethal crowd control weapons and equipment from late 2011 until June 2015, and the U.S. government should continue to withhold such items until the Bahraini government implements meaningful reform and holds senior officials accountable for gross human rights violations. Bahrain will not be able to resolve its political crisis until it implements reform, and the BICI provides a strong list of recommendations—which have been publicly accepted by King Hamad—on how to do so. Requiring an updated assessment of the Bahraini government’s implementation of the BICI will help pressure the monarchy to implement remaining, long overdue reforms.

Egypt

Both bills this year would renew FMF to Egypt at \$1.3 billion and would also provide \$150 million in ESF, both in line with the administration’s request. The administration would be required to certify that Egypt is (a) sustaining the strategic relationship with the U.S. and (b) meeting obligations under the Egypt-Israel Peace Treaty before any bilateral assistance (either ESF or FMF) can be given, with no waiver for those certifications. Both the House and Senate bills would also renew last year’s funding level of \$150 million for ESF, of which at least \$35 million is designated for higher education programs. This allocation would likely fund the administration’s recently announced Higher Education Initiative in Egypt, a multiyear \$250 million initiative that will provide Egyptians with up to 1,900 university scholarships and exchanges to study in the United States and Egypt.³⁹ The Senate bill also renews authorizing language for enterprise funds for Egypt.

³⁷ “Implementation by the Government of Bahrain of the Recommendations by the Bahrain Independent Commission of Inquiry.” U.S. Department of State, 2013. <http://adhrb.org/wp-content/uploads/2015/06/State-Report-on-Implementation-of-BICI-3-2.pdf>

³⁸ Kirby, J. “Lifting Holds on Security Assistance to the Government of Bahrain.”

³⁹ Harf, M. “Investing in the Future of Egypt.” U.S. Department of State, April 28, 2015. <http://www.state.gov/r/pa/prs/ps/2015/04/241225.htm>

This year's Senate bill would also renew a FY15 provision that Congress be notified before any funding for Egypt is obligated; the House bill would remove this requirement. Both bills would renew a requirement that the Secretary of State or the Administrator of USAID, as appropriate, submit a detailed spend plan for funds to Egypt before any funds could be obligated.

The Senate language would place conditions related to democratic reform and human rights on Egypt's FMF (with the excepted categories of funding for counterterrorism, border security, non-proliferation, or the Sinai Peninsula) though would also grant the administration a waiver on those restrictions for national security interests. The democracy and human rights conditions would apply to FMF only, and the waiver is only for those democracy and rights conditions.

Similar to the FY15 enacted language, the Secretary of State would either have to certify that Egypt is meeting a list of rights-related benchmarks or provide a detailed report on why any of those requirements could not be met if he or she waived them based on national security considerations. Those benchmarks include requirements that the Egyptian government:

- is taking effective steps to advance democracy and human rights;
- is implementing reforms that protect freedoms of expression, association, and peaceful assembly, including the ability of civil society organizations and the media to function without interference;
- has released all political prisoners and is providing detainees with due process of law; and
- is conducting credible investigations and prosecutions of the use of excessive force by security forces.

Notably, the Senate bill would remove the FY15 provision that the administration's report may be classified. When Secretary Kerry used the national security waiver to resume aid to Egypt in May 2015, the accompanying unclassified report quickly became public,⁴⁰ which infuriated officials in the Egyptian government. Some administration officials were also angered that the report became public so quickly, even though it would have eventually been published in the Congressional Record.

Both the House and the Senate bills drop the FY15 requirement that the Secretary of State certify that the Egyptian government "has released American citizens who the Secretary of State determines to be political prisoners and dismissed charges against them." In the administration's May 2015 report on Egypt, Secretary Kerry reported that four Egyptian-Americans "whose cases potentially have political overtones" were in jail; the most high-profile of these, Mohamed Soltan, was released from prison later that month. Although this Egypt-specific provision was removed by both chambers in FY16, the Senate's committee report includes a new provision that would require the Secretary of State to submit "a list of American citizens and nationals imprisoned or otherwise detained by foreign governments who the Secretary considers to be prisoners of conscience."

This year's House bill includes the same funding levels as the Senate: \$1.3 billion for FMF and \$150 million for ESF. But rather than include democracy conditions and a national security waiver, House appropriators removed those benchmarks for releasing assistance to Egypt and replaced them with a 90-day recurring reporting requirement on governance, which could be

⁴⁰ Pecquet, J. "Congress seeks to lift last restrictions on aid to Egypt." *Al Monitor*, June 2, 2015. <http://www.al-monitor.com/pulse/originals/2015/06/state-department-congress-funding-egypt.html>, and Kirkpatrick, D. "Obama Administration Criticizes Egypt in Report to Congress." *New York Times*, June 7, 2015. <http://www.nytimes.com/2015/06/08/world/middleeast/obama-administration-criticizes-egypt-in-report-to-congress.html>

submitted in classified form. The Secretary of State would be required to report on steps taken by the Egyptian government to:

1. hold parliamentary elections;
2. protect and advance the rights of women and religious minorities;
3. implement laws or policies to govern democratically, protect the rights of individuals, and uphold due process of law;
4. implement reforms that protect freedoms of expression, association, and peaceful assembly, including the ability of civil society organizations and the media to function without interference; and
5. improve the transparency and accountability of security forces.

The list to report on is similar to that included in the FY15 appropriations act, with some small—but important—distinctions that have a net effect of lowering the bar for progress by the Egyptian government. For example, the FY15 law required the administration to report on Egypt’s progress toward holding “free and fair” parliamentary elections; the FY16 House bill would only require reporting on progress toward holding parliamentary elections, regardless of their quality.

House State, Foreign Operations, and Related Programs Appropriations Subcommittee Chairwoman Kay Granger (R–TX) has long been a vocal advocate for releasing withheld security assistance to Egypt. In February 2015, Granger criticized the administration’s decision to hold equipment to Egypt such as the F-16s “that are paid for and are clearly needed in the fight against ISIL and other terrorists in the region.”⁴¹ Since the administration announced a lifting of such holds to clear the way for delivery of those items in April 2015, House appropriators appear to remain frustrated that not all of those items have been delivered to Egypt. This year’s House committee report includes new language to urge the administration to expedite delivery of defense articles previously withheld from Egypt, as well as to report if any articles remain to be delivered as of October 1, 2016, and a timeline for their delivery.

Also in reference to the administration’s April 2015 announcement that Egypt’s cash-flow financing privilege would be discontinued beginning in FY18 and that the bilateral assistance package would be restructured around new security categories, the House bill would require the Secretary of State to consult with the Committees on Appropriations on any plans to restructure military assistance for Egypt within 90 days of passage.

In reference to an Egyptian court’s conviction of 43 NGO workers in June 2013, this year’s House bill renews language that deems the inappropriate prosecution and conviction of United States nongovernmental organization personnel invalid for the purposes of U.S. law. The Senate bill would also renew language from FY15 to withhold an amount of Egypt’s bilateral assistance equivalent to the amount expended by the U.S. government for bail and by NGOs for legal and court fees associated with democracy-related trials in Egypt.

⁴¹ “Budget Hearing – Department of State: State, Foreign Operations, and Related Programs.” Hearing. U.S. House of Representatives Appropriations Subcommittee on State, Foreign Operations and Related Programs, February 25, 2015. <http://appropriations.house.gov/calendar/eventsingle.aspx?EventID=393991>

POMED'S VIEW

Appropriators should support the Senate language on Egypt, which has tougher democracy conditions and reporting requirements than that of the House. Requiring the Secretary of State to provide a detailed assessment of democratic reform and human rights in the country before obligating military assistance to Egypt may encourage the Egyptian government to make progress in key reform areas; at a minimum, it will compel the administration to provide valuable information to Congress on the degree of such progress. Appropriators should support the House language requiring the administration to consult with Congress on plans to restructure military assistance for Egypt. This provision will give members of Congress an important oversight opportunity to ensure that the administration is implementing its announcement to modernize the U.S.-Egypt military assistance relationship by revoking cash flow financing and channeling FMF into four new categories of assistance.⁴² Finally, appropriators should support the Senate language regarding American prisoners of conscience in order to urgently press for the release of any remaining American citizens being held as political prisoners in Egypt (as well as in Iran and any other countries in the region).

Iran

Both the House and Senate bills would renew the FY15 enacted level of \$32 million for programs to support democracy in Iran through the Near East Regional Democracy (NERD) fund. This year's Senate bill specifies that such programming is the responsibility of State Department's Bureau of Near Eastern Affairs, in consultation with the Bureau of Democracy, Human Rights, and Labor.

Both the House and Senate bills would also renew a statement of policy from FY15 to prevent Iran from achieving the capability to produce or otherwise manufacture nuclear weapons, including by supporting international diplomatic efforts to halt Iran's uranium enrichment program. Both would also require reports on efforts to curtail Iran's pursuit of nuclear weapons technology, the status of bilateral United States and multilateral sanctions against Iran, and implementation of the Joint Comprehensive Plan of Action between the P5+1 and the Government of Iran. Finally, both bills would renew Iran's status on the list of countries that require notification to Congress before funds are obligated.

Iraq

This year's Senate committee report notes that “[a]bsent the ability of the Government of Iraq to govern in an inclusive manner and to maintain discipline on fields of battle, the threats posed by Islamic extremists in Iraq will remain a constant and chronic threat.”

The Senate bill would allow INCLE and FMF for Iraq to be made available to enhance the capacity of the Kurdistan Regional Government's security services. Similarly, the House committee report directs the Secretary of State to “work with the GOI to ensure that the Kurdish Regional Government receives sufficient revenues and security assistance to address the ongoing security challenges posed by ISIL and other terrorist groups.”

The Senate committee report matches the administration's request by including \$75 million for ESE, \$11 million for INCLE, \$1 million for IMET, and \$250 million for FMF in Iraq. The House bill

⁴² Meehan, B. “Comment Regarding Egypt.” U.S. National Security Council, March 31, 2015. <http://pomed.org/wp-content/uploads/2015/04/NSC-Statement-on-Egypt-Military-Aid-March-2015.pdf>

supports the administration's \$250 million FMF request for Iraq. The House committee report also recommends \$100 million in additional ESF be used by the administration "to increase assistance to host communities with large refugee populations. The Committee expects needs in Iraq, Jordan, and Lebanon to be prioritized."

Both bills would renew a FY15 prohibition of the use of funds to construct diplomatic facilities in Iraq in the absence of a land use agreement, and the House bill would also prohibit funding to enter into a permanent basing rights agreement between the United States and Iraq. Both bills would renew Iraq's inclusion on the list of countries that require notification to Congress before the obligation of funds, and they also renew a requirement that the Secretary of State or the Administrator of USAID, as appropriate, submit a detailed spending plan for funds to Iraq before any funds could be obligated.

Jordan

The administration signed a new, three-year Memorandum of Understanding (MOU) with Jordan in February 2015, increasing the annual bilateral assistance package from \$660 million to \$1 billion for the years 2015–2017. Both the House and Senate bills reflect this commitment, providing \$1 billion in ESF and FMF to Jordan in FY16, and the Senate bill specifies that \$204 million of that amount be used for budget support. In addition to that base level of \$1 billion, this year's Senate bill includes an additional \$75 million for budget support and \$100 million for water sector support; if enacted, this would bring the size of the bilateral assistance package to Jordan to \$1.175 billion in FY16. It also includes language encouraging the administration to make additional funds available for programs to implement the Jordan Response Plan 2015 for the Syria Crisis.⁴³

Both bills renew authorizing language for loan guarantees for Jordan. In May 2015, the administration announced a third loan guarantee agreement with Jordan for \$1.5 billion over a 10-year period. Jordan previously issued sovereign bonds worth \$1.25 billion in 2013 and \$1 billion in 2014 with U.S. Government guarantees.⁴⁴

Lebanon

This year's Senate bill would provide \$200.5 million for Lebanon—slightly less than the administration's \$210.5 million request. Of that total, the Senate bill would provide \$100 million in ESE, \$13 million in INCLE, \$4.76 million in NADR, \$2.75 million in IMET, and \$80 million for FMF. The House bill does not specify funding levels for Lebanon. The Senate bill would renew a longstanding explicit prohibition on funds for the Lebanese Armed Forces (LAF) if it is controlled by a foreign terrorist organization, and it adds a new, similar restriction on funding to Lebanon's Internal Security Forces (ISF).⁴⁵ The House bill would renew the prohibition on the LAF if it is controlled by a FTO, though it makes no mention of Lebanon's ISF.

Both bills would also require the administration to submit a detailed spend plan, "including actions to be taken to ensure equipment provided to the LAF is only used for the intended purposes," as well as any funds intended for lethal military equipment, before any assistance to the LAF may be obligated. Both bills would renew Lebanon's inclusion on the list of countries that require notification to Congress before the obligation of funds.

⁴³ "Jordan Response Plan for the Syria Crisis: Executive Summary." The Hashemite Kingdom of Jordan Ministry of Planning and International Cooperation, March 2015. <https://docs.unocha.org/sites/dms/Syria/Jordan%20Response%20Plan.pdf>

⁴⁴ "United States and Jordan Sign Third Loan Guarantee Agreement." U.S. Department of State, May 31, 2015. <http://www.state.gov/r/pa/prs/ps/2015/05/243034.htm>

⁴⁵ Preemptive congressional prohibitions on funding to foreign governments controlled by an FTO are generally redundant under U.S. law, as existing counterterrorism laws would prohibit any material support to FTOs.

As mentioned above under the Iraq heading, the FY16 House committee report also recommends \$100 million in additional ESF be used by the administration “to increase assistance to host communities with large refugee populations. The Committee expects needs in Iraq, Jordan, and Lebanon to be prioritized.”

Libya

This year’s House bill would add a new prohibition on funding for the Government of Libya (GOL) if the GOL is controlled by a foreign terrorist organization. Both bills would renew language limiting funding to Libya unless the Secretary of State reports that the Libyan government is cooperating with efforts to investigate and bring to justice those responsible for the September 2012 attack in Benghazi. Both bills would renew Libya’s inclusion on the list of countries that require notification to Congress before the obligation of funds, and both renew a requirement that the Secretary of State or the Administrator of USAID, as appropriate, submit a detailed spending plan for funds to Libya before any funds could be obligated.

The FY16 Senate bill would match the administration’s request by providing \$20 million for assistance to Libya, of which \$10 million is allocated for ESF, \$2 million for INCLE, \$6.5 million for NADR, and \$1.5 million for IMET. The House bill does not specify funding levels for Libya.

POMED’S VIEW

Appropriators should support the Senate’s funding level of \$20 million in bilateral assistance to Libya. As noted in our May 2015 report, the administration’s request for this level in FY16 was part of an important broader effort to regularize funding into more permanent accounts and structures. This change would facilitate better planning and coordination of assistance efforts and would relieve policymakers from scrambling each year to cobble together unspent funds from other accounts.

Morocco

Both the House and the Senate match the administration’s request for \$20 million in ESF for Morocco. The Senate committee report also matches the request for \$3 million in INCLE, \$1.9 million in IMET, and \$5 million in FMF for Morocco.

In the latest iteration of an ongoing debate between administration officials and Congress, this year’s Senate bill dictates that ESF for Morocco shall be available for programs in the Western Sahara. Such a move would run counter to the administration’s policy on the disputed territory, as senior administration officials have previously testified to Congress that such a policy shift would be perceived as undermining the UN-led mediation process in the Western Sahara.⁴⁶ This year’s House committee report takes a softer position regarding the Western Sahara, making available ESF “for any region or territory administered by Morocco, including the Western Sahara,” though does not explicitly require those funds to be spent there. The House committee report notes the committee’s support for a “negotiated settlement to the dispute, consistent with United States policy to support a solution to the issue based on a formula of autonomy under Moroccan sovereignty.”

⁴⁶ “U.S. Policy Toward Morocco.” Hearing. U.S. House of Representatives Committee on Foreign Affairs, April 9, 2014. <http://foreignaffairs.house.gov/hearing/subcommittee-hearing-us-policy-towards-morocco>

The FY16 Senate bill includes a number of new restrictions on Morocco's FMF tying the release of such assistance to a report by the Secretary of State on steps being taken by the Moroccan government to:

- respect the right of individuals to peacefully express their opinions regarding the status and future of the Western Sahara and to document violations of human rights; and
- provide unimpeded access to human rights organizations, journalists, and representatives of foreign governments to the Western Sahara.

These two provisions are identical to a reporting requirement last included in the FY12 appropriations act. In addition, the FY16 Senate bill adds a new, third reporting requirement, on steps being taken by the Moroccan government to "support a human rights and monitoring role for the U.N. Mission in Western Sahara, in cooperation with the U.N. High Commissioner for Human Rights."

POMED'S VIEW

Appropriators should support the House language on the administration of assistance in the Western Sahara in order to best support the UN-led mediation process regarding the disputed territory. The Senate language would require the administration to administer Morocco assistance in the Western Sahara, which would represent a shift from longstanding U.S. policy and potentially undermine that mediation process. At the same time, appropriators should support the Senate language requiring a report on human rights and independent access to the Western Sahara. Although Moroccan authorities have recently allowed a Sahrawi human rights organization fiercely critical of the government to legally register, serious human rights abuses in the territory continue.⁴⁷

Syria

While the House bill does not specify any funding levels for assistance to Syria, this year's Senate bill would provide \$175 million in non-lethal assistance to address the needs of civilians affected by conflict in Syria. This level is \$60 million below the administration's request of \$235 million, though much of that request was designated under the OCO heading; the administration could draw on undesignated OCO funds included in the Senate bill to reach the \$235 million level. The Senate bill's Syria assistance is designated for programs that seek to:

1. establish governance in Syria that is representative, inclusive, and accountable;
2. expand the role of women in negotiations to end the violence and in any political transition in Syria;
3. develop and implement political processes that are democratic, transparent, and adhere to the rule of law;
4. further the legitimacy of the Syrian opposition through cross-border programs;
5. develop civil society and an independent media in Syria;
6. promote economic development in Syria;
7. document, investigate, and prosecute human rights violations in Syria, including through transitional justice programs and support for nongovernmental organizations;

⁴⁷ "Morocco/Western Sahara: Rights Group Legalized." Human Rights Watch, August 24, 2015. <https://www.hrw.org/news/2015/08/24/morocco/western-sahara-group-legalized>

8. counter extremist ideologies;
9. assist Syrian refugees whose education has been interrupted by the ongoing conflict to complete higher education requirements at regional academic institutions; and
10. assist vulnerable populations in Syria and in neighboring countries.

The Senate bill also includes a new provision in FY16 that makes funds available to “strengthen the capability of Syrian diaspora-led organizations and local Syrian civil society organizations to address the immediate and long-term needs of the Syrian people inside Syria.” This year’s Senate bill would also require the Secretary of State to provide an update to the administration’s comprehensive Syria strategy, including “a clear mission statement, achievable objectives and timelines, and a description of interagency and donor coordination and implementation of such strategy.” Both bills would renew Syria’s inclusion on the list of countries that require notification to Congress before the obligation of funds. Finally, the Senate committee report matches the administration’s request of \$20 million for NADR funding to Syria.

POMED’S VIEW

Appropriators should grant the administration’s request of \$235 million in bilateral economic assistance for Syria. Although the Senate designated a lower than requested amount, the House did not include a specific funding level for ESE, which traditionally indicates deferral to the administration to spend funds as indicated in its request. Appropriators should pass language that will grant the administration the ability to fully allocate \$235 million in economic assistance for Syria.

Tunisia

As POMED noted in its May 2015 report, the administration requested \$134.4 million in bilateral assistance to Tunisia for FY16, which is more than double the FY15 bilateral request of \$66 million. During Tunisian President Beji Caid Essebsi’s visit to Washington in late May 2015, the White House released a fact sheet that stated:

“The United States remains committed to supporting Tunisia’s democratic path, one that strengthens civil society, empowers women and youth, advances economic reforms, solidifies the foundations of citizen participation in government, and bolsters security. This year, President Obama is working with Congress to provide at least \$100 million in assistance to Tunisia, which would bring our total support since the 2011 revolution to nearly \$700 million. This reflects the importance placed by the United States on supporting Tunisia’s democracy as it promotes prosperity and security for all Tunisians.”⁴⁸

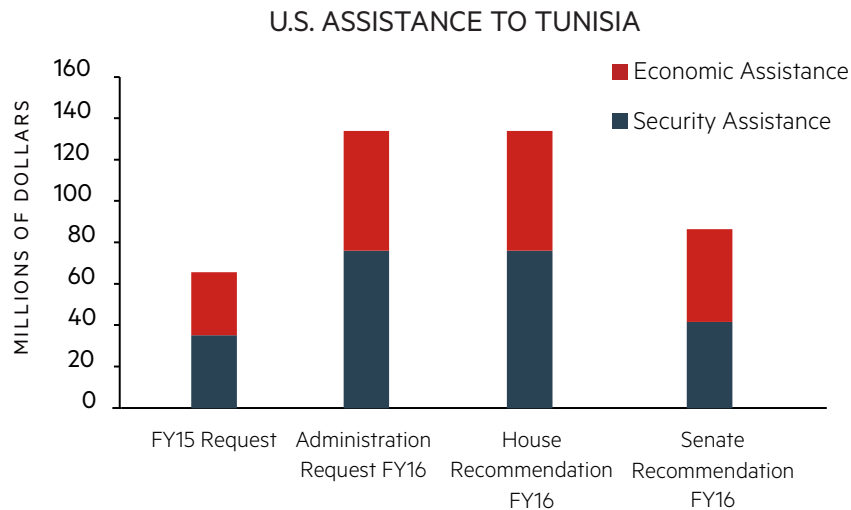
This year’s House bill provides full funding of that request, noting “the positive steps made by Tunisia along its democratic transition,” while acknowledging “with concern the terrorist threats Tunisia faces.” The House committee report continues, “[I]t is in the national security interest of the United States to support a democratic and prosperous Tunisia.” In a July 2015 hearing on Tunisia, Rep. Ileana Ros-Lehtinen (R-FL), chair of the Middle East and North Africa Subcommittee of the House Foreign Affairs Committee, said,

“The stability of Tunisia and the viability of its democratic transition are not only strategically important to the United States and the region, but it is important to all of

⁴⁸ “Fact Sheet: Enduring U.S.-Tunisian Relations.” White House, May 21, 2015. <https://www.whitehouse.gov/the-press-office/2015/05/21/fact-sheet-enduring-us-tunisian-relations>

us who believe in democracy and what the people of Tunisia are trying to accomplish for themselves.”⁴⁹

In comparison, this year’s Senate bill falls short on assistance to Tunisia, providing \$86.9 million in bilateral assistance. This figure is above last year’s level of \$66 million but below the administration’s FY16 request by a significant 35 percent. Of the \$86.9 million, \$45 million is for ESF, \$7 million for INCLE, \$2.3 million for IMET, and \$30 million for FMF. The bill does not specify a level for NADR funding, which the administration requested at \$2.6 million.



In an apparent acknowledgement of the funding level falling below the request for Tunisia, the Senate committee report “recommends additional funds be made available from prior acts making appropriations for the Department of State, foreign operations, and related programs through a reprogramming of funds,” including unobligated balances for Yemen. Senator Chris Murphy (D–CT), a member of both the Senate Foreign Relations Committee as well as the Senate SFOPS Appropriations Subcommittee, raised this issue in the nomination hearing for Ambassador-designate to Tunisia Daniel Rubinstein in July 2015:

Senator Murphy: “Mr. Rubinstein, I was with a big delegation in Tunisia earlier in the year and I wanted to ask you a couple of questions in that context. On a bipartisan basis, we were there and made a commitment to do everything that Tunisia needed in order to continue on its democratic path. And then as a member of the appropriations committee, we just voted for a foreign aid budget that did not fund the president’s request for Tunisia, and that’s something—from what I understand—the Tunisians have noticed. There seems to be a separation between our rhetoric and then what we’re able to deliver. There’s some vague language in the appropriations bill that we’re going to try and find the money somewhere else. But, is this going to be an issue for you? Can we fulfill the commitments that we’ve made, either formally or informally, if we don’t ultimately fund the number the president has requested?”

Ambassador-designate Rubinstein: “Thank you very much, Senator, for that question. My sense is that the increases that are in the administration’s request for FY16 are very well grounded, and they reflect some very serious needs. And not only in the security

⁴⁹ “Tunisia’s Fragile Democratic Transition.” Hearing, Subcommittee on the Middle East and North Africa of the U.S. House of Representatives Committee on Foreign Affairs, July 14, 2015. <http://docs.house.gov/meetings/FA/FA13/20150714/103741/HHRG-114-FA13-Transcript-20150714.pdf>

area, where it's plainly obvious that Tunisia is facing some extremely serious threats with these two major attacks, but also in the economic reform and the democracy, governance, and rights areas. And frankly, if those two areas don't keep up in some way with the security side of the relationship, that could get out of whack and I think that is a problem.

"So, I do sense that we have made those rhetorical commitments. Tunisia is counting on our support as well as that of other countries; thankfully we do have other countries who are in the mix. Of course they are getting support from the IMF and the World Bank and others, but I think they are primarily looking to the United States to meet these needs at this time and to ensure that they stay on the path. Particularly, I would add, on the side of giving them the fiscal space so that they can make these very difficult economic reforms. Particularly, reforming state-owned banks, investment, tax, customs codes—these are going to entail some real choices, and probably some winners and losers, and it will be important for us to provide that fiscal space for them."⁵⁰

Both bills renew authorizing language for loan guarantees, and the Senate bill renews authorizing language for enterprise funds for Tunisia. In a July 2015 hearing on Tunisia, Rep. Ileana Ros-Lehtinen (R-FL) described programs like the Tunisian-American Enterprise Fund as "steps in the right direction" to address Tunisia's economic challenges.⁵¹

POMED'S VIEW

Appropriators should support the House funding level for bilateral assistance to Tunisia, matching the administration's request of \$134.4 million for FY16. Tunisia demonstrated remarkable political progress in its democratic transition since 2011, but the country still faces formidable economic and security challenges that could derail its efforts to consolidate its democratic transition. The administration took the long overdue step of increasing bilateral Tunisia assistance in its FY16 request, and the President along with senior members of Congress have promised to fully support Tunisia's democratic transition. Failing to fully fund this year's bilateral request would send precisely the opposite signal—that a Middle Eastern country that has made significant democratic progress is not a policy priority deserving of increased support from the United States.

West Bank and Gaza

This year's Senate committee report includes \$362 million for bilateral assistance to the West Bank and Gaza, of which \$290 million is for ESF, \$70 million for INCLE, and \$2 million for NADR. This level matches the administration's request for INCLE and NADR funding, but it falls below the \$370 million requested for ESF in FY16. This year's House bill does not specify funding levels for the West Bank and Gaza.

Both bills renew perennial language detailing extensive restrictions and conditions, as well as vetting, oversight and audit requirements, for U.S. assistance programs in the West Bank and Gaza. Both bills would prohibit U.S. assistance to the Palestinian Authority, although they provide a presidential waiver to override that restriction if waiving such prohibition is important to the national security interest of the United States. If enacted, bill language would also renew prohibitions on funding for salaries of Palestinian Authority personnel in Gaza or for Hamas or

⁵⁰ "Nominations." Hearing, U.S. Senate Committee on Foreign Relations, July 30, 2015. <http://www.foreign.senate.gov/hearings/nominations-07-30-2015>

⁵¹ *Ibid.*

any entity “effectively controlled by Hamas, any power-sharing government of which Hamas is a member, or that results from an agreement with Hamas and over which Hamas exercises undue influence.” Both bills would also require the Secretary of State or the Administrator of USAID, as appropriate, to submit a detailed spend plan for funds to West Bank and Gaza before any funds could be obligated.

In order for the President to use a perennial waiver on restrictions to PLO offices in the U.S., the Senate bill would require a new determination that the Palestinians have not “*taken any action with respect to the ICC that is intended to influence a determination by the ICC to initiate a judicially authorized investigation, or to actively support such an investigation, that subjects Israeli nationals to an investigation for alleged crimes against Palestinians* [italics added for emphasis].” This is an attempt by congressional appropriators to further strengthen restrictions on the administration regarding Palestinian actions at the ICC, as U.S. officials have argued that existing law from FY15 does not yet apply. That existing law prohibits funding to the Palestinian Authority if “the Palestinians initiate an International Criminal Court judicially authorized investigation, or actively support such an investigation, that subjects Israeli nationals to an investigation for alleged crimes against Palestinians.”

POMED'S VIEW

Appropriators should grant the administration's request of \$370 million in bilateral economic assistance for West Bank and Gaza. Although the Senate designated a lower than requested amount, the House did not include a specific funding level for ESF, which traditionally indicates deferral to the administration to spend funds as indicated in its request. Appropriators should pass language that will grant the administration the ability to fully allocate \$370 million in economic assistance for West Bank and Gaza.

Yemen

For the first time in recent years, both the House and Senate bills for FY16 do not include any designated funds for Yemen. The House committee report states, “Due to the uncertain security environment and lack of a U.S. diplomatic presence inside the country to monitor assistance, there are significant challenges to providing economic, health, and security assistance. For this reason, the Committee has deferred consideration of the funding requested for FY16.” This language would not prohibit the administration from spending previous year funds or FY16 undesignated funds in Yemen. However, if enacted in the final appropriations act, the administration would not have a FY16 bilateral assistance account designated for Yemen from which to draw on to support such programs.

While the Senate bill also does not include any funding for Yemen, it would require the Secretary of State or the Administrator of USAID, as appropriate, to submit a detailed spend plan for funds to Yemen before any funds could be obligated. The House bill would not include Yemen on that list of countries. Finally, both bills would renew Yemen's inclusion on the list of countries that require notification to Congress before funds may be obligated.

KEY RECOMMENDATIONS FOR APPROPRIATORS

- **Support the House funding level for bilateral assistance to Tunisia, matching the administration's request of \$134.4 million for FY16.** Tunisia demonstrated remarkable political progress in its democratic transition since 2011, but the country still faces formidable economic and security challenges that could derail its efforts to consolidate its democratic transition. The administration took the long overdue step of increasing bilateral Tunisia assistance in its FY16 request, and the President along with senior members of Congress have promised to fully support Tunisia's democratic transition. Failing to fully fund this year's bilateral request would send precisely the opposite signal—that a Middle Eastern country that has made significant democratic progress is not a policy priority that deserves increased support from the United States.
- **Support the Senate language on Egypt, which has tougher democracy conditions and reporting requirements than that of the House.** Requiring the Secretary of State to provide a detailed assessment of democratic reform and human rights in the country before obligating military assistance to Egypt may encourage the Egyptian government to make progress in key reform areas—at a minimum, it will compel the administration to provide valuable information to Congress on the degree of such progress. Appropriators should also support the House language requiring the administration to consult with Congress on plans to restructure military assistance for Egypt. This provision will give members of Congress an important oversight opportunity to ensure the administration is implementing its announcement to modernize the U.S.–Egypt military assistance relationship by revoking cash-flow financing and channeling FMF into four new categories of assistance. Finally, appropriators should support the Senate language regarding American prisoners of conscience in order to urgently press for the release of any remaining American citizens being held as political prisoners in Egypt (as well as in Iran and any other countries in the region).
- **Support the Senate language on Bahrain, on both the restrictions of crowd control items and the reporting requirement on BICI implementation.** Security forces in Bahrain have used tear gas, small arms, and ammunition to brutally suppress peaceful protests for reform since 2011. The administration withheld the delivery or sale of certain lethal and non-lethal crowd control weapons and equipment from late 2011 until June 2015, and the U.S. government should continue to withhold such items until the Bahraini government implements meaningful reform and holds senior officials accountable for gross human rights violations. Bahrain will not be able to resolve its political crisis until it implements reform, and the BICI provides a strong list of recommendations—which have been publicly accepted by King Hamad—on how to do so. Requiring an updated assessment of the Bahraini government's implementation of the BICI will help pressure the monarchy to implement remaining, long overdue reforms.
- **Support the Senate proposal to renew language from the ADVANCE Democracy Act, as many of the reporting requirements that require the administration to update and revise strategies for promoting democracy and integrate these strategies into broader diplomatic efforts have essentially been dormant since 2008.** Amid increasingly repressive environments for democracy promotion in the region, consideration of assessed risks to recipients of democracy programs should be incorporated into such strategies.

- **Support inclusion of the Senate language on CVE, with its important emphasis on governance and fragile states as an integral component of counterterrorism strategy.** Failed states provide safe havens for terrorist groups to operate, and repression by authoritarian regimes fuels the grievances that can lead to violent extremism. For U.S. counterterrorism strategy to succeed, it must include efforts to address poor governance and failed states as root causes of terrorism worldwide.
- **Support the reporting language and \$7 million level of funding for Leahy Law vetting in the Senate bill.** In implementing Section 620M of the Foreign Assistance Act, State/DRL is mandated to vet all U.S. security assistance to ensure that funds are not going to forces that have committed gross human rights violations. An increase to \$7 million in FY15 would allow the vetting capability to undergo the steady growth made necessary by Congress's expansion of Leahy vetting in the FY14 omnibus to cover all 050-funded training, equipment, or other assistance.
- **Support the Senate's renewal of restrictions on crowd control items.** Peaceful protests in the region have been systematically repressed by security forces that receive crowd control items such as tear gas, small arms, and ammunition that is "Made in the USA." The U.S. government should not provide tools of repression to foreign governments that use excessive force to repress peaceful protest.