

The Federal Budget and Appropriations for Fiscal Year 2017

Democracy, Governance, and Human Rights
in the Middle East & North Africa

Stephen McInerney
Cole Bockenfeld
April 2016



THE FEDERAL BUDGET AND APPROPRIATIONS FOR FISCAL YEAR 2017

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

Stephen McInerney
Cole Bockenfeld

APRIL 2016



© 2016 Project on Middle East Democracy. All rights reserved.

The Project on Middle East Democracy (POMED) is a nonpartisan, nonprofit, Washington, D.C. based 501(c)(3) organization. The views represented here do not necessarily reflect the views of POMED, its staff, or its Board members.

For electronic copies of this report, visit: <http://pomed.org/pomed-publications/fy17-budget-report/>

Limited print copies are also available.

Project on Middle East Democracy
1611 Connecticut Avenue, NW, Suite 300
Washington, D.C. 20009

www.pomed.org

ABOUT THE AUTHORS

Stephen McNerney is Executive Director of the Project on Middle East Democracy (POMED). He previously served as POMED's Advocacy Director from 2007 to 2010. He has extensive experience in the Middle East and North Africa, including graduate studies of Middle Eastern politics, history, and the Arabic language at the American University of Beirut and the American University in Cairo. He has spoken on Middle East affairs with numerous media outlets including BBC, MSNBC, Al Jazeera, and CBS News. His writing on Middle East affairs and U.S. policy has been published by *Foreign Affairs*, the *Daily Star*, the *New Republic*, *Foreign Policy*, and the *Washington Post*. He received a Master's degree from Stanford University.

Cole Bockenfeld is the Deputy Director for Policy at the Project on Middle East Democracy (POMED). He has studied the Middle East and global diplomacy at the University of Arkansas, Georgetown University, and the University of London. Prior to joining POMED, he worked for the International Foundation for Electoral Systems (IFES) on electoral assistance programs in Iraq, Lebanon, Morocco, and the West Bank and Gaza, including fieldwork in Beirut and Baghdad. He also conducted research with the Center for the Study of Islam and Democracy (CSID) in Amman. His writing on Middle Eastern politics and U.S. foreign policy has been published by the *Washington Post*, *Foreign Policy*, and the *Christian Science Monitor*. He has spoken on Middle East affairs with numerous media outlets including the *New York Times*, NPR, the *Boston Globe*, the *Christian Science Monitor*, Al-Jazeera, and Alhurra.

ABOUT THE PROJECT ON MIDDLE EAST DEMOCRACY (POMED)

The Project on Middle East Democracy is a nonpartisan, nonprofit organization dedicated to examining how genuine democracies can develop in the Middle East and how the U.S. can best support that process. Through research, dialogue, and advocacy, we aim to strengthen the constituency for U.S. policies that peacefully support democratic reform in the Middle East.

CONTENTS

Acronyms and Abbreviations	1
Executive Summary	2
Introduction	4
The Big Picture: Foreign Assistance for the Middle East and North Africa.	5
Major Initiatives: Multi-Country Accounts and Programs	10
<i>Office of NEA Assistance Coordination and the Middle East Partnership Initiative</i> . 10	
<i>USAID Middle East Regional</i>	14
<i>Bureau of Democracy, Human Rights, and Labor</i>	16
<i>Near East Regional Democracy Fund</i>	17
<i>National Endowment for Democracy</i>	18
A Closer Look: Assistance by Country	20
<i>Algeria</i>	20
<i>Bahrain</i>	21
<i>Egypt</i>	25
<i>Iraq</i>	35
<i>Jordan</i>	38
<i>Lebanon</i>	41
<i>Libya</i>	44
<i>Morocco</i>	47
<i>Syria</i>	51
<i>Tunisia</i>	54
<i>West Bank and Gaza</i>	60
<i>Yemen</i>	62
Conclusions	67
Appendix: Data Tables	70

ABBREVIATIONS

CBJ	Congressional Budget Justification
CTPF	Counterterrorism Partnerships Fund
DRL	Bureau of Democracy, Human Rights, and Labor, U.S. Department of State
ESF	Economic Support Funds
FMF	Foreign Military Financing
GJD	Governing Justly and Democratically
IDA	International Disaster Assistance
IMET	International Military Education and Training
INCLE	International Narcotics Control and Law Enforcement
MCC	Millennium Challenge Corporation
MENA	Middle East and North Africa
MEPI	Middle East Partnership Initiative, U.S. Department of State
MER	Middle East Regional, USAID
MRA	Migration and Refugee Assistance
NADR	Nonproliferation, Anti-terrorism, Demining, and Related Programs
NEA	Bureau of Near Eastern Affairs, U.S. Department of State
NEA/AC	Office of Near East Affairs Assistance Coordination, U.S. Department of State
NED	National Endowment for Democracy
NERD	Near East Regional Democracy
OCO	Overseas Contingency Operations
OMEF	Office of Middle East Programs, USAID
OTI	Office of Transition Initiatives, USAID
USAID	United States Agency for International Development

EXECUTIVE SUMMARY

President Barack Obama entered office in January 2009 accompanied by genuine hope that he would align U.S. policy in the Middle East more closely with democratic values. Just 18 months later, the pro-democracy Arab uprisings that swept the region seemed to offer an unprecedented opportunity for the United States to do just that. Many democracy advocates hoped that the U.S. government would now learn the lesson that authoritarian rule will never bring prosperity and lasting stability to the region.

Regrettably, not long after the uprisings, U.S. policymakers largely fell back into old habits of prioritizing heavily-militarized relationships with repressive regimes in the pursuit of security and counterterrorism goals. The resurgence of authoritarianism in the post-2011 Middle East and North Africa, the widespread outbreak of violent conflict, and the threat of terrorism now thoroughly dominate U.S. policy, at the expense of vigorous support for genuine democratic change and urgently-needed political and economic development.

As the Obama administration comes to an end, it will leave behind a legacy in the region of continuing close ties with repressive governments and increasing already-robust security assistance, while reducing attention to and funding for democracy, human rights, and governance. Despite this, the Obama administration has taken a few positive steps on which the next U.S. administration should build, including supporting Tunisia's democratic transition, beginning to examine the outdated U.S. assistance relationship with Egypt, and increasing funding for global democracy-promotion initiatives that can be effective in challenging environments such as those found in the Middle East and North Africa.

Key Findings:

The limited space for independent civil society, especially pro-democracy organizations, is becoming even more constrained across the region – most dramatically in Egypt, but also in Jordan, Libya, and Morocco. Since 2011, growing restrictions on civil society across the region, particularly in Egypt and the Gulf states, have impeded the work of independent democracy and human rights organizations. But more recently, some Arab governments are also putting up new obstacles before U.S. development organizations that work on less politically-sensitive areas such as education, water, and economic growth. If this worrisome trend continues, various forms of U.S. foreign assistance could become even more difficult to administer in the region.

U.S. government spending on programming to support democracy, human rights, and governance in the MENA region reached its lowest level under the Obama administration in Fiscal Year 2015. Democracy and governance programming in the MENA region averaged approximately \$380 million annually from fiscal years 2009 through 2014. But in FY15, the administration spent only \$180 million on such programming. Democracy and governance programs have become increasingly difficult to implement across the region, due to violent conflict and instability in some countries and increasing interference and restrictions in other countries. President Obama's final budget request, for FY17, does include \$427.5 million for democracy programming, but U.S. government agencies may continue to experience difficulties in spending those funds as planned.

Concerns remain regarding the diminished role of the Middle East Partnership Initiative (MEPI) and its future. The democracy-promotion community continues to view the recent folding of MEPI into the State Department's Bureau of Near Eastern Affairs Office of Assistance

Coordination (NEA/AC) as cementing a weaker role for MEPI, which was for more than a decade the flagship U.S. program to support Arab reformers. The FY17 budget includes the lowest annual budget requested for MEPI since it was launched in 2002. It appears that U.S. officials have begun to take steps to address some concerns about MEPI. But MEPI's role will need to be clarified and its reputation rehabilitated in order to receive continued support from Congress during the next administration.

In the past year, funding for the State Department's Bureau of Democracy, Human Rights, and Labor (DRL) and for the National Endowment for Democracy (NED) has increased significantly. In the FY17 budget request, the administration seeks \$75 million in funding for DRL, the highest amount requested for the Bureau since President Obama came into office; Congress also appropriated \$88.5 million for DRL's Human Rights and Democracy Fund in FY16. Over the past seven years, Congress has also steadily increased funding for the NED, appropriating a new high of \$170 million in the FY16 appropriations act. As democracy and governance programming becomes more difficult in the region, DRL and the NED often are viewed as better suited to the kind of sensitive work that is necessary in challenging environments.

Although there are notable tensions between the Obama administration and some of its closest authoritarian allies, this has not resulted in any significant decrease in U.S. support for such governments. Long-time bilateral relationships with several authoritarian governments in the region – namely Egypt and the oil-rich Gulf states – have become frayed. U.S. frustrations with and criticisms of these states have increasingly spilled out into the open, deepening mistrust on both sides. Yet, these frustrations have not led to any significant corresponding decrease in support to such authoritarian governments. On the contrary, military aid and large-scale U.S. arms sales to Middle Eastern governments have continued and reached record levels, with the U.S. government selling more than \$100 billion in arms and weapons to the region since Obama took office.

The future of U.S. economic assistance to Egypt is increasingly uncertain, and changes to military aid are underway. An extremely difficult period in Egypt, marked by brutal repression, economic deterioration, and escalating violence, has contributed to difficulties in U.S.-Egypt relations and challenges in implementing some assistance programs. This has sparked discussions within the administration and Congress regarding potential changes or reductions to Egypt's aid package. The administration has also taken initial steps to pave the way for potentially important changes to the \$1.3 billion military aid package to begin in FY18.

The Obama administration and Congress are supportive of Tunisia's democratic transition, doubling the level of assistance for 2016 compared to previous years. Tunisia stands alone in terms of the progress made in its democratic transition since 2011. Daunting security, economic, and political challenges remain, however, and the country will continue to need large-scale support in the period ahead. Although many observers believe that the United States was too slow to reward Tunisia's democratic progress adequately, the United States should be commended for increasing bilateral assistance levels to the country in 2015. President Obama should seek additional opportunities to bolster Tunisia's democratic transition and deepen the U.S.-Tunisia relationship during his final year in office.

U.S. assistance to Jordan has grown significantly. Although Jordan has been among the largest recipients of U.S. aid globally for many years, the administration and Congress have recently acted to expand the aid relationship even further. Congress appropriated \$1.275 billion in bilateral assistance for Jordan in FY2016, significantly more than the \$1 billion agreed upon in a multi-year MOU for 2015-2017. Including funds drawn from other accounts, Jordan is now expected to receive a total of \$1.6 billion in U.S. assistance during 2016. This level would exceed U.S. aid to Egypt in FY16, making Jordan the largest Arab country recipient of U.S. assistance for the first time.

INTRODUCTION

In President Barack Obama's 2009 inaugural address, he declared: "To the Muslim world, we seek a new way forward, based on mutual interest and mutual respect." Such language, expanded upon in his June 2009 speech in Cairo, inspired hopes across the Middle East and North Africa that President Obama would meaningfully change the manner in which the United States engages the region. Expressing a desire to move beyond the fear and mistrust that had long defined the relationship between the United States and the region, President Obama suggested that "if we choose to be bound by the past, we will never move forward."

The Arab uprisings that would sweep the region in early 2011 seemed to offer the perfect opportunity for the United States to do just that: to move beyond the past and redefine U.S. relationships with the Middle East. Though initially slow to respond, the President expressed a willingness to seize this opportunity and called on Arab governments to respond to their people's demands. Soaring rhetoric in May 2011 aimed to signal to people in the region and observers in Washington that President Obama was serious about reorienting U.S. policy "to promote reform across the region, and to support transitions to democracy." It appeared that Washington might finally internalize the lesson that stability cannot be bought indefinitely through repression.

But while the region experienced fundamental and historic changes since 2011, U.S. policymakers remain in many respects "bound by the past," as officials have maintained old habits of prioritizing close, overly militarized relationships with repressive regimes in exchange for short-term security gains. Once again, resurgent authoritarianism, the spread of

violent conflict, and the threat of terrorism have obstructed support for democratic principles. However, although the kind of fundamental reorientation of U.S. posture in the region that many hoped for in 2011 has not occurred, there have been modest yet meaningful changes worth examining in detail.

Despite widespread criticisms that the United States has disengaged from the region, the Middle East remains the largest recipient region of U.S. foreign assistance globally, receiving more than \$7 billion annually in U.S. aid. With a drastically different regional landscape, however, there are legitimate questions about the impact of such assistance. In what ways have U.S. policy, engagement, and assistance to the MENA region adapted over the course of the Obama administration? How can we assess the impact of stalled democratic transitions and the prospects for genuine democracy in the region?

This report aims to address those questions and others by analyzing President Obama's final annual budget request and the congressional appropriations process to draw conclusions regarding broader priorities, trends, and strategies for U.S. policy. While budget numbers and funding levels are revealing, it is at least as important to consider the types of programming supported and any changes that may shed light on U.S. policy priorities and approaches. For that reason, this research is complemented by substantive interviews and discussions with a wide spectrum of actors: current and former administration officials, congressional staff, independent, democracy promotion practitioners, and regional civil society activists and democracy advocates.

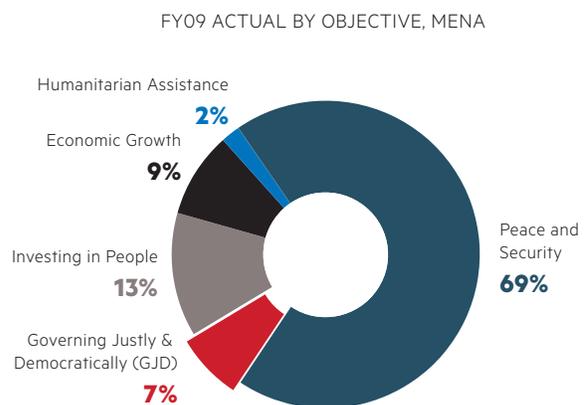
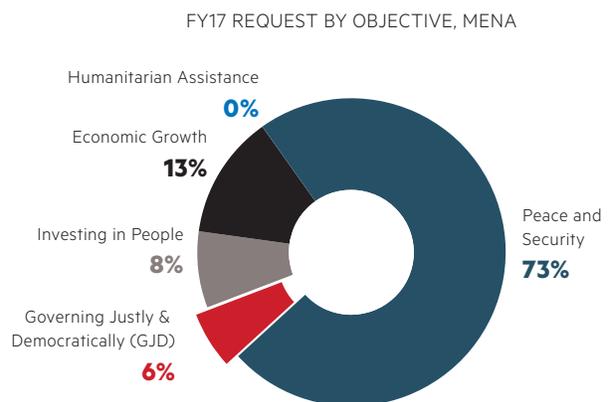
THE BIG PICTURE: FOREIGN ASSISTANCE FOR THE MIDDLE EAST AND NORTH AFRICA

The historic Arab uprisings of 2011 demonstrated clearly the demands of the region’s citizens for political change and for their fundamental rights and freedoms. Although people across the Middle East and North Africa retain their strong desire for transparent and accountable governments that respect and protect the rights of their citizens, many governments have reverted to harsh repression to stifle such demands. In other countries, the refusal of authoritarian regimes to allow the changes that their people demanded has helped lead to full-scale military conflicts and deep humanitarian crises. Despite the widespread rhetoric from President Obama and senior U.S. officials that the uprisings of 2011 presented an important opportunity to align U.S. policy with its values, almost no progress was made in that regard. Throughout a period of extraordinary volatility and change across the MENA region, it is remarkable the degree to which U.S. policy, engagement, and assistance remained fundamentally unchanged.

In 2008, the first edition of this report examined the Bush administration’s final budget request, and one of the main findings was the overwhelming degree to which military expenditures and security assistance dominated U.S. engagement with and assistance to the region. That report noted critically:

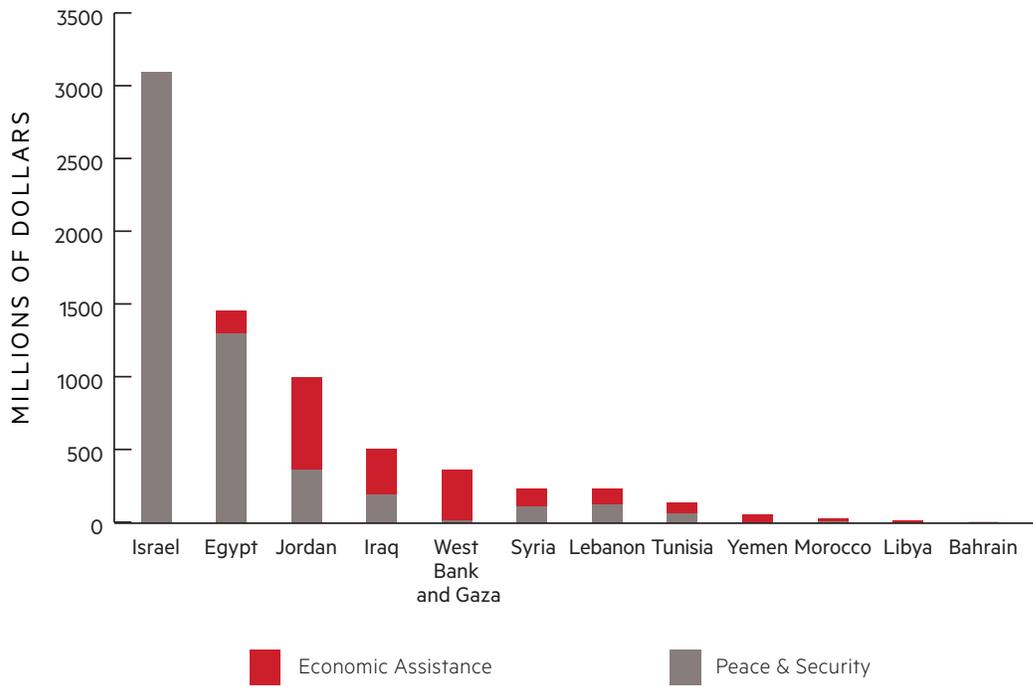
“funding for democracy and governance across the region remains less than one percent of annual Department of Defense (DOD) expenditures in Iraq alone. And even within the international affairs account for the region—normally thought of as the ‘soft power’ counterpart to the DOD budget—69 percent is designated for various forms of military and security assistance, as compared with only 10 percent for democracy and governance.”¹

Sadly, the enormous gap between the levels of military and security expenditures and support for economic and political development has only grown wider over the course of the Obama administration. During Obama’s first year in office, the United States provided nearly \$7.1 billion in annual foreign aid to the Middle East and North Africa: 69 percent for military and security assistance and seven percent for democracy and governance programming. President Obama’s final budget request to Congress, for FY17, seeks \$7.3 billion in overall assistance to the region, with 73

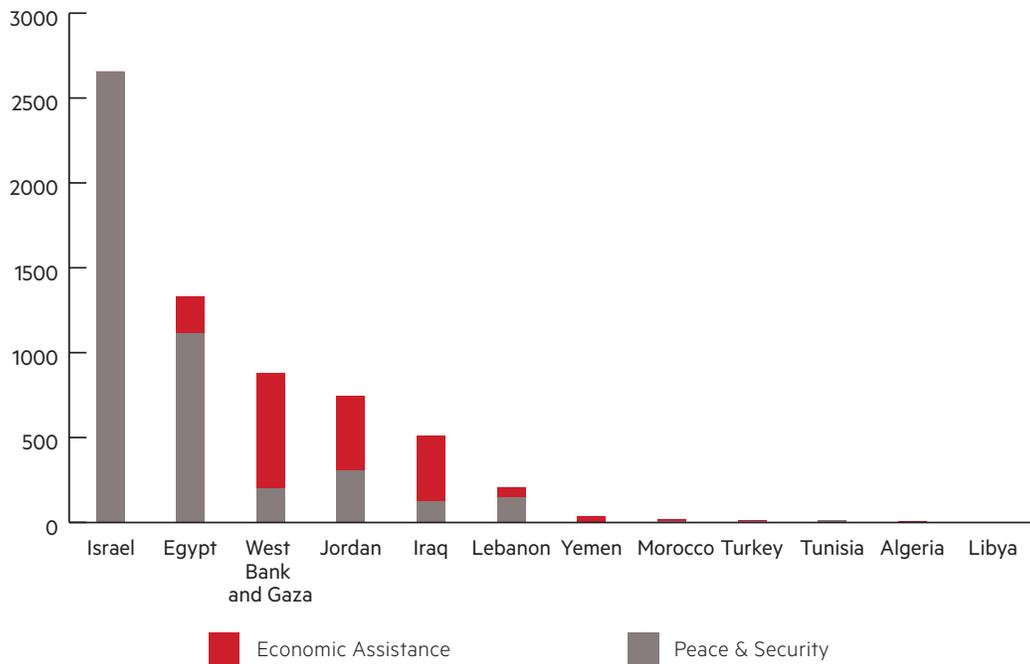


¹ Stephen McInerney, “The President’s Budget Request for Fiscal Year 2009: Democracy, Governance, and Human Rights,” Project on Middle East Democracy, 2009 <http://pomed.org/wp-content/uploads/2008/05/FY2009-Budget-Report.pdf>

FY17 REQUEST FOR BILATERAL MILITARY AND ECONOMIC ASSISTANCE



FY09 ACTUAL BILATERAL SPENDING FOR MILITARY AND ECONOMIC ASSISTANCE



percent designated for military and security assistance and 6 percent to support democracy, governance, and human rights.

A persistent trend throughout Obama's term in office has been the rise in the proportion of overall assistance to the region that is allocated for "peace and security," the U.S. government objective for military and security aid. When he entered office, such assistance made up 68.6 percent of U.S. assistance to the region, and President Obama's budgets never fell below 73 percent of spending on peace and security aid. The share of democracy and governance funding was highest in the Obama administration's first budget request (for FY10), at 7.4 percent, but has averaged only 4.8 percent annually from FY11 through his final budget for FY17.

Moreover, these overall levels of assistance to the region pale in comparison with the size of Foreign Military Sales (FMS) to the region, which have exploded during Obama's time in office. Sales of arms and weapons to governments of the MENA region have exceeded \$100 billion under President Obama, constituting more than 60 percent of all U.S. arms sales globally.²

The largest recipient countries of bilateral aid during Obama's two terms have changed little as well. Israel, Egypt, the West Bank and Gaza, Jordan, and Iraq were the largest recipients when Obama entered office. This remains the case in the FY17 request. There have been some changes in the countries outside of the top five, as Lebanon, Yemen, and Morocco ranked 5th-7th in FY09, but the FY17 request places Syria, Lebanon, and Tunisia in those places.

The FY17 budget request designates \$427.5 million for democracy and governance programming in the region, a three percent drop from the FY16 request. However, the

United States spent only \$180.4 million on democracy and governance funding in FY15, despite the considerably larger \$442 million budget request for that year. While some of these funds were accounted for through existing funding streams that are not reflected in the FY15 estimates, this total level of spending on democracy programs was the administration's lowest ever. Simultaneously, peace and security spending reached its highest level ever under President Obama in FY15, at 79.4 percent.

I. THE BROWNBACK AMENDMENT

As governments across the region have continued their efforts to close the space for civil society over the past year, the administration is making its third consecutive effort to weaken legislative language asserting the right of the United States to fund and support independent NGOs without giving veto power over this right to host governments. In light of President Obama's efforts to launch the Stand with Civil Society initiative, "a global call to action to support, defend, and sustain civil society amid a rising tide of restrictions on its operations globally,"³ it is especially difficult to understand his administration's repeated efforts to convince Congress to remove an important legislative protection that preserves U.S. flexibility in supporting civil society abroad.

Since FY08, the annual appropriations act has each year included language, known as the "Brownback amendment," 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."⁴

² William Hartung, "The Obama Arms Bazaar: Record Sales, Troubling Results," Center for International Policy, April 2, 2015, <https://www.ciponline.org/research/entry/the-obama-arms-bazaar-record-sales-troubling-results>

³ "Fact Sheet: U.S. Support for Civil Society," The White House, September 23, 2014, <https://www.whitehouse.gov/the-press-office/2014/09/23/fact-sheet-us-support-civil-society>

⁴ This language was originally passed in FY05 but from FY05-FY07 only referenced assistance to support civil society in Egypt, in response to efforts by the Egyptian government to dictate the nature and the specific recipients of U.S. civil society aid. In FY08, the language was amended to apply globally, and has remained in the appropriations legislation since that time.

In FY15, the administration’s budget requested that Congress remove the language altogether.⁵ In FY16, the administration adopted a subtler, but still misguided, approach – rather than asking for the language to be removed entirely, the administration proposed new language⁶ to replace the Brownback language with: “the Secretary of State should oppose, through appropriate means, efforts by foreign governments to dictate the nature of United States assistance for civil society.”⁷ This year’s budget request repeats exactly the same approach requested for FY16, which was ignored by Congress in the FY16 omnibus appropriations act.

Although the proposed replacement language appears at a glance to express the same general sentiment as the existing Brownback language, it is dramatically weaker and would strip the existing legislation – one of the most important, longstanding pro-democracy clauses in U.S. foreign aid legislation – of the force of law, rendering it fundamentally meaningless.

First, the legal distinction between “shall,” which indicates a requirement, versus “should,” which merely indicates a suggestion – is a critical difference in the enforcement of policies in legislation. The discrepancy would weaken the enforcement of the law substantially by opening its interpretation up to internal debates over when and where it “should” be applied. In addition, the phrasing also would allow the administration to make the legal argument that a pattern of “efforts by foreign governments” would need to be established before the U.S. would oppose such restrictions, rather than being proactive in the approach to democracy assistance. Finally, it would give the Secretary of State complete freedom in determining the “appropriate means” to “oppose” such restrictions, which would mean that the decision could be made to allow foreign governments prior approval over U.S. civil society support while merely expressing rhetorical opposition, as is now

done with respect to many other repressive practices undertaken by allies and recipients of U.S. assistance.

Events across the region over the past year only underscore the importance of maintaining the Brownback language. Numerous governments have taken additional steps to target independent civil society and limit its ability to operate. This has been most obvious in Egypt, where a number of the country’s most respected human rights activists and independent civil society organizations are now under legal investigation and face potential imprisonment, asset freezes, and travel bans. But Egypt is not alone – several other countries in the region, including Morocco, Jordan, and Libya, have also taken alarming steps toward more tightly restricting civil society.

Fortunately, appropriators did not accept the administration’s recommendation to strip out or weaken the Brownback language in FY15 or FY16. With another attempt to undermine the strength of the Brownback language in FY17, Congress should certainly once again reassert and renew the law as is to preserve this longstanding legislative provision. The record is clear – Brownback has been and continues to be an important law the administration relies on in its support for civil society around the world. This should be a clear area of agreement between Congress and the administration, and it would be welcome to see the next administration express support for this language rather than seeking repeatedly to weaken it.

II. LANGUAGE ON RESTRICTING ASSISTANCE FOLLOWING MILITARY COUPS

The FY17 request also renews an attempt to change long-standing restrictions on assistance following a coup d’état against a democratically elected government, which we also noted in last year’s edition of this report. Section 7008

⁵ Jamie Dettmer, “Obama’s Budget Fails Democracy Promotion Abroad,” *The Daily Beast*, June 12, 2014, <http://www.thedailybeast.com/articles/2014/06/12/obama-s-budget-fails-democracy-promotion-abroad.html>

⁶ This language mirrors that found in the “Presidential Memorandum - Civil Society,” White House, September 23, 2014, <http://www.whitehouse.gov/the-press-office/2014/09/23/presidential-memorandum-civil-society>

⁷ “Department of State and Other International Programs - The Appendix, Budget of the United States Government, Fiscal Year 2017,” The White House, <https://www.whitehouse.gov/sites/default/files/omb/budget/fy2017/assets/sta.pdf>

of the FY16 omnibus 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.⁸ Assistance can only be fully resumed after “a democratically elected government has taken office.”⁹

The administration proposes language in the FY17 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.

If the administration’s proposed language were adopted, it would effectively amount to a waiver of the restrictions of Sec. 7008 after a coup d’état. As is the case with other laws containing national security waivers, the executive branch routinely exercises such flexibility and waivers in a manner that effectively renders U.S. law meaningless. The default position of the United States should be in opposition to the overthrow of elected governments by militaries, and Congress should renew Section 7008 as is to protect its power to influence U.S. foreign policy and uphold American values and principles.¹⁰

⁸ The Consolidated Appropriations Act, 2015,” H.R. 83, Public Law 113-235, U.S. Congress, December 16, 2014, <https://www.congress.gov/113/plaws/publ235/PLAW-113publ235.pdf>

⁹ For example, subsequent to September 2014 elections in Fiji, the United States re-initiated security assistance and lifted restrictions on U.S. financing assistance to the Government of Fiji that were put in place following the 2006 coup. <http://www.state.gov/r/pa/ei/bgn/1834.htm>

¹⁰ “Former Rep. Jim Kolbe (R-Ariz.): Congress Should Not Weaken US Law on Military Coups,” The Hill, December 9, 2013, <http://thehill.com/policy/international/192205-former-rep-jim-kolbe-r-ariz-congress-should-not-weaken>

MAJOR INITIATIVES: MULTI-COUNTRY ACCOUNTS AND PROGRAMS

OFFICE OF NEAR EASTERN AFFAIRS ASSISTANCE COORDINATION (NEA/AC) AND THE MIDDLE EAST PARTNERSHIP INITIATIVE (MEPI)

Approximately two years ago, the State Department created the Office of Assistance Coordination in the Near Eastern Affairs Bureau, in order to improve coordination of all assistance for the Middle East and North Africa provided through appropriations for the State Department, Foreign Operations, and Related Programs, including all USAID-managed assistance. This new office, referred to as NEA/AC, replaced the Office of the Special Coordinator for Middle East Transitions that had been established in 2011 to oversee the U.S. assistance response for Egypt, Libya, and Tunisia following the “Arab Spring” uprisings. NEA/AC also consolidated under one umbrella the coordination of aid for Iraq and other MENA countries that had been managed by different offices.

More controversially in some quarters, NEA/AC also absorbed the Office of the Middle East Partnership Initiative (MEPI). Established in 2002 as part of the Bush administration’s “Freedom Agenda” as a stand-alone office within the NEA Bureau, MEPI managed programs to support political and economic reform across the Middle East and North Africa, and sought to elevate reform issues and civil society perspectives in U.S. diplomacy and policy priorities across the region. Unlike most bilateral development aid for the region, which USAID implements through large, multi-year projects under government-to-government agreements, MEPI was intended to support smaller, shorter-term, reform-related projects, including many regional activities outside of bilateral agreements. Although MEPI

initially worked largely with Arab governments on reform projects, it steadily shifted away from this and by the end of the Bush administration was primarily partnering with independent partners such as youth groups, women’s rights organizations, social and political activists, human rights networks, and private sector companies, outside of bilateral aid agreements and therefore not requiring Arab government consent.¹¹ A Deputy Assistant Secretary of State (DAS), often a political appointee with outside-of-government experience in supporting democracy in the region, oversaw MEPI and also played a significant role on policy issues related to human rights and democracy in the MENA region.

With the new structure, MEPI came under the management of the NEA/AC Office, which also coordinates U.S. foreign assistance to the region, including security assistance, economic development programs, and health and education projects, in addition to MEPI grants. Some observers see the creation of the assistance coordination office as bringing greater efficiency to multifaceted U.S. assistance to the region, but many others, especially in Congress and the pro-democracy community, hold more negative perceptions of NEA/AC due to a lack of clarity regarding its mission, priorities, and role. It appears that the NEA/AC office is taking steps to combat these perceptions and has begun to make progress in clarifying its role and in improving its communication with other parts of the U.S. government and with outside parties. Many democracy promotion organizations reported to us that they have had somewhat more frequent communication with NEA/AC personnel on MEPI programmatic objectives and activities in the past year, but they remain frustrated that discussions on bigger-picture

¹¹ In MEPI’s first few years, more than 70 percent of its spending was on programs with Arab governments, with 18 percent dedicated to civil society and five percent to work with private-sector partners; by 2007, this balance was reversed, with approximately 70 percent of MEPI expenditures going to programs with local nongovernmental partners and less than 20 percent spent on programs with government counterparts. See: Tamara Cofman Wittes and Sarah E. Yerkes, “The Middle East Partnership Initiative: Progress, Problems, and Prospects,” Brookings Institution, November 29, 2004, <http://www.brookings.edu/research/papers/2004/11/29middleeast-wittes> and see also Tamara Cofman Wittes and Andrew Masloski, “Democracy Promotion Under Obama: Lessons from the Middle East Partnership Initiative,” Brookings Institution, May 2009, http://www.brookings.edu/~media/research/files/papers/2009/5/democracy-promotion-wittes/05_democracy_promotion_wittes.pdf

priorities and strategies remain infrequent and, in their view, shallow.

Many democracy promotion observers and some U.S. officials worry that the integration of MEPI into the NEA/AC office has cemented a diminished role for MEPI and its pro-democracy, pro-civil society agenda. This concern has been reinforced by reduced levels of spending. MEPI's spending for FY15 was \$40.8 million—a 46 percent decrease from the \$75 million spent in FY14, and the lowest level of spending for MEPI since the year of its founding in 2002. This reflects the Obama administration's reduced appetite to push for robust civil society and other reform-oriented programs in the face of Arab government pushback, as well as the difficult operating environment for many assistance projects in this turbulent region. The FY17 budget request for MEPI is \$60 million, which represents a 14 percent reduction from the \$70 million request for FY16, and is the lowest annual budget ever requested for MEPI since it was established in late 2002.¹² The highest budget request was for \$150 million in FY05 and the highest level of funding granted by Congress in its annual appropriations act was \$114.2 million in FY06.¹³

As in the past, much of the FY17 request is designated to support work with civil society organizations, business associations, activist networks, and other citizen-led groups. And as in previous years, the administration proposes up to \$8.5 million for MEPI's Local Grants Program, which provides small grants directly to indigenous civil society groups for reform initiatives (other MEPI funding goes to U.S.-based NGOs to work with MENA partners) as well as for "programs that assist indigenous reformers and emerging leaders," such as MEPI's signature exchange programs for young leaders. In addition, Congress is likely to renew its perennial earmark of \$10 million for MEPI's funding for scholarships for talented Arab students. New language in the FY17 request

includes a \$10 million designation for "a full range of economic programming" and highlights MEPI's work with "regulatory and gatekeeping government entities." Since about 2007, MEPI had partnered mainly with NGOs and other civil society and private sector actors, and did relatively few programs with Arab government counterparts, with the exception of Tunisia during its democratic transition that began in 2011.

Some observers now view MEPI as lacking a clear identity and strategy for the region as a whole and also for individual countries. Democracy promotion professionals interviewed for this report described the NEA/AC office as "emphasizing its efficiency in grant-making" and as "overly-focused on process instead of strategy." For their part, State Department officials described NEA/AC as the "best-managed grant shop" in the State Department, noting that its ability to coordinate assistance to the region has won praise from U.S. ambassadors and embassy staff. For instance, U.S. embassies in the region appreciate the latitude they have to select local grantees and other projects (rather than projects being dictated by Washington), to end programs when they are not showing results, and to take credit on the ground for programs that are successful. Unfortunately, many local democracy advocates in the MENA region see MEPI as less of an ally than in the past, and they also view many U.S. ambassadors in the region not as pro-democracy voices, but rather as inclined to prioritize maintaining friendly relationships with autocratic host governments over pushing for democratic reforms.

U.S. officials also point to other comparative advantages still associated with MEPI funding, even as the Initiative has been folded into the NEA/AC office. MEPI can develop rapid-response projects relatively quickly. For example, following the ouster of Zine el Abidine Ben Ali in Tunisia in 2011, MEPI was able to respond quickly and effectively with needed support

¹² \$29 million was initially allocated for MEPI from FY02 funds, but these were reprogrammed funds, not requested in the FY02 budget request.

¹³ Congress initially allocated \$114.2 million for MEPI through FY06 annual appropriations; an additional \$28.2 million was later reprogrammed for MEPI, bringing the total level of FY06 funds to \$142.4 million. See Stephen McInerney, *The Federal Budget and Appropriations for Fiscal Year 2011: Democracy, Governance, and Human Rights in the Middle East and North Africa*, Project on Middle East Democracy, April 2010. <http://pomed.org/wp-content/uploads/2010/04/FY2011-Budget-Report.pdf>

for nascent civil society organizations, political parties, and new democratic institutions including the independent commission that would organize and carry out the country's first democratic elections. MEPI projects can also operate in conflict states such as Yemen and Libya, as well as in places where the United States does not have bilateral economic aid programs, such as Algeria and the Gulf countries. For example, MEPI funding in Algeria supports projects to reform the bankruptcy law and to provide vocational training for unemployed youth. Programming in the Gulf includes support for local NGOs focused on economic, health, and disability issues in Bahrain, Kuwait and Saudi Arabia, as well as training for new members of parliament in Bahrain.

Some members of the democracy-promotion community interviewed for this report, however, criticized MEPI's approach in the region in general and in the Gulf countries in particular as excessively cautious. They note that the overall level of MEPI funding in the Gulf, for many years a priority area for MEPI's work because of the absence of USAID missions in those countries, has fallen significantly in recent years. MEPI now only supports work in three countries of the Gulf Cooperation Council (GCC), no longer having projects based in Oman, Qatar, or the United Arab Emirates. MEPI now appears to shy away from many more politically-oriented reform projects that may not be welcomed by host governments but were once MEPI's hallmark, such as programs for independent civil society organizations working to track the performance of government officials and legislators to hold them accountable to citizen demands, to document human rights abuses, and to independently monitor elections. In October 2012, the government of the United Arab Emirates directed MEPI to end all of its grants in the country,¹⁴ which eventually resulted in MEPI closing its regional office in Abu Dhabi and relocating it to Kuwait. Some pro-democracy observers view this experience as contributing to MEPI's overly cautious posture across the region and especially in the Gulf. One democracy promotion professional said that

U.S. officials need to develop a "thicker skin" concerning pushback from Gulf governments and that there is greater local receptivity and demand for more politically-oriented programs than is often assumed.

In the past, MEPI staff proudly described themselves as the "venture capitalists" of assistance mechanisms, willing to take risks on bold projects that other parts of the government were more reluctant to pursue. In particular, MEPI saw itself as facing fewer constraints (than USAID might, for example) in funding cutting-edge democracy and governance programs, especially with independent civil society. For example, when the Obama administration made the controversial decision in 2009 that funds for civil society from Egypt's bilateral assistance program would be used only to support organizations that had been granted registration by the Ministry of Social Solidarity under Egypt's unduly restrictive NGO law, administration officials stressed that this applied only to bilateral funds administered by USAID, and that MEPI grants would have no such restrictions. MEPI leadership confidently asserted that unlike USAID, which needed to rely on a close relationship with the Egyptian government to carry out its development programming, MEPI had no such need and was freer to support independent civil society as it saw fit.

Now, some U.S. officials interviewed for this report described MEPI as having "given up" on difficult democracy programming in restrictive environments. In Egypt, for example, we were told that now many fewer local grants support political or human-rights related projects, due to the Egyptian government's deep opposition to donor funding for independent civil society and regular complaints to the U.S. government about this kind of assistance. Other U.S. officials spoke favorably about how certain MEPI projects are developed in response to specific requests from authoritarian Arab governments. This differs from MEPI's past approach, in which programming largely was driven by the priorities of citizens and civil society. A congressional

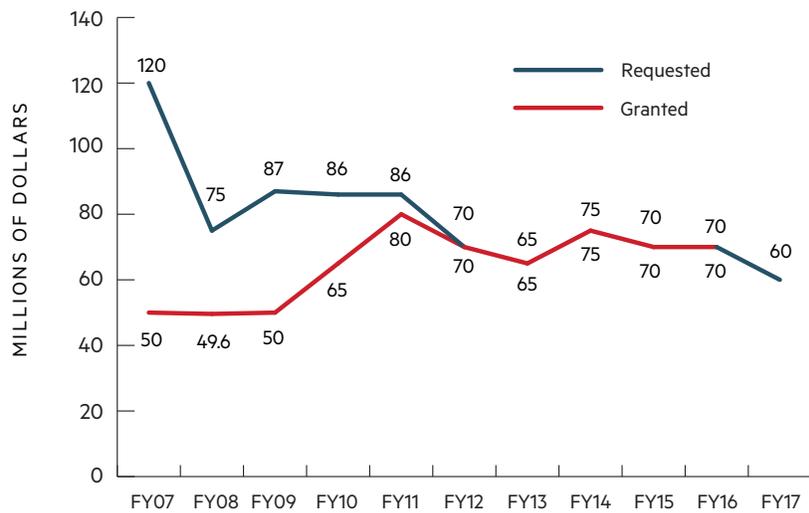
¹⁴ "Inspection of Embassy Abu Dhabi and Consulate General Dubai, United Arab Emirates." Office of the Inspector General, U.S. Department of State, May 2014. <https://oig.state.gov/system/files/227278.pdf>

staffer went so far as to describe MEPI as “not in the democracy game anymore,” and moving toward more of a “public diplomacy” program than the reform-minded office it had been. This staffer concluded that MEPI is no longer able or willing to fulfill its past mandate of resolutely supporting reformers in the region, and suggested that appropriators should reallocate MEPI’s funding to DRL or the NED as mechanisms better suited to fulfill this mandate.

One example of the State Department efforts to shift MEPI’s role was the effort throughout 2015 by NEA/AC to have MEPI staff administer a large-scale program to combat Hepatitis C in Egypt, in conjunction with the Egyptian government. The initiative encountered strong resistance from some parts of the administration as well as from some members of Congress. Eventually, the State Department abandoned the project before any funds were obligated. To some officials, the initiative offered a fresh approach to health programming in Egypt. But to other officials and outside observers, the episode was evidence of MEPI moving beyond its pro-reform identity and instead toward having its staff carry out programs for which they were not well-suited. In this case, the project was a large-scale health activity with the Egyptian government, despite MEPI having no experience in health programs¹⁵ and having built its niche in smaller-scale programs with partners outside of government.

Another major area of concern and criticism of MEPI’s evolution has been the nature of its connection to U.S. diplomacy and policy decisions. NEA/AC officials continue to cite MEPI’s close link to policy as a key comparative advantage, as MEPI programs can help support policy goals and diplomatic priorities developed at the embassies and at the NEA bureau in

MEPI FUNDS, REQUESTED VS. GRANTED, FY07-FY17



Washington. In the past, however, MEPI’s connection to policy and diplomacy ran in the opposite direction as well – not only did NEA policy priorities influence MEPI’s programming, but MEPI’s staff and leadership often played an important role as a pro-democracy voice in policy discussions and decisions within the NEA Bureau, which leads policymaking for the MENA region. Today, many U.S. officials no longer see a role for NEA/AC or MEPI on U.S. diplomacy and policy, but believe that it is more appropriate for the office to play a more technocratic aid coordination role. As one U.S. official told us plainly, “Why does MEPI need to play a role on policy? That’s what DRL [the State Department’s Bureau of Democracy, Human Rights and Labor] is for.”

But many in the democracy community saw MEPI’s role in informing policy and diplomacy within NEA as essential. MEPI’s programmatic work, directly with local, independent actors from civil society and the private sector, positioned it well to inform U.S. policymaking to reflect the needs and demands of those communities. In addition, a policy role for MEPI helped to ensure that U.S. policy and diplomacy complemented its programming and enhanced its effectiveness. This link between

¹⁵ The exception is one small women’s health program funded by MEPI in 2006.

assistance and diplomacy sometimes succeeded in gaining high-level U.S. attention for citizen reform demands. It also helped in gaining some level of political support and protection for local participants who put themselves at risk by accepting U.S. government funding or participating in MEPI activities.

In 2007, as the end of the George W. Bush administration approached, the future of MEPI was in doubt. Many Democrats in Congress disliked MEPI as a signature Bush administration initiative that had been established without sufficient consultation and input from Congress. In addition, in MEPI's first years, many in Congress and in the administration itself viewed the Initiative as duplicating other aid programs or as naive in its approach, and many assumed that it would not outlive the administration that created it. But by 2008 and 2009, MEPI's reputation on Capitol Hill and in the MENA region itself had improved considerably. Not only was MEPI kept in place by the Obama administration, but the Initiative gained bipartisan support in Congress and inside the new administration, and even saw its funding levels increase by 30 percent from the levels at end of the Bush administration by 2010 and even further following the "Arab Spring" uprisings of 2011. To many MENA democracy advocates in the United States and the region itself, the fact that MEPI from 2003-2010 had supported so many young activists and reformers who went on to play important peaceful, pro-democracy roles in the 2011 uprisings vindicated MEPI's approach.

Today, sadly, MEPI's role and future are once again uncertain. With the Obama administration drawing to an end early next year, skepticism and criticism of the Initiative in Congress and elsewhere is stronger than it has been in a decade, leaving many in Washington again wondering whether MEPI will continue in the next administration. Although MEPI's programming remains important, it is no longer as clear to outsiders why MEPI must be the entity to carry out that programming. It appears that some U.S. officials are aware of MEPI's precarious position and have begun

to take initial steps to address some of these criticisms. The next administration will need to decide what role it sees for MEPI and to provide the political support necessary for it to play that role effectively. But MEPI's identity and reputation, which have suffered considerably in the past few years, will need to be rehabilitated in order to receive continued support from Congress and to retain credibility and trust among reform advocates across the region.

USAID MIDDLE EAST REGIONAL (MER)

The term "Middle East Regional" as used by USAID is largely a bureaucratic and budgetary heading referring to an allocation of funds to USAID for the MENA region, outside of the bilateral assistance packages to specific countries. The MER is not a self-contained program or initiative. It fulfills the roles traditionally played by USAID's now-closed Office of Middle East Programs (OMEP) that focused on regional and cross-border programs,¹⁶ while also expanding into new areas such as democracy and governance programming.

The primary purpose of MER is to provide intellectual and technical leadership to improve USAID's programs in the Middle East through research, analysis, and evaluation. MER has integrated staff from the Middle East Bureau's Office of Technical Services (ME/TS) to conduct needs analyses and assessments, and apply innovative solutions to development programs with an emphasis on multi-sector and multi-country programming.

USAID's Middle East Bureau manages MER activities, both from Washington and from its regional platform based in Frankfurt. The platform in Frankfurt was established in order to have a presence (and time zone) closer to the MENA region, without being subject to the restrictions, security concerns, and operational difficulties encountered by offices in the region. The FY17 request estimates a total of 21 U.S. direct hire staff for the Middle East Regional Platform (a slight reduction from the 24 requested in FY16), with the specific number

¹⁶ The OMEP office had been located in the U.S. Embassy in Cairo but was evacuated in July 2013 and never reconstituted.

and type of bilateral positions subject to change based on conditions in the region.¹⁷ In May 2015, USAID had eight MENA-focused staff in Frankfurt, three of whom were designated for supporting bilateral operations in the region.

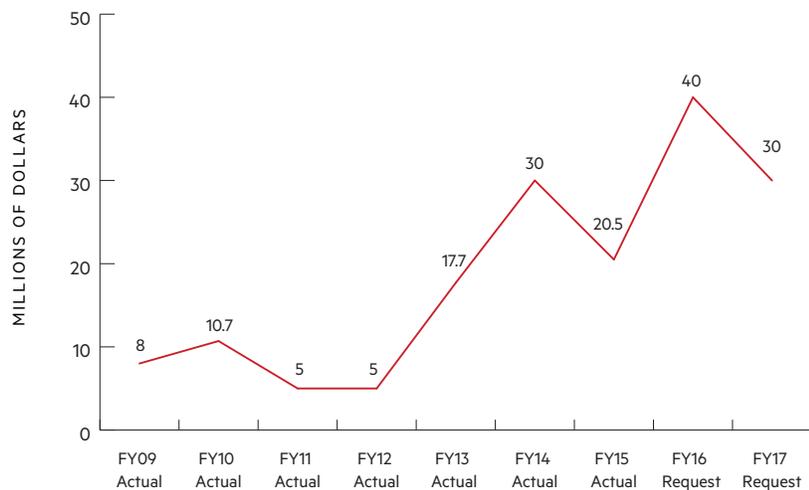
The FY17 budget request includes \$30 million for MER, which represents a 25 percent reduction in funding from the budget request for FY16. This reverses a relatively steady trend of increases in USAID OMEP/MER funding requests from FY09-FY16, although it also may represent a realignment of the request with actual spending levels. For example, the FY15 actual spending for MER was \$20.5 million, though the administration's initial budget request had been for \$30 million.

Of the \$30 million requested for FY17, \$1.9 million is designated for peace and security, \$5.4 million for democracy and governance programming, with the remaining \$22.7 million for other economic assistance programs and management expenses.

The majority of the MER funding request is devoted to development programs focusing on water security, trade and investment, private sector competitiveness, education, and health. The FY17 budget request notes that MER's economic assistance will leverage multilateral efforts, as well as work done by other development partners and the private sector in its development objectives. For example, MER implemented a program in Tunisia in collaboration with Hewlett-Packard, the UN Industrial Development Organization, and the Italian government to reduce youth unemployment in the country's interior.¹⁸

In last year's edition of this report, we observed that the goals and programming of MER had shifted considerably from OMEP's programming in previous years, by contributing 20 percent of its budget to GJD funding in the FY16 request. The FY17 request for GJD would retain a similar percentage of MER's overall budget (18 percent), though GJD would be reduced by \$2.6 million in line with the decrease of MER's overall budget in FY17. For example, one of the key interventions included in the FY17 request is \$3.6 million for support

USAID OMEP/MER FUNDING LEVELS, FY09-17



to the Civil Society Innovation Centers, which were announced as part of President Obama's September 2014 "Stand with Civil Society" initiative;¹⁹ the FY16 request included \$5 million for these centers. One such civil society innovation center is planned to be located in the MENA region, though administration officials report that the location for this center is not yet determined.

As the space for civil society continues to close in the region, a center to support NGOs could be important both in terms of providing practical support to civil society and also in sending a

¹⁷ "Congressional Budget Justification, Foreign Operations – Appendix 2, Fiscal Year 2017," U.S. Department of State, February 2016, <http://www.state.gov/documents/organization/252733.pdf>

¹⁸ "Congressional Budget Justification, Foreign Operations – Appendix 3, Fiscal Year 2017," U.S. Department of State, February 2016, <http://www.state.gov/documents/organization/252734.pdf>

¹⁹ "Factsheet: U.S. Support for Civil Society," The White House September 23, 2014. <https://www.whitehouse.gov/the-press-office/2014/09/23/fact-sheet-us-support-civil-society>

symbolic message on the importance of civil society while the sector is under threat across the region. The FY17 request acknowledges that “the ability of civil society to operate in many countries in the region is constrained by restrictive legal and policy environments and by the lack of effective civil society strategies to engage their governments.”²⁰ As many countries in the region continue to remain non-permissive environments for USAID staff, MER funds allow continued flexibility for USAID staff to manage programs in the region, and also provide USAID with programmatic flexibility beyond those funds that USAID programs out of bilateral ESF accounts.

BUREAU OF DEMOCRACY, HUMAN RIGHTS, AND LABOR (DRL)

The State Department’s Bureau of Democracy, Human Rights, and Labor (DRL) has long been the policy lead within the U.S. government for advancing human rights and democracy globally. DRL regularly produces the State Department’s annual human rights reports, and also carries out foreign assistance supporting activities in all areas of the Governing Justly and Democratically (GJD) objective, with a specific focus on human rights and civil society programming. The bureau’s programmatic strategy is to work with local civil society, including independent media, to enable those already striving to strengthen democratic institutions and promote accountability.²¹

The FY17 budget request includes \$75 million for DRL programming globally, which represents a 25 percent increase over the FY16 request. The FY17 request of \$75 million contains \$21.5 million for DRL’s Global Internet Freedom (IF) programs. For FY17, DRL intends to use \$5 million to support a new programming effort – the Leading Internet Freedom Technology

(LIFT) initiative – which would “take advantage of unique opportunities to support promising next-generation anti-censorship and secure communication technologies in the context of new and acute cyber threats.”²² The total amount requested for Internet Freedom in FY17 is \$30.5 million, with this funding allocated across multiple mechanisms, including \$21.5 million in DRL, \$7 million in NERD, and \$2 million in USAID.

DRL’s FY17 request also includes \$9 million for rapid response programs, including: Lifeline (provides emergency assistance to civil society organizations); Dignity for All (for LGBT activists); Justice Defenders (to assist human rights lawyers); Protection for Journalists Initiative (to provide training on how to operate safely in difficult environments); and the Global Gender-Based Violence Initiative (for survivors of the most egregious cases of gender-based violence).²³ This budget request represents a 50 percent increase over the level requested in FY16 for these programs. Launched in July 2011, Lifeline provides emergency assistance to CSOs when they are threatened or attacked because of their advocacy work, as well as funding for short-term initiatives that allow CSOs—at local, regional, and international levels—to fight back against regulatory and extralegal barriers.²⁴ DRL officials interviewed for this report stated that the Lifeline Fund has provided targeted assistance to 814 CSOs operating in 98 challenging countries. In September 2015, the Fund also announced the “creation of a new Freedom of Association Barometer that will measure civil society’s ability to operate.”²⁵

The FY17 request notes that DRL actual spending in FY15 was \$78.5 million; \$75 million of this amount was earmarked by Congress in the Democracy Fund heading in FY15. Appropriators increased this amount even

²⁰ “Congressional Budget Justification, Foreign Operations – Appendix 3, Fiscal Year 2017,” U.S. Department of State, February 2016, <http://www.state.gov/documents/organization/252734.pdf>

²¹ “Congressional Budget Justification, Foreign Operations – Appendix 2,” U.S. Department of State, February 2016, <http://www.state.gov/documents/organization/252733.pdf>

²² *Ibid.*

²³ *Ibid.*

²⁴ “Joint Statement on the Fifth Annual Lifeline: Embattled Civil Society Organizations Assistance Fund Donor Steering Committee Meeting,” U.S. Department of State, September 28, 2015, <http://www.state.gov/r/pa/prs/ps/2015/09/247426.htm>

²⁵ *Ibid.*

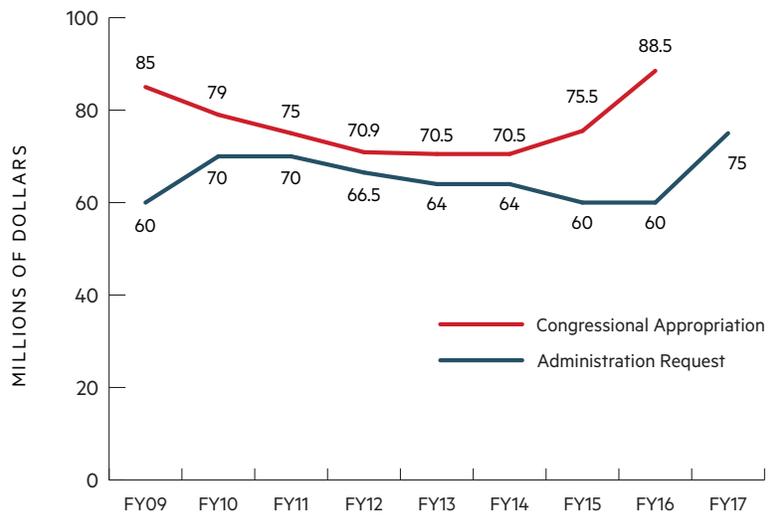
higher, to \$88.5 million, in the FY16 omnibus appropriations act passed in December 2016. This increase is attributable to two factors: the Democracy Fund was increased by \$10 million overall (to \$150.5 million) by Congress in FY16 with the proportion of that fund designated for DRL increased slightly from FY14-FY16, while the proportion of that fund designated for USAID’s Bureau for Democracy Conflict and Humanitarian Assistance fell slightly.

In addition to the \$88.5 million from the Democracy Fund in FY16, DRL was also mandated by Congress with managing a number of Congressionally-earmarked programs funded through other accounts, including: \$4 million for forensic assistance, \$15 million for democracy, rule of law, and environment programs in China, \$5 million for Internet freedom, and \$10 million for international religious freedom. Altogether, after this process, DRL is responsible for programming \$122.5 million globally in FY16.

DRL officials describe their comparative advantage over USAID programming in the region as including the ability to do discreet, thematic regional programs, as most of their funding is not tied to country-specific accounts. These include funding for migrant workers, LGBT issues, digital security, Internet freedom, stateless persons, early and forced marriages in refugee communities, and gender-based violence. DRL officials estimate that more than \$35 million will be spent in the MENA region in FY16, primarily for programs in Iran, Iraq (estimated at \$18 million), and Syria (estimated at \$5-6 million). Additionally, DRL officials interviewed for this report also note they are increasing programming in Tunisia, Libya, and Yemen.

Looking back, the administration’s budget request for DRL was \$60 million in FY09,

DRL FUNDS, REQUESTED VS. GRANTED, FY09-FY17



ranged between \$60-70 million from FY10-FY16, and finally reached a new high of \$75 million in FY17. Over that time, appropriators have consistently exceeded the administration’s requests. Moreover, Congress has increasingly viewed DRL as the more appropriate mechanism to administer certain kinds of democracy programming, and has earmarked a number of specific funds in the appropriations bills increasing DRL’s total programming levels to \$120-140 million annually. The administration’s increased request in FY17 appears to reinforce this support for DRL’s programs, and the next administration should continue to increase future funding requests for DRL to ensure the bureau can adequately match resources with growing demands for its programs.

NEAR EAST REGIONAL DEMOCRACY FUND (NERD)

Prior to the October 2015 landmark nuclear agreement with Iran, President Obama argued that the United States would be in a “stronger position” to address human rights and terrorism issues “if the nuclear issue has been put in a box.”²⁶ Following the signing of the Joint Comprehensive Plan of Action (JCPOA), the United States has pursued support for Iranian

²⁶ Thomas Friedman, “Iran and the Obama Doctrine,” *The New York Times*, April 6, 2015, <http://www.nytimes.com/2015/04/06/opinion/thomas-friedman-the-obama-doctrine-and-iran-interview.htm>

human rights predominantly through backing the renewal of the United Nations mandate for the Special Rapporteur on the Human Rights Situation in Iran, which the UN Human Rights Council renewed in late March 2016.²⁷ But now that the JCPOA has been adopted, it is difficult to find evidence the administration is now more assertively addressing human rights issues—a much lower priority for President Obama than nuclear diplomacy.

The nuclear agreement has had no immediate impact on funding levels for democracy and human rights in Iran, provided primarily through the Near East Regional Democracy fund (NERD). Established in March 2009 to support democracy and human rights in the region, principally in Iran, the NERD is the primary program through which the United States supports democracy and human rights for Iran and is the successor to the Bush administration’s Iran Democracy Fund. NERD funding is not required by law to be spent within Iran, but congressional sentiment historically has been strong that NERD funds be committed to supporting Iran’s democratic development. The program focuses on activities that do not require an in-country presence, such as support for media, technology, and Internet freedom through off-shore programs, as well as conferences and trainings for Iranian activists that take place outside of Iran.

The FY17 request of \$30 million is the same level of funding requested annually since FY13, although Congressional appropriators surpassed this level by an additional \$2 million annually in fiscal years 2014 and 2015. Seven million dollars of these funds are intended to support Internet freedom programming, \$5 million would support civil society capacity-building, and at least \$6 million would be used to train Iranians on human rights advocacy.²⁸

U.S. officials and some development professionals note that democracy programming toward Iran through the NERD has become more “strategic” since the nuclear agreement, as the administration has started to focus on specific areas where it believes the greatest progress can be made. According to U.S. officials, there is more emphasis on programming that will have a clear impact inside Iran, even if that impact is achieved primarily through activities beyond Iran’s borders.

NATIONAL ENDOWMENT FOR DEMOCRACY (NED)

The National Endowment for Democracy (NED) is a nongovernmental institution “dedicated to the growth and strengthening of democratic institutions around the world.”²⁹ While the NED is independent of the U.S. government, it receives the majority of its funding from an annual congressional appropriation and is subject to congressional oversight. Bipartisan support from both Congress and the executive branch has historically been strong and remains so today.

For the ninth consecutive year, Congress funded the NED in excess of the level requested by the administration, appropriating \$170 million in the FY16 omnibus appropriations act, considerably more than the administration’s \$103.5 million request. Congress had appropriated \$135 million to the NED in each of the 2014 and 2015 fiscal years, and the additional \$35 million in FY16 represents a 26 percent increase. These repeated increases in funding since FY09 reflect the opinion of key members of Congress who generally prefer the NED’s approach to democracy promotion, which emphasizes bolstering civil society and support for local grantees, over that of U.S. government agencies.

²⁷ “UN to continue monitoring Iran rights violations,” Iran Focus, March 24, 2016, http://iranfocus.com/en/index.php?option=com_content&view=article&id=30388:un-to-continue-monitoring-iran-rights-violations&catid=5:human-rights&Itemid=110

²⁸ “Congressional Budget Justification, Foreign Operations - Appendix 3, Fiscal Year 2017,” U.S. Department of State, February 2016, <http://www.state.gov/documents/organization/252734.pdf>

²⁹ “About the National Endowment for Democracy,” National Endowment for Democracy, Accessed April 2016, <http://www.ned.org/about/>

The FY16 omnibus language designates that \$117.5 million of this funding should be spent in the “traditional and customary manner,” which includes support for the NED’s four core grantees—the International Republican Institute (IRI), the National Democratic Institute (NDI), the Center for International Private Enterprise (CIPE), and the Solidarity Center. The remaining \$52.5 million is designated for other democracy, human rights, and rule of law programs.

That additional funding is designated for addressing mid-to-long term threats to democracy, and for responding to unanticipated, time-sensitive political openings or challenges. These funds will complement NED’s longstanding grants program, but will also address the growing transnational nature of key threats to democracy, such as the multifaceted attack on the information space, the rise of extremist ideologies, and authoritarian resurgence.

NED support for independent civil society has become increasingly important in the MENA region, as U.S. and European government agencies, as well as some private foundations, have become more risk averse about such funding in the face of crackdowns and pushback by the authoritarian governments across the region. Despite Arab governments’ mounting efforts to constrain or eradicate independent civil society, many such indigenous organizations still have a strong need and demonstrate a desire for outside assistance, even in the most restrictive environments.

Like other pro-democracy institutions, the NED has worked to adapt to rapid changes on the ground in the past year, including the outbreak of sustained violent conflict in Libya and Yemen. For example, the NED has emphasized in its grant-making support for pro-democracy voices during armed conflict, and is examining opportunities for projects to help rebuild bridges among communities in post-conflict settings.

A CLOSER LOOK: ASSISTANCE BY COUNTRY

Most U.S. democracy and governance programs in the Middle East and North Africa (MENA) are funded by approximately \$400 million from the Governing Justly and Democratically (GJD) assistance category and are administered by USAID. USAID also administers many bilateral economic aid programs in the Middle East. Six countries in the region host USAID missions: Egypt, Iraq, Jordan, Lebanon, Morocco, and the West Bank and Gaza. Yemen's USAID mission closed last year due to an outbreak of war there. The prospect of opening a USAID mission in Tunisia and an office in Libya remains under discussion within the U.S. government.

The sections below describe U.S. assistance—including for GJD, economic reform and development, security assistance, and humanitarian aid—to these nine locations, along with assistance for three other countries without a USAID presence: Algeria, Bahrain, and Syria. Algeria's small bilateral aid package is mostly for security cooperation, although the United States has identified modest new opportunities for democracy programming. Bahrain receives a modest level of bilateral security assistance, which, along with sales of arms and weaponry, has been a congressional focus since Bahrain's violent repression of mass demonstrations in 2011. Syria has not traditionally been a recipient of U.S. assistance, but the United States has spent more than any other country on assistance for humanitarian relief, support for the moderate opposition, and other aid for Syrians affected by the war.

ALGERIA

With the exception of occasional speculation regarding the reported health problems of aging President Abdelaziz Bouteflika and who will succeed him after 16 years in office, Algeria

tends to fly under the radar in discussions of U.S. policy in MENA. But the challenges created by diminishing oil revenues and burgeoning terror threats in North Africa against a backdrop of opaque internal politics make the country important to watch, especially as the Obama administration has sought to build closer counterterrorism and defense ties with Algeria's military-backed government.

Algeria is still recovering from a decade-long civil war between Islamist extremists and the military in which as many as 150,000 people died. Democratic opposition is muted and military and security agencies dominate the political system. Algeria sometimes witnesses limited protests and other social discontent, mainly over economic issues. The government often responds with force,³⁰ and it remains sensitive to outside criticism of such practices.³¹ Long-time observers of Algeria interviewed for this report describe current regime dynamics, including Bouteflika's recent dismissals of top security chiefs and other developments thought to reflect competition and succession politics within the ruling class, as "eye-opening." Some analysts perceive a growing desire for meaningful economic and political reform among the country's elites,³² though opposition figures generally have dismissed as superficial the February 2016 constitutional reforms hailed by regime loyalists as ushering in a "new Algerian republic."³³

Due to its hydrocarbon wealth, somewhat distant relations with the United States (compared to close U.S. ties to Morocco, for example), and closed political environment, Algeria does not receive significant U.S. assistance. The FY17 budget request seeks only \$2.3 million, entirely for security assistance. The request includes \$1.3 million to IMET to "modernize its security sector and reduce internal and external

³⁰ "Algeria: Labor Protests Forcibly Dispersed," Human Rights Watch, March 31, 2016, <https://www.hrw.org/news/2016/03/31/algeria-labor-protests-forcibly-dispersed>

³¹ "Algeria bans French journalist in row over Panama Papers," *Reuters UK*, April 8, 2016, <http://uk.reuters.com/article/uk-algeria-france-dispute-idUKKCN0X51ZL>

³² Andrew Lebovich, "Deciphering Algeria: The Stirrings of Reform?" European Council on Foreign Relations, December 2015, http://www.ecfr.eu/page/-/Algeria_brief_web.pdf

³³ "Algeria adopts landmark constitutional reforms," *Al Jazeera*, February 7, 2016, <http://www.aljazeera.com/news/2016/02/algeria-adopts-landmark-constitutional-reforms-160207163249171.html>

security threats through increased military cooperation, training, and exchanges with U.S. military, law enforcement, and justice sector counterparts.” The remaining \$1 million is for NADR programming to build counterterrorism capabilities and help “control [Algeria’s] borders and ports and professionalize the country’s border police, customs, merchant marine, and port authorities.”³⁴

According to the FY17 budget request, “Algeria also benefits from regional programs under the Trans-Sahara Counterterrorism Partnership, the Middle East Partnership Initiative (MEPI), and Global Counterterrorism Forum expert seminars, workshops, and training.”³⁵ MEPI programs in the past have funded projects in Algeria to “promote democratic governance, improved education, and an enhanced financial sector.”³⁶ These programs are modest and tend to have an economic focus, such as job training and regulatory law reform, and they are carried out carefully, like such projects in other closed societies.

Recent past economic aid was limited to approximately \$30 million in humanitarian assistance from FY10-FY13, in the form of food aid for “humanitarian support for Western Sahara refugees in the Tindouf region.”³⁷

Security cooperation, especially in counterterrorism, is the defining characteristic of the U.S.-Algeria relationship. The State Department described a February 2016 visit to Algiers by Under Secretary of State for Political Affairs Thomas Shannon as a chance “to review our countries’ strong cooperation, particularly on counterterrorism.”³⁸ Like the oil-rich states of the Arabian Peninsula, Algeria purchases a significant amount of weapons. It ranked eleventh in arms imports globally from

2011-2015³⁹ and is among the largest weapons buyers in Africa,⁴⁰ but most of its weaponry is purchased from Russia.

Although the assistance relationship remains limited, U.S. policymakers should continue to pay close attention to Algeria to prepare for potential political changes related to the fate of Bouteflika, economic downturn linked to shrinking oil revenue, and continuing unrest in nearby Libya and the Sahel. The modest increase in MEPI (and DRL democracy and governance programming described in a later section) in Algeria in recent years may be an encouraging sign of greater U.S. attention to political reform issues there. Reflecting U.S. caution in the closed Algerian political environment, such programs appear to be limited to relatively “soft” programs that provide technical support to government institution-building, rather than being directed to more sensitive, yet crucial, issues such as government accountability or transparency.

The U.S. government should continue to seek to expand engagement in Algeria beyond counterterrorism and security cooperation. Recent reforms such as the introduction of a nominally independent election body and the reinstatement of presidential term limits could be small but meaningful steps — if they are followed by additional progress. The United States and the international community should encourage such developments while seeking to support greater space for independent activism and voices on political and economic reform, especially among Algeria’s sizeable youth population.

BAHRAIN

Over the past year, as repression in Bahrain

³⁴ “Congressional Budget Justification, Foreign Operations - Appendix 3, Fiscal Year 2017,” U.S. Department of State, February 2016, <http://www.state.gov/documents/organization/252734.pdf>

³⁵ *Ibid.*

³⁶ Alexis Arief, “Algeria: Current Issues,” Congressional Research Service, November 18, 2013, <https://fas.org/sgp/crs/row/RS21532.pdf>

³⁷ *Ibid.*

³⁸ “Under Secretary of State for Political Affairs Shannon’s Travel to Africa and the Maghreb,” U.S. Department of State, February 16, 2016, <http://www.state.gov/r/pa/prs/ps/2016/02/252529.htm>

³⁹ “International Arms Transfers,” Stockholm International Peace Research Institute, 2016, <http://www.sipri.org/research/armaments/transfers>

⁴⁰ Mark Anderson and Achilles Galatsidas, “Global weapons trade targets Africa as imports to Algeria and Morocco soar,” *The Guardian*, March 20, 2015, <http://www.theguardian.com/global-development/datablog/2015/mar/20/africa-arms-imports-algeria-morocco-global-weapons-trade>

has continued unabated, U.S. policy toward democracy and human rights in the small Gulf monarchy and home to the U.S. Navy's Fifth Fleet has notably weakened. The Bahraini government has continued its relentless crackdown on opposition activists and human rights defenders from both the majority Shia community as well as pro-democracy Sunni citizens, and there has been no visible progress toward meaningful negotiations with the opposition to resolve the political crisis. Since 2015, Bahraini courts have sentenced former parliamentarians Khalid Abdulaal and Majeed Milad, human rights defenders Nabeel Rajab and Zainab al-Khawaja, and opposition party leaders Ibrahim Sharif and Sheikh Ali Salman to prison terms in unfair trials.

In June 2015, in a significant policy reversal, the Obama administration announced that it was lifting the holds on security assistance to the Bahrain Defense Force (BDF) and National Guard that it imposed in 2011, after Bahrain's violent dispersals of mass pro-democracy demonstrations. The United States had halted bilateral security assistance to the BDF, the National Guard, and the Ministry of Interior (MOI) and froze \$53 million in arms sales, making their resumption contingent upon political reforms.⁴¹ In justifying its 2015 resumption of aid to the BDF and the National Guard, the State Department cited Bahrain's "meaningful progress on human rights reforms and reconciliation," the implementation of "many key recommendations" from the 2011 report of the Bahrain Independent Commission of Inquiry (BICI),⁴² and the release of several prisoners charged with crimes related to

political activity and free expression.⁴³ Holds on security assistance to the MOI, which has been credibly implicated in serious, ongoing human rights violations, remain in place.

The positive assessment offered by the State Department to justify the lifting of these assistance holds stunned many observers.⁴⁴ Contrary to the State Department's assertions, there has been no progress on human rights or political reconciliation, and the Bahraini government has refused to implement meaningful reforms desperately needed to defuse tensions in the country. And, the State Department's own formal assessment in 2013 found that only five of the 26 BICI recommendations had been fully implemented.⁴⁵ In addition, the State Department's 2014 Human Rights Report—released only a week before the administration announced its decision to resume security assistance—painted a bleak picture, expressing serious concerns over the lack of reform and ongoing restrictions on the rights to free expression, assembly, association, and religion.⁴⁶ In addition, the State Department referred to the release of Ibrahim Sharif, the leader of the *Waad* political society and member of the "Bahrain 13" imprisoned since 2011, in its justification for resuming some security aid. But it should be noted that Sharif was rearrested just two weeks later for "incitement of hatred" following a speech in which he called for political reform; Sharif remains in prison to this day.⁴⁷

The decision to resume security assistance in the absence of meaningful political reform and human rights progress sent a strong signal to Bahraini officials and to the nation's citizens

⁴¹ In May 2012, the United States partially resumed some arms sales to the BDF, the National Guard, and the Coast Guard, but maintained a hold on sales of some security items including Humvees, TOW missiles, tear gas, stun grenades, small arms and ammunition. Josh Rogin, "Obama administration seeks to bolster Bahraini crown prince with arms sales," *Foreign Policy*, May 11, 2012, <http://foreignpolicy.com/2012/05/11/obama-administration-seeks-to-bolster-bahraini-crown-prince-with-arms-sales/>

⁴² The Bahrain Independent Commission of Inquiry was an independent body commissioned by Bahrain's King Hamad to examine the government's response to its 2011 crackdown and make recommendations for reforms that would help solve the political crisis. The United States and the international community welcomed the effort at the time.

⁴³ "Press Statement: 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>

⁴⁴ "POMED Responds to Resumption of Arms Sales to Bahrain," Project on Middle East Democracy, June 29, 2015, <http://pomed.org/media-posts/pomed-responds-to-resumption-of-arms-sales-to-bahrain>; Elliott Abrams, "The Non-Existent Progress in Bahrain," *Pressure Points*, Council on Foreign Relations, June 30, 2015, <http://blogs.cfr.org/abrams/2015/06/30/the-non-existent-progress-in-bahrain/>

⁴⁵ "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>

⁴⁶ "Bahrain 2014 Human Rights Report," U.S. Department of State, 2014, <http://www.state.gov/documents/organization/236806.pdf>

⁴⁷ "Bahrain re-arrests prominent opposition leader," *Al Jazeera*, July 12, 2015, <http://www.aljazeera.com/news/2015/07/bahrain-arrests-prominent-opposition-leader-150712132814547.html>

that the United States—perhaps due to regional security priorities or a desire to reduce Bahrain’s discomfort over the nuclear deal with Iran— had decided it was not worth maintaining pressure for change. Many U.S. officials told the authors that continuing to withhold some security assistance to Bahrain was not having the desired effect of creating an incentive for reform, but rather caused harmful tensions in the bilateral relationship. Other officials argue the Bahraini government had implemented enough reforms to merit the partial release and that by resuming most security aid, the United States would reduce tensions and be in a stronger position with the Bahrain government to push for reform.

In response to the administration’s policy shift, Senators Ron Wyden (D-OR) and Marco Rubio (R-FL) introduced the Bahrain Independent Commission of Inquiry (BICI) Accountability Act of 2015, which would prohibit the sale or transfer of certain weapons and crowd control items until the State Department has certified that Bahrain has implemented fully all 26 of the BICI recommendations.⁴⁸ Senators Patrick Leahy (D-VT) and Jeff Merkley (D-OR) cosponsored the Senate bill. Congressmen Jim McGovern (D-MA) and Joe Pitts (R-PA) introduced a companion bill in the House in a bipartisan, bicameral effort to reverse the administration’s decision. The bill has attracted ten additional House cosponsors.⁴⁹ Report language accompanying the FY16 omnibus appropriations act requires the State Department to submit to Congress an updated assessment on BICI implementation by February 1, 2016, but as of this writing the assessment had not been provided.

In February 2016, on the fifth anniversary of the 2011 protests, the State Department noted that

Bahrain had made political progress in some areas, but raised concerns about limitations on peaceful assembly and political activism, and reiterated calls for the release of Ibrahim Sharif and al-Wefaq’s Secretary-General Sheikh Ali Salman.⁵⁰ But such calls have not been publicly extended to activist Zainab al-Khawaja; instead the State Department has only urged “transparent judicial proceedings.”⁵¹

Bahrain traditionally has not been a major recipient of U.S. assistance and has received only limited amounts of bilateral security aid. Like most of the wealthy Gulf countries, Bahrain instead has been a large purchaser of U.S. arms. In August 2015, the United States announced a \$150 million sale of F-16 fighter jets follow-on support, including equipment, ammunition, training, and spare and repair parts.⁵²

The FY17 budget request includes \$6.6 million in bilateral aid for various forms of security assistance: \$5 million for FME, \$800,000 for IMET, and \$800,000 for NADR. In the FY17 budget request, the administration suggests that “U.S. assistance will further strengthen the military partnership and coordination while building lasting military-to-military relationships.”⁵³ The request includes a new emphasis on security assistance to the Bahraini Coast Guard (BCG), including an upgrade that will allow the BCG to “detect irregularities in Bahrain’s littoral waters and quickly interdict threats with small boats” – a reference to reports of Bahrain’s July 2015 interdiction of Iranian-origin weapons shipments reportedly destined for Bahrain.⁵⁴

As in previous years, in FY17 the administration does not request any democracy and governance assistance for Bahrain. The FY17 budget request

⁴⁸ “Press Release: Wyden, Rubio Bill Would Block Arms to Bahrain,” Office of Senator Ron Wyden, August 7, 2015, <https://www.wyden.senate.gov/news/press-releases/wyden-rubio-bill-would-block-arms-to-bahrain>

⁴⁹ “Press Release: McGovern Joins Senators Wyden, Rubio in Bipartisan Push to Block U.S. Military Aid to Bahrain,” Office of Congressman Jim McGovern, August 7, 2015, <http://mcgovern.house.gov/media-center/press-releases/mcgovern-joins-senators-wyden-rubio-in-bipartisan-push-to-block-us>

⁵⁰ “Press Statement: On Bahrain,” U.S. Department of State, February 17, 2016, <http://www.state.gov/r/pa/prs/ps/2016/02/252566.htm>

⁵¹ “Daily Press Briefing: Bahrain,” U.S. Department of State, March 14, 2016, <http://www.state.gov/r/pa/prs/dpb/2016/03/254684.htm#BAHRAIN>

⁵² “Fact Sheet: U.S. Security Cooperation with Bahrain,” U.S. Department of State, Bureau of Political-Military Affairs, March 1, 2016, <http://www.state.gov/t/pm/rls/fs/2016/253848.htm>

⁵³ “Congressional Budget Justification – Foreign Operations, Appendix 3, Fiscal Year 2017,” U.S. Department of State, February 2016, <http://www.state.gov/documents/organization/252734.pdf>

⁵⁴ “Iran Accused of Opening Terrorist Training Camps in Bahrain,” *Trade Arabia*, July 24, 2015, http://www.tradearabia.com/news/MISC_286878.html

even removes references to “political” and “democratic” reform in Bahrain, and omits the language about “Bahrain’s continued political reform and reconciliation efforts” that were included in the FY16 request.⁵⁵ By contrast, in the FY14 and FY15 omnibus appropriations acts, Congress earmarked \$3 million and \$3.5 million for democracy and governance programming (Congress did not include such language in the FY16 omnibus appropriations act passed in December 2016). Existing democracy and governance programming focuses on legislative strengthening programs for new members of Bahrain’s parliament, economic reform, and media training.

In last year’s report, we noted the passage in April 2015 of an amendment to the House FY16 National Defense and Authorization Act (NDAA) calling for the U.S. administration to undertake a threat assessment and contingency plan for U.S. personnel in Bahrain, mainly those serving with the Fifth Fleet.⁵⁶ The Senate version of the FY16 NDAA did not include such language, but the final conference report accompanying the bill passed by Congress last December called for a report on threats posed to Department of Defense personnel and operations associated with U.S. military installations in Bahrain, “including potential alternative facilities should U.S. personnel require temporary relocation.”⁵⁷ The FY16 NDAA required the administration to submit this report to Congress by late March 2016, but as of this writing it has not been submitted.

During his visit to Bahrain in April 2016, Secretary Kerry praised the Bahraini government’s reform efforts, and criticized the decision by the opposition to boycott the 2014 parliamentary elections as a mistake that

“polarizes things rather than helps them.” Kerry suggested that Bahrain’s 2018 elections would be the next opportunity for political progress in the country, calling for full participation by all parties.⁵⁸

This framing, which places nearly all of the blame on the opposition for the lack of political progress in the country, seems to contradict earlier U.S. policy statements. For example, Ambassador William Roebuck stated in his September 2014 confirmation hearing, “We think that a successful political compromise that allows these political societies to participate in the upcoming elections would be the surest signal of Bahrain’s progress towards reform and reconciliation.”⁵⁹ This statement reflected U.S. policy at the time, which was to push a political compromise between the government and the opposition first, which presumably would make it easier for the opposition to decide to participate. The more recent remarks by Secretary Kerry do not mention the need for any meaningful compromise prior to holding elections. Kerry’s remarks also appear to contradict earlier U.S. policy on meaningful political participation in Bahrain, most notably the statement of President Obama in May 2011 that “the only way forward is for the government and opposition [in Bahrain] to engage in a dialogue, and you can’t have a real dialogue when parts of the peaceful opposition are in jail.”⁶⁰

With Secretary Kerry’s call for renewed political progress in Bahrain ahead of the planned 2018 elections, some observers are hopeful that the country could break out of the political gridlock and tension that has dominated the last several years. But there is also concern that this administration does not have sufficient interest

⁵⁵ “Congressional Budget Justification – Foreign Operations, Appendix 3, Fiscal Year 2016,” U.S. Department of State, February 2015, <http://www.state.gov/documents/organization/238222.pdf>

⁵⁶ “HASC Commissions Report on Security in Bahrain,” Americans for Democracy and Human Rights in Bahrain, April 30, 2015, <http://www.adhrb.org/2015/04/house-armed-services-committee-passes-ndaa-for-2016-includes-commissioned-report-on-security-in-bahrain/>

⁵⁷ “National Defense Authorization Act for Fiscal Year 2016,” H.R. 1735, Report No. 114, September 2015, <http://docs.house.gov/billsthisweek/20150928/CRPT-114hrpt270.pdf>

⁵⁸ “Joint Press Availability with Bahraini Foreign Minister Sheikh Khalid bin Ahmed al-Khalifa,” U.S. Department of State, April 7, 2016, <http://www.state.gov/secretary/remarks/2016/04/255568.htm>

⁵⁹ “Testimony of William Roebuck, Ambassador-Designate to the Kingdom of Bahrain,” U.S. Senate Committee on Foreign Relations Hearing on Nomination, September 10, 2014, http://www.foreign.senate.gov/imo/media/doc/Roebuck_Testimony.pdf

⁶⁰ “Briefing Room: Remarks by the President on the Middle East and North Africa,” The White House, Office of the Press Secretary, May 19, 2011, <https://www.whitehouse.gov/the-press-office/2011/05/19/remarks-president-middle-east-and-north-africa>

or remaining time in office to make a sustained push to achieve the kind of progress needed in a political dialogue between the Bahraini government and citizens who seek significant reform. It may fall to the next administration to press the Bahraini government to implement meaningful political reforms in order to avoid a damaging repeat of the breakdown of negotiations that occurred in 2014.

EGYPT

Since then-defense minister Abdelfattah al-Sisi led the ouster of the elected Muslim Brotherhood government in July 2013 and then became president in May 2014, Egypt has experienced the most repressive period in its modern history. According to local and international rights organizations, mass arrests and death sentences, security forces' killing of civilians, torture, deaths in custody, and restrictions on fundamental freedoms, media and civil society are at unprecedented levels. Since July 2013, the government has detained tens of thousands of citizens on political charges, killed nearly 1,000 protestors in a single day, sentenced to death more than 1,000 people in sham trials, and forcibly disappeared hundreds of citizens. The military-backed government enacted a draconian protest law, and expanded the definition of crimes under the anti-terrorism law to allow for the sentencing of peaceful critics to long prison terms. Egyptian authorities have used the cover of combatting a genuine terrorist threat centered in the Sinai Peninsula to pursue a vast and often violent crackdown on peaceful opponents of the government as well as on ordinary citizens.

In the past year, the government has escalated its repression of local and international civil society organizations in the country, shuttering more than 500 NGOs in 2015 alone, while tightly

constraining the work of many independent human rights and democracy groups, and placing several activists under criminal investigation and travel bans.⁶¹ According to the Committee to Protect Journalists, Egypt now is second only to China in the number of imprisoned journalists, and under the August 2015 anti-terrorism law journalists face exorbitant fines for publishing information that contradicts official government accounts.⁶² Prosecutions and convictions for blasphemy and freedom of expression cases are at an all-time high. Describing Egypt's fall 2015 parliamentary elections, the observation report of Democracy International noted that "the broader political context meant that many potentially important candidates and parties could not compete at all."⁶³

Against these troubling developments, the United States has failed to formulate a coherent policy toward an increasingly repressive, and potentially unstable, Egypt. On one hand, at times during the past year administration officials (and members of Congress) have criticized human rights abuses and have expressed worry that mounting repression may be contributing to the radicalization of many young Egyptians and complicating the fight against terrorism.

For example, in advance of the U.S.-Egypt Strategic Dialogue held in Cairo in August 2015, seven Senators wrote a public letter to Secretary Kerry strongly urging him to "make political reform, human rights, and fundamental freedoms a central element of the agenda." In particular, the Senators expressed concern that "recent U.S. policy and assistance decisions have been interpreted by the Egyptian government as an endorsement of the current political climate."⁶⁴ Also in advance of the dialogue, Secretary Kerry met with Mohamed Soltan, an American citizen imprisoned in Egypt for nearly two years as a political prisoner and freed in May 2015, and discussed "the conditions of his

⁶¹ "State shuts 57 NGOs, a total of 500 closed this year," Mada Masr, September 8, 2015, <http://www.madamasr.com/news/state-shutters-57-ngos-total-500-closed-year>

⁶² Elana Beiser, "China, Egypt imprison record numbers of journalists," Committee to Protect Journalists, December 15, 2015, <https://cpj.org/reports/2015/12/china-egypt-imprison-record-numbers-of-journalists-jail.php>

⁶³ "Egypt's Political System Has Become Less Inclusive and Less Democratic, According to Democracy International's Latest Observation Report," Democracy International, March 31, 2016, <http://democracyinternational.com/news/egypts-political-system-has-become-less-inclusive-and-less-democratic-according-democracy-inter>

⁶⁴ "Senators Urge Secretary Kerry to Focus on Political Reform, Human Rights During U.S.-Egypt Strategic Dialogue," Sen. Tim Kaine, July, 27, 2015, <http://www.kaine.senate.gov/press-releases/senators-urge-secretary-kerry-to-focus-on-political-reform-human-rights-during-us-egypt-strategic-dialogue>

detention, and the importance of distinguishing between peaceful dissent and violent extremism in the fight against terrorism.”⁶⁵ According to discussions with U.S. officials, these two events had a significant impact on the Strategic Dialogue, at which the United States expressed serious concerns with the consequences of domestic political repression. In Cairo, Secretary Kerry expressed his confidence “that Egypt has really good reason to ensure that the fundamental rights of its citizens are protected.”⁶⁶

On the other hand, on many other occasions administration officials have downplayed human rights concerns or have given Egypt wildly undeserved praise on democratic progress, and pursued a business-as-usual approach with Sisi that emphasizes regional diplomacy, counterterrorism cooperation, and economic issues. For instance, in August 2015, Secretary Kerry pledged U.S. support to “do all we can to try to be helpful on this roadmap that the government described for the transition to the full democracy that Egypt aspires to.”⁶⁷

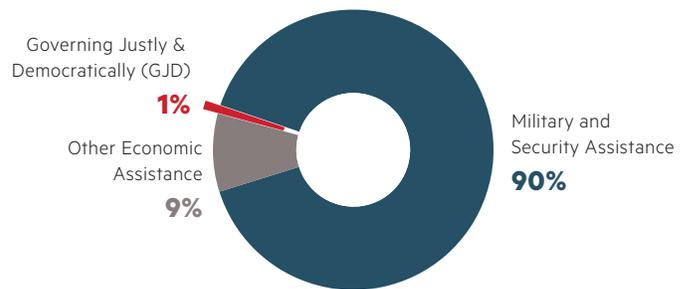
Over the past year, the economic assistance relationship, never an easy one, has grown more strained, even as Egypt remains one of the top recipients of U.S. foreign aid in the world. Egyptian authorities have obstructed some U.S. aid projects in education, civil society, and other sectors; resolving problems with the economic aid program has become a frequent topic in high-level bilateral discussions.

In the FY17 budget request for Egypt, the administration includes \$1.3 billion in FMF and \$150 million in ESF. While the FMF has been held constant at approximately \$1.3 billion in grant funding per year since the mid-1980s, ESF to Egypt has been declining steadily for the past twenty years, including throughout the past seven years of the Obama administration. ESF for Egypt was \$411 million in FY08, approximately \$250 million annually

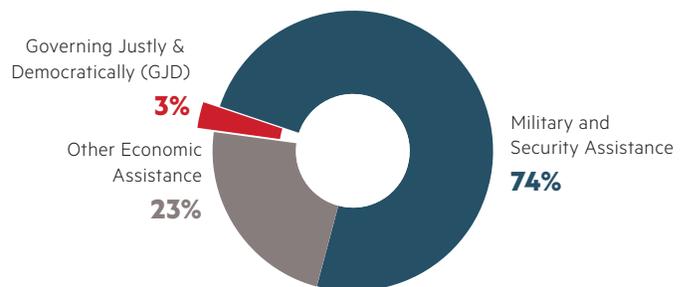
from FY09 through FY13, \$200 million in FY14, and \$150 million in FY15. As a result, whereas economic assistance was 23 percent of Egypt’s bilateral assistance in FY08, it now is just 10 percent of bilateral funding in the FY17 budget. Correspondingly, the portion of Egypt’s bilateral aid dedicated to military and security assistance has increased from 74 percent in FY08 to 90 percent in FY17.

Even as the ESF package has shrunk, there remains a large backlog of unspent funds,⁶⁸ amounting to several times the size of the annual aid appropriation. At an April 2016 congressional hearing, Rep. Ileana Ros-Lehtinen (R-FL), chair of the House Middle East and

EGYPT: TOTAL FY17 REQUEST



EGYPT: TOTAL FY08 ACTUAL



⁶⁵ “Readout of Secretary Kerry’s Meetings with Mohamed Soltan,” U.S. Department of State, July 31, 2015, <http://www.state.gov/r/pa/prs/ps/2015/07/245577.htm>

⁶⁶ “Remarks at the U.S.-Egypt Strategic Dialogue,” U.S. Department of State, August 2, 2015, <http://www.state.gov/secretary/remarks/2015/08/245583.htm>

⁶⁷ “Press Availability with Egyptian Foreign Minister Sameh Hassan Shoukry,” U.S. Department of State, August 2, 2015, <http://www.state.gov/secretary/remarks/2015/08/245585.htm>

⁶⁸ “Egypt: U.S. Government Should Examine Options for Using Unobligated Funds and Evaluating Security Assistance Programs,” U.S. Government Accountability Office, February 2015, <http://www.gao.gov/assets/670/668448.pdf>

North Africa Foreign Affairs subcommittee, stated: “In Egypt we’re facing a significant pipeline issue, where between \$500 million to \$700 million in previous years’ funds have not been spent nor obligated.”⁶⁹ Numerous factors, including instability in Egypt, limited U.S. presence in Cairo to manage the funds when political turbulence has required temporary staff evacuations, bureaucratic procedures slowing disbursement and implementation, congressional holds, and legal restrictions have contributed to the backlog.⁷⁰ Some of these impediments have since been removed, as the Sisi government has been in place since June 2014, security drawdowns have been reversed, and formal restrictions on assistance to Egypt have been largely removed since March 2015.

Nonetheless, some economic assistance programs have not been able to move forward and the large backlog of unspent funds remains. One obstacle that has grown more pronounced in the past year is the lack of cooperation by some Egyptian government interlocutors. Several administration officials interviewed for this report described how parts of the Egyptian government have ignored or rejected requests to register U.S. organizations for development projects, sought to impose unreasonable limitations and pre-approvals on programs, and failed to respond to official requests to negotiate bilateral agreements for new programs – even as other parts of the Egyptian government have expressed a clear desire for such assistance to move forward. U.S. officials describe an increasingly confusing and frustrating operating environment for many aid programs. One noted that Egypt is “not an easy place to do anything,” and that the Egyptian government is “trying to shut us down” by refusing to register organizations that implement U.S. assistance programs in areas, such as education, identified by Egypt itself as development priorities.

Two of USAID’s main implementing partner organizations for large-scale aid programs in Egypt – Counterpart International and RTI International – have faced obstruction from the Egyptian government over the past year. Counterpart International, which had been selected by USAID to implement a large-scale program to support civil society capacity-building, was denied registration by the Ministry of Social Solidarity. RTI International, which has been implementing assistance programs in Egypt since 2004, has recently been unable to obtain approval from Egyptian authorities for its education programs⁷¹ and has also been the target of egregious attacks in the Egyptian press that describe RTI as “one of the arms of the Pentagon [that] is used to infiltrate certain countries under the guise of a civil society organization, with the goal of executing suspicious plans plotted by the Pentagon, the most important of which is to sow dissent in the country in which it is operating.”⁷²

Denial of registration of foreign NGOs and media attacks on foreign (and local) civil society groups are nothing new in Egypt, but in the past had been aimed primarily at organizations working to promote democracy or increase accountability for human rights abuses, activities that Egyptian authorities have viewed as politically threatening. Recently, however, the targeted organizations have expanded to include development-focused organizations working in less politically-sensitive areas such as education and economic development. One administration official interviewed for this report pointed to the success of U.S.-sponsored clean water and basic education programs in Egypt, but noted rising intransigence on the part of some Egyptian officials toward even such benign development activities.

Some flagship economic growth programs initiated since 2011 also face implementation

⁶⁹ “Subcommittee Hearing: Assessing President Obama’s Middle East and North Africa FY 2017 Budget Request,” House Foreign Affairs Committee, April 13, 2016, <https://foreignaffairs.house.gov/hearing/subcommittee-hearing-assessing-president-obama-s-middle-east-and-north-africa-fy-2017-budget>

⁷⁰ “Egypt: U.S. Government Should Examine Options for Using Unobligated Funds and Evaluating Security Assistance Programs,” U.S. Government Accountability Office, February 2015, <http://www.gao.gov/assets/670/668448.pdf>

⁷¹ Julian Pecquet, “Congress ponders next move as Egypt clogs its own funding pipeline.” *Al-Monitor*, April 13, 2016, <http://www.al-monitor.com/pulse/originals/2016/04/congress-egypt-aid-cut-backlog-sisi-cairo.html>

⁷² Yousef Ayoub and Reem Abdelhamid, “Al-Youm As-Sabaa Decodes U.S. Spy Efforts to Penetrate Egypt...Washington-based Organization ‘RTI’ Seeks to Ignite Sectarian Strife [Arabic],” *Al-Youm As-Sabaa*, April 6, 2016, <http://bit.ly/1NIXbtX>

challenges. Congress has designated approximately \$60 million annually (which will be fully capitalized at \$300 million in FY16) from Egypt's ESF for the Egyptian-American Enterprise Fund (EAEF), which is intended to invest in small and medium-sized enterprises (SMEs) to benefit Egypt's development. A Government Accountability Office (GAO) report published in February 2015 noted that the EAEF had not yet made any investments in Egypt, in part because the Egyptian Central Bank rejected EAEF's attempt to purchase a bank in Egypt that would lend money to SMEs.⁷³ As of January 2016, the EAEF had made only two investments.⁷⁴

As of the publication of this report, the administration had not submitted any congressional notifications for the programming of the \$150 million in FY15 ESF. If these funds are not obligated by the end of the current fiscal year (September 30, 2016), and if Congress does not provide a special extension, the funds will need to be returned to the U.S. Treasury. In addition, administration officials noted in interviews for this report that the Egyptian government has also requested the suspension of MEPI's scholarship and local grants programs in Egypt within the past year.

Some in Washington have come to believe – despite the challenging economic conditions in Egypt – that Sisi and others close to him may not care about economic assistance from the United States and are therefore comfortable taking actions that may jeopardize it moving forward. They described a thoroughly confusing and frustrating operating environment in Egypt, with different explanations for restrictions from different parts of the government, and the Egyptian government expressing the desire for technical assistance in one breath but falling back on conspiracy theories about NGOs undermining the state in another. Others note that the economic aid package may in a sense serve as a “fig leaf” for the assistance that Sisi certainly does care about – the military

assistance. A significant level of economic assistance for a low-income country like Egypt makes the large military aid package more palatable. If the Egyptian government makes it impossible for economic aid to continue, that could potentially open the door for a reduction or further restructuring of the military assistance as well.

In the context of a constrained global foreign assistance budget, the slowness of spending allocated funds and Egypt's lack of cooperation on some projects may make it harder for administration officials to justify to Congress the appropriation of additional resources for Egypt. Senator Patrick Leahy (D-VT), ranking member of the Senate Appropriations Subcommittee for State and Foreign Operations, said in April 2016: “If we can't find ways to carry out assistance programs in Egypt, there are plenty of other countries whose governments are better partners where we can use the funds effectively.”⁷⁵ Some U.S. officials have begun to discuss options, including the possibility of redirecting additional aid allocated for Egypt to other countries, which does have precedent. After the U.S. announced in October 2013 that it would no longer provide a \$260 million cash transfer to Egypt, it reprogrammed those funds by redirecting \$114 million for Syria, \$20 million to Tunisia, \$20 million to Iraq, \$36 million to Ukraine, and \$5 million to Moldova (\$34.1 million was eventually reprogrammed to Egypt, and the reprogramming of the remaining \$30.9 million has not yet been finalized).

Unsurprisingly, all of the difficulties described above are even greater when it comes to support for democracy and governance programming in particular. As a result of the Egyptian government's strong opposition to assistance that it does not directly control and in the face of its escalating crackdown on all forms of dissent, U.S. democracy programming has dropped to all-time lows in recent years. GJD programming averaged more than \$50 million annually from FY06-FY08, dropped to approximately \$30

⁷³ “Egypt and Tunisia Funds Are Established; Additional Steps Would Strengthen Compliance with USAID Grant Agreements and Other Requirements,” U.S. Government Accountability Office, February 2, 2015, <http://www.gao.gov/products/GAO-15-196>

⁷⁴ James Harmon, “Egyptian-American Enterprise Fund 2016 Annual Letter,” Egyptian-American Enterprise Fund, January 25, 2016, http://www.eaefund.org/news/the_egyptianamerican_enterprise_fund_annual_letter/EAEF-Annual-Letter-2016.pdf

⁷⁵ Elise Labbot, “In Cairo, Kerry downplays rift with Egypt over human rights,” CNN, April 20, 2016, <http://www.cnn.com/2016/04/20/politics/kerry-el-sisi-human-rights-egypt/>

million annually from FY09-FY11, dropped further to approximately \$18 million from FY12-FY14, and has now reached a record low of only \$6.4 million in projected FY15 spending. It is uncertain whether even that modest amount actually will be spent. Reflecting the highly sensitive programming environment, some of the U.S. government’s funding announcements for democracy activities in Egypt are not made

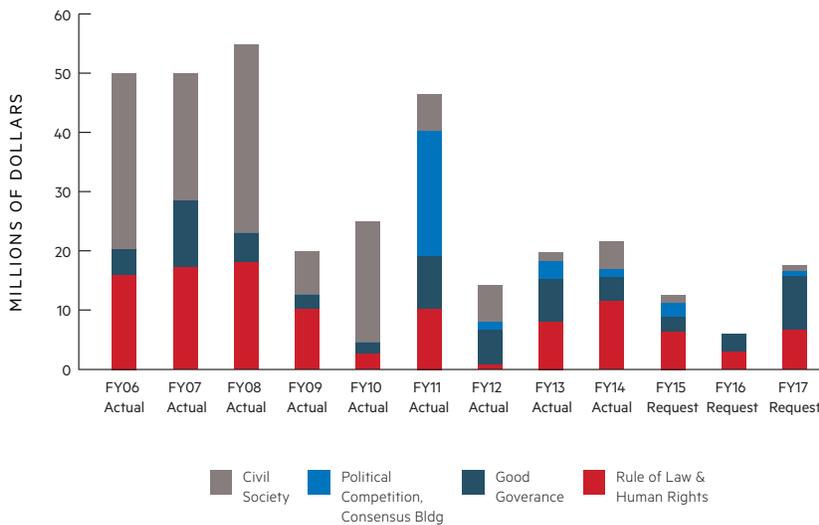
public, and as implementation has become increasingly difficult, applicants are required to submit both contingency and security plans in their proposals.

One reason for the decline in GJD funding to Egypt has been the Egyptian government’s relentless crackdown on independent, democracy-focused civil society organizations.

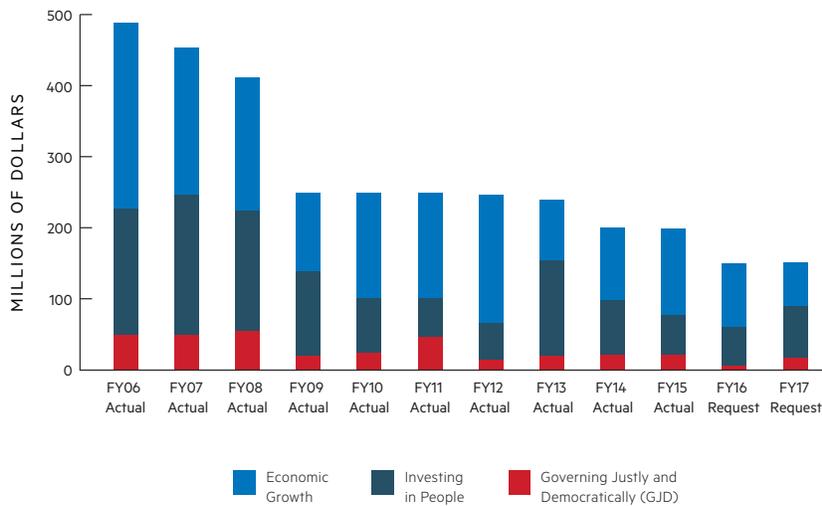
The Egyptian government has recently reopened the notorious Case 173 (through which Egypt prosecuted 43 Egyptian and international staff of U.S. and German democracy promotion organizations, including 17 American citizens, in 2011-2013 and convicted all 43 defendants on criminal charges in June 2013) to target a wide number of Egyptian and international civil society organizations. Over the past several months, Egyptian authorities have ordered the closure of a prominent anti-torture organization, the Nadeem Center; summoned staff from several human rights organizations for interrogation; banned prominent rights activists and advocates from traveling outside Egypt; and harassed and threatened human rights activists with asset freezes, arrests, and violence. The media and parliament regularly propagate vitriol against human rights defenders, portraying them as traitors and security threats to build public support.⁷⁶

Those targeted include some of Egypt’s most credible rights organizations and most prominent human rights defenders, including Hossam

EGYPT: GJD FUNDING, FY06-17



EGYPT: ECONOMIC SUPPORT (ESF) BREAKDOWN, FY06-17



⁷⁶ “Working Group on Egypt Letter to President Obama,” Project on Middle East Democracy, March 23, 2016, <http://pomed.org/media-posts/working-group-on-egypt-letter-to-president-obama/>

Bahgat, the founder and former head of the Egyptian Initiative for Personal Rights;⁷⁷ Gamal Eid, the executive director of the Arabic Network for Human Rights Information (ANHRI); Mozn Hassan of Nazra for Feminist Studies; and Bahey eldin Hassan of the Cairo Institute for Human Rights Studies (CIHRS). As Eid wrote in *The New York Times* in April 2016, “Murky as this case is, the underlying message is clear: This is how the military-backed regime of President Abdel Fattah al-Sisi intends to eliminate the last independent civic organizations in the country.”⁷⁸

There are indications that international NGOs also may face increased pressure, including some that currently do not even have offices or staff working in Egypt. On March 20, 2016, the newspaper *Al Masry Al Youm* published the names of more than 150 individuals and civil society organizations reportedly under investigation for receiving foreign funding, including prominent American and European organizations such as the Center for International Private Enterprise, the Solidarity Center, Transparency International, Save the Children, Catholic Relief Services, CARE, AMIDEAST, the National Democratic Institute, and the International Republican Institute.⁷⁹

The State Department’s Human Rights Report for 2015 noted the Egyptian government’s “uncooperative and suspicious approach to international and local human rights organizations.” It described civil society actors as playing a “significant role in publicizing information about human rights abuses,” although government officials “rarely cooperated

with or responded to the organizations’ inquiries.” The report describes how civil society organizations have frequently been subject to threats of government interference, investigation, or closure. The report states that “provisions in the NGO law and penal code for penalties of up to life imprisonment for requesting or accepting foreign funding had a ‘chilling effect’ on NGO operations.”⁸⁰ In April 2016, Senator Leahy (D-VT) criticized the Egyptian government “as closing the space for alternative points of view and using threats and imprisonment to prevent civil society from functioning,” arguing that “it leaves the United States with few options” to implement U.S. assistance programs in Egypt.⁸¹

In March 2016, Secretary Kerry stated that he was “deeply concerned by the deterioration in the human rights situation in Egypt in recent weeks and months, including the reported decision this week by the Egyptian government to reopen an investigation of Egyptian non-governmental organizations (NGOs) documenting human rights abuses and defending the freedoms enshrined in Egypt’s constitution” and noted that, “This decision comes against a wider backdrop of arrests and intimidation of political opposition, journalists, civil society activists and cultural figures.”⁸¹ That same month, the UN High Commissioner for Human Rights said, “This looks like a clampdown on sections of Egyptian civil society and it must stop,”⁸³ and UN Secretary General Ban Ki-moon stressed the importance of civil society’s freedom to operate.⁸⁴

One U.S. official interviewed for this report

⁷⁷ Sarah El-Sheikh, “NGO funding case and Egyptian state impunity: interview with Hossam Bahgat,” *Daily News Egypt*, April 19, 2016, <http://www.dailynewsegypt.com/2016/04/19/ngo-funding-case-egyptian-state-impunity-interview-hossam-bahgat/>

⁷⁸ Gamal Eid, “Egypt’s Hollowed-Out Society,” *New York Times*, April 17, 2016, <http://www.nytimes.com/2016/04/18/opinion/egypts-hollowed-out-society.html>

⁷⁹ Mohammad Mansour and Ahmad Shalabi, “Al-Masry Al-Youm Publishes the List of Organizations Accused of Foreign Funding,” Project on Middle East Democracy, March 20, 2016. <http://pomed.org/wp-content/uploads/2016/03/al-Masry-al-Youm-March-20-2016-Foreign-Funding-English.pdf>

⁸⁰ “Egypt 2015 Human Rights Report,” U.S. Department of State, <http://www.state.gov/documents/organization/253133.pdf>

⁸¹ Elise Labbot, “In Cairo, Kerry downplays rift with Egypt over human rights,” *CNN*, April 20, 2016, <http://www.cnn.com/2016/04/20/politics/kerry-el-sisi-human-rights-egypt/>

⁸² “Human Rights Situation in Egypt,” U.S. Department of State, March 18, 2016, <http://www.state.gov/secretary/re-marks/2016/03/254845.htm>

⁸³ “Zeid urges Egypt to halt repression of NGOs,” Office of the UN High Commissioner for Human Rights, March 23, 2016, <http://ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=18521>

⁸⁴ “Readout of the Secretary-General’s meeting with Mr. Bahey eldin Hassan,” The United Nations, March 23, 2016, <http://www.un.org/sg/offthecuff/index.asp?nid=4431>

noted that Egypt is “country number one” in terms of concerns for closing space for civil society in the region, but worried that despite Kerry’s critical statement, the U.S. government’s reaction to the crackdown may be too cautious. This official decried the escalation of attacks against civil society in Egypt as a blatant return to “2012 thinking” (meaning, during the original prosecution of Case No. 173) by Egyptian officials. Many staff from pro-democracy and human rights NGOs have criticized the U.S. government response as too slow, and fear that it may be repeating mistakes from the soft, ineffective response to the 2013 NGO convictions.

The military assistance program also faces some challenges, even as the FMF relationship has returned to normal in some respects over the past year. As noted earlier, in March 2015, the administration announced the end of a suspension of some military and security assistance that had been in place since October 2013 that marked the first time the United States had ever formally suspended military aid to Egypt over rights concerns. The administration also announced that it would continue to request from Congress a full \$1.3 billion in FMF for Egypt. In the FY17 budget request, the administration honors that pledge by requesting \$1.3 billion in FMF as “an essential element of the U.S. partnership with the largest military in the region.”⁸⁵ The FY17 budget request also includes new language that justifies FMF as helping to “facilitate and cement peace between Israel and Egypt, curbing tensions in a historically volatile region.”⁸⁶ Contrary to widespread perceptions, the United States is not legally obligated to provide assistance to Egypt as part of the Camp David Accords.⁸⁷ Rather, the State Department has justified military assistance to Egypt “because it serves U.S. national interests in a crucial and volatile region.”⁸⁸

But the administration is also moving forward on its plans, announced simultaneously with the end of the weapons suspension, to discontinue Egypt’s privilege of cash-flow financing (CFF) and to restructure the aid package, beginning in FY18.⁸⁹ The administration seeks to focus FMF toward the acquisition and sustainment of new equipment in four categories – counterterrorism, border security, maritime security, and Sinai security – along with sustainment of weapons systems already in Egypt’s arsenal.⁹⁰ This year’s budget begins to reflect those changes, designating \$650 million of FMF to support procurement, services, and training focused on those four categories as well as “sustainment of some previously purchases U.S.-origin defense articles not deemed obsolete.” The remaining \$650 million is designated for “acquisitions and training focused on Egypt’s counterterrorism and border security needs, including efforts to help the Egyptian Armed Forces address hybrid threats and disrupt transnational criminal and terrorist organizations.”⁹¹

Some administration officials interviewed for this report noted that Egyptian military leaders have not been receptive to discussions focused on modernizing the military assistance package, as they would prefer for the aid to remain unchanged. Some U.S. officials believe that their Egyptian counterparts are dragging their feet, hoping that the policy changes announced by the Obama administration will be reversed by the next U.S. President. Congressional staff report that Egyptian officials also are actively encouraging Congress to pass legislation that would reinstate cash-flow financing privileges.

Concerning the specific use of U.S. military aid in Egypt, some members of Congress have raised questions regarding human rights abuses. In July 2015, Senator Leahy (D-VT) wrote to

⁸⁵ “Congressional Budget Justification, Foreign Operations - Appendix 3, Fiscal Year 2017,” U.S. Department of State, February 2016, <http://www.state.gov/documents/organization/252734.pdf>

⁸⁶ *Ibid.*

⁸⁷ For background, see: Amy Hawthorne, “What’s Happening with US Military Aid to Egypt, Part II: Everything You Ever Wanted to Know about Foreign Military Financing for Egypt,” *EgyptSource*, November 17, 2014, <http://www.atlanticcouncil.org/blogs/mena-source/what-s-happening-with-us-military-aid-to-egypt-part-ii-everything-you-ever-wanted-to-know-about-the-2014-legislation-on-foreign-military-financing-for-egypt>

⁸⁸ “U.S. Assistance to Egypt,” U.S. Department of State, June 8, 2013, <http://www.state.gov/r/pa/prs/ps/2013/06/210421.htm>

⁸⁹ “Comment from NSC Spokesperson Bernadette Meehan regarding Egypt,” National Security Council, March 31, 2015, <http://pomed.org/wp-content/uploads/2015/04/NSC-Statement-on-Egypt-Military-Aid-March-2015.pdf>

⁹⁰ “U.S. Assistance to Egypt,” U.S. Department of State, June 8, 2013, <http://www.state.gov/r/pa/prs/ps/2013/06/210421.htm>

⁹¹ *Ibid.*

Secretary Kerry asking for an investigation into whether Egypt violated U.S. law that bars foreign military units that have committed human rights abuses with impunity from receiving American aid (the “Leahy Law”), particularly in the Sinai Peninsula, where the Egyptian military is engaged in a fierce campaign against jihadist groups and reports indicate that civilians have been targeted unlawfully.⁹² Administration officials and congressional staff have lamented the Egyptian government’s refusal to allow the United States access to the Sinai to investigate whether U.S.-supplied equipment is being used in compliance with U.S. law; Egyptian officials reportedly have denied such access due to safety and security concerns. In a February 2016 budget hearing before Congress, Secretary Kerry confirmed that President Sisi had not permitted U.S. officials to access the Sinai: “We have asked him for the ability to be able to do that [but] we haven’t done it yet.”⁹³

In February 2016, this issue was raised again when Senator Leahy (D-VT) and ten House members wrote a letter asking the Obama administration to investigate claims that the Israeli and Egyptian security forces have committed “gross violations of human rights.”⁹⁴ The letter stated, “According to information we have received, the manner in which U.S. military assistance has been provided to Israel and Egypt, since the Camp David Accords, including the delivery of assistance at the military service level, has created a unique situation that has hindered implementation of normal mechanisms for monitoring the use of such assistance.”⁹⁵

In March 2016, the GAO submitted a report to Congress entitled “Security Assistance: U.S. Government Should Strengthen End-Use Monitoring and Human Rights Vetting

for Egypt.”⁹⁶ Unusually, the report has been marked as “restricted” and is available only to congressional staff and U.S. officials. The GAO has declined FOIA requests to release the report and stated in an email that doing so “could adversely impact significant property interests or negatively affect public safety.” The report’s title suggests confirmation of the concerns of Senator Leahy and others regarding shortfalls in the application of the Leahy Law and other human rights-related restrictions and prohibitions on the provision of U.S. equipment and training for Egyptian security forces that may have committed gross human rights violations. Since the report’s publication, Senator Leahy has stated publicly that “Egypt of course is in violation of a lot of aspects of the Leahy Law.”⁹⁷

Under the FY16 omnibus appropriations act passed in December 2015, 15 percent of Egypt’s military aid should be withheld pending satisfactory completion of several human rights conditions — although even that can be waived if deemed in the national security interest of the United States. In order to waive those conditions, Secretary Kerry must submit a report to Congress on the Egyptian government’s progress on those issues, including the administration’s assessment on the state of basic freedoms in Egypt and what actions the Egyptian government is taking (or not taking) to protect and advance them. Congressional appropriators have varied their approaches over the past several years to these human rights conditions, in terms of the precise language of the conditions, the amount of aid held up, and whether a waiver is included.⁹⁸ Some have expressed hope that because the FY16 conditions apply only to 15 percent of FME, the administration might be more willing to hold up that aid rather than to waive the conditions.

⁹² “The Questionable Legality of Military Aid to Egypt,” *New York Times*, August 19, 2015, <http://www.nytimes.com/2015/08/19/opinion/the-questionable-legality-of-military-aid-to-egypt.html>

⁹³ “Subcommittee Hearing: State, Foreign Operations Review of FY17 State Dept. Budget Request,” Senate Committee on Appropriations, February 24, 2016, <http://www.appropriations.senate.gov/hearings/state-foreign-operations-review-of-fy17-state-dept-budget-request>

⁹⁴ “Congressional Letter to Secretary Kerry,” *Politico*, February 17, 2016, <http://www.politico.com/f/?id=00000153-c56c-d662-a75b-cfcc6be0000>

⁹⁵ *Ibid.*

⁹⁶ “Restricted Products,” U.S. Government Accountability Office, April 1, 2016, http://www.gao.gov/restricted/restricted_reports

⁹⁷ Julian Pecquet, “Congress ponders ‘Marshall Plan’ for Egypt,” *Al-Monitor*, April 7, 2016, <http://www.al-monitor.com/pulse/originals/2016/04/egypt-congress-marshall-plan-sisi-aid-rebuild.html>

⁹⁸ Only once was a national security waiver on such conditionality for Egypt not included in the appropriations law, in FY2014.

But in an appendix to the FY17 budget request, the administration pushes for removal of that language altogether, asking Congress to remove Egypt's aid conditions on 15 percent of FME, the accompanying national security waiver, and the reporting requirement entirely.⁹⁹ The suggested change in language can be ignored by Congress, but it also represents a change in the administration's position from previous years. In recent years, the administration's position has been in favor of renewing Egypt's democracy and human rights conditions *as long as* a national security waiver was included. The administration did not seek to substantively alter the language at all in its FY16 request,¹⁰⁰ and sought to add a waiver in its FY15 request.¹⁰¹

When Secretary Kerry exercised the national security waiver included in the FY15 appropriations act in May 2015, he was required to deliver an assessment to Congress that included a detailed justification and explanation of exactly which conditions had not been met. In that assessment, the State Department detailed: "While Egypt has implemented parts of its 'democracy roadmap,' the overall trajectory of rights and democracy has been negative."¹⁰² The report quickly became public and infuriated Egyptian government officials.¹⁰³ This experience also frustrated some U.S. officials and may have motivated the administration to advocate for the removal of conditions and the associated reporting requirement entirely in its FY17 budget request.

In recent budget hearings, Senator Jerry Moran (R-KS) and Rep. David Cicilline (D-RI) both

asked Secretary Kerry why the administration was seeking to remove the language on human rights and democracy. Secretary Kerry had no direct answer, but noted that "we've seen a deterioration over the course of this last - these last months, I guess, is a fair way to say it, with arrests of journalists and arrests of some civil society personalities" in Egypt.¹⁰⁴ Kerry suggested that taking punitive steps toward Egypt in response to human rights concerns is not an effective strategy to influence the Egyptian government, as the relationship "doesn't lend itself to a simple edict 'don't do this or else.'"¹⁰⁵ He argued that the \$1.5 billion in military and economic assistance provided by the United States was outweighed by the economic largesse provided to Egypt by Gulf countries:

"But, together, the Saudis and Emirates have put in over 20 billion dollars in the last couple years to Egypt. We put in a few hundred million. Let me ask you, who has leverage? Who are they going to listen to? Where do they think their help is coming from?"¹⁰⁶

Senator Leahy also asked Kerry, "Are there any examples, real examples, [that] President Sisi's government is implementing laws or policies to govern democratically, to protect and advance the rights of women and religious minorities, or provide detainees with due process - as our law requires?"¹⁰⁷ Secretary Kerry replied:

"There are disturbing arrests, there are disturbing sentences, there are - and we raise these issues. And I have succeeded in getting some people released. We're steadily,

⁹⁹ "Department of State and Other International Programs - The Appendix, Budget of the United States Government, Fiscal Year 2017," The White House, <https://www.whitehouse.gov/sites/default/files/omb/budget/fy2017/assets/sta.pdf>

¹⁰⁰ "Department of State and Other International Programs - The Appendix, Budget of the United States Government, Fiscal Year 2016," The White House, <https://www.whitehouse.gov/sites/default/files/omb/budget/fy2016/assets/sta.pdf>

¹⁰¹ "Department of State and Other International Programs - The Appendix, Budget of the United States Government, Fiscal Year 2015," The White House, <https://www.whitehouse.gov/sites/default/files/omb/budget/fy2015/assets/sta.pdf>

¹⁰² "Certification Pursuant to Section 7041(a)(6)(C) of the State and Foreign Operations Appropriations Act, 2015," U.S. Department of State, June 2, 2015, <http://www.al-monitor.com/pulse/files/live/sites/almonitor/files/documents/2015/Egypt%20Waiver%20May%202015%20FME-IMET-FME.pdf>

¹⁰³ David Kirkpatrick, "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>

¹⁰⁴ "Hearing: Strengthening U.S. Leadership in a Turbulent World: The FY 2017 Foreign Affairs Budget," House Committee on Foreign Affairs, February 25, 2016, <http://foreignaffairs.house.gov/hearing/hearing-strengthening-us-leadership-turbulent-world-fy-2017-foreign-affairs-budget>

¹⁰⁵ "State, Foreign Operations Review of FY17 State Dept. Budget Request," Senate Committee on Appropriations, February 24, 2016, <http://www.appropriations.senate.gov/hearings/state-foreign-operations-review-of-fy17-state-dept-budget-request>

¹⁰⁶ *Ibid.*

¹⁰⁷ "State, Foreign Operations Review of FY17 State Dept. Budget Request," Senate Committee on Appropriations, February 24, 2016, <http://www.appropriations.senate.gov/hearings/state-foreign-operations-review-of-fy17-state-dept-budget-request>

constantly talking about opening up and expanding civil society, reversing some of the trends that we've all seen that we are disturbed about. But at the same time, there is a major challenge of extremism - bombs that have been going off in Cairo, bombs that have gone off in Sharm el-Sheikh, different challenges. And so, it doesn't excuse these things - I'm not suggesting that. But we have to try to, we have to try to work and thread a needle carefully that can balance the various interests that exist."¹⁰⁸

But this kind of language, suggesting that there is some kind of "balance" that the U.S. must strike with Egypt between its security interests and human rights, is a framing that contradicts other public rhetoric from the administration. For example, Under Secretary for Civilian Security, Democracy, and Human Rights Sarah Sewall stated just days later that:

"Time and again, nations around the world - including ours - relearn the harsh lessons of framing security as a zero-sum tradeoff with fundamental human freedoms. A comprehensive CVE approach recognizes this as a false dichotomy and highlights the importance of good governance and human rights protections in preventing the next generation of violent extremism."¹⁰⁹

Days after Sewall's statement, Deputy Secretary Antony Blinken said, "We strongly support Egypt's efforts to confront the threat of terrorism and surmount its economic challenges, but long-term peace and stability require trust, accountability, and avenues for peaceful dissent."¹¹⁰ Assistant Secretary for Democracy,

Human Rights and Labor Tom Malinowski testified in a congressional hearing on Egypt in November 2015, stating, "Human rights and democratic governance are thus not ancillary to countering terrorism; they are central. Protecting peaceful dissent, allowing space for civil society, and supporting free participation in the political process are all essential to help stem the growth of violent extremism."¹¹¹

Secretary Kerry's public statements following meetings with his counterpart Foreign Minister Sameh Shoukry have often appeared to undermine attempts by lower-level officials to support human rights in Egypt. Despite numerous opportunities to publicly speak clearly and forcefully on human rights and democracy while standing alongside Shoukry, Secretary Kerry has regularly omitted the words "human rights" entirely,¹¹² continued to suggest that Egypt is still going through some kind of positive "political transition,"¹¹³ and has avoided a public discussion of the deterioration of the domestic situation in Egypt entirely.¹¹⁴

Despite the negative path that Sisi appears to be leading Egypt down, several key members of Congress have recently expressed public support for him. After a visit to Egypt in April 2016 by Senator Lindsey Graham (R-SC), the chair of the Senate State and Foreign Operations Appropriations subcommittee, Graham has called for a "Marshall Plan" on emergency funding of "multiple billions" of dollars for Egypt and several other countries.¹¹⁵ House of Representatives Speaker Paul Ryan (R-WI) also visited Egypt in April 2016, though said it was "too soon" to weigh in on supporting a "Marshall Plan" for Egypt, and that Egypt's human rights

¹⁰⁸ *Ibid.*

¹⁰⁹ "Countering Violent Extremism: How Human Rights and Good Governance Help Prevent Terrorism," U.S. Department of State, February 29, 2016, <http://www.state.gov/j/remarks/253870.htm>

¹¹⁰ "National Statement at the Human Rights Council," U.S. Department of State, March 2, 2016, <http://www.state.gov/s/d/2016d/253899.htm>

¹¹¹ "Assistant Secretary Malinowski Testimony on Human Rights Conditions in Egypt," House Committee on Foreign Affairs, November 3, 2015, <http://www.humanrights.gov/dyn/2015/11/assistant-secretary-malinowski-testimony-on-human-rights-conditions-in-egypt/>

¹¹² Elliott Abrams, "Kerry's Fantasy Egypt," Council on Foreign Relations, February 9, 2016, <http://blogs.cfr.org/abrams/2016/02/09/kerrys-fantasy-egypt/>

¹¹³ "Remarks with Egyptian Foreign Minister Sameh Shoukry," U.S. Department of State, February 9, 2016, <http://www.state.gov/secretary/remarks/2016/02/252285.htm>

¹¹⁴ "Remarks with Egyptian Foreign Minister Sameh Shoukry," U.S. Department of State, March 30, 2016, <http://www.state.gov/secretary/remarks/2016/03/255349.htm>

¹¹⁵ Julian Pecquet, "Congress ponders 'Marshall Plan' for Egypt," *Al-Monitor*, April 7, 2016, <http://www.al-monitor.com/pulse/originals/2016/04/egypt-congress-marshall-plan-sisi-aid-rebuild.html>

record makes it “more difficult” for Congress to support the Sisi government.¹¹⁶

Despite Senator Graham’s leadership position in the Senate State and Foreign Operations Appropriations Subcommittee, it is unclear whether he will be able to garner the support needed for the proposed multi-billion emergency assistance package to Egypt and other countries in the region. This is due in part to the presence of Senator Leahy, the ranking member of that subcommittee, and his aforementioned concerns. In addition to the overall amount of assistance Egypt will receive in FY17, Congress will also need to debate what democracy and human rights conditions should be tied to Egypt’s military aid package. Perhaps appropriators will strike a balance of both increased aid and tougher conditions; Senator Chris Murphy (D-CT) has suggested, “as long as there’s real conditionality applied to the aid, I’m willing to consider [Graham’s proposal].”¹¹⁷

On the administration’s side of assistance discussions, officials will need to finalize negotiations around the modernization of Egypt’s military aid package. Despite Egyptian officials’ attempt to “wait out” this administration in hopes of reversing the changes to the aid package with a new U.S. President, Obama administration officials will need to negotiate mutually-accepted definitions of the four new categories for assistance with their Egyptian counterparts in order to begin implementation of the modernization process in FY18 as intended. In addition, as described above, similar discussions will need to take place surrounding the economic assistance relationship as well.

The large-scale U.S.-Egypt foreign assistance relationship has been at the heart of this close bilateral relationship since the 1970s. Over the past few years, a difficult and volatile period marked by unprecedented levels of repression in Egypt has spurred more tensions, scrutiny, and uncertainty in the U.S.-Egypt relationship and the foreign assistance package than had been the case for decades. The Obama administration has grown progressively more worried about Egypt’s

trajectory and about the potential consequences for Egypt’s stability, yet administration officials have struggled to formulate coherent or effective policy responses. Nonetheless, the administration has at least taken initial steps that could pave the way for modernizing and reforming an outdated aid package, and further changes are likely to be needed. But the reality is that tensions are likely to remain until Egypt turns away from its current, failing approach of bringing stability through harsh authoritarian repression.

IRAQ

When he took office in mid-2014, Prime Minister Haidar al-Abadi promised to reverse the exclusionary sectarian policies pursued by his predecessor Nouri al-Maliki, to reunite the country, and to reclaim territory from the Islamic State (IS). With many of Abadi’s domestic reform proposals stalled in parliament, many Iraqis have grown increasingly frustrated and impatient with the slow pace of reform, culminating in mass public protests against the government in March and April 2016. At the same time, the sharp decrease in oil prices has led to an economic crisis, forcing the Iraqi government to seek loans from the IMF and the United States to keep its economy afloat. In 2015-2016, the Iraqi government reclaimed more than 40 percent of the territory once controlled by IS, although the UN has estimated that fighting displaced at least 3.2 million Iraqis during 2014 and 2015.¹¹⁸

President Obama entered office in 2009 committed to withdrawing U.S. troops from Iraq but also promising a strong continued civilian presence and support for Iraq; the latter pledge ultimately not met by his administration. One metric is the reduced level of U.S. aid for Iraq. From FY09-FY12, the United States allocated approximately \$350 million in ESF for Iraq, but from FY13-FY15 bilateral ESF dropped to an average of \$50 million annually. There was a parallel proportional decline in democracy and governance funding for Iraq: after averaging

¹¹⁶ Patricia Zengerle, “House Speaker Ryan backs continued aid to Egypt,” *Reuters*, April 14, 2016, <http://www.reuters.com/article/us-mideast-crisis-usa-ryan-idUSKCN0XB1R0>

¹¹⁷ *Ibid.*

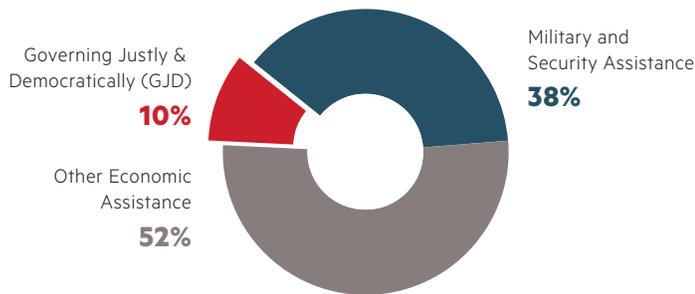
¹¹⁸ “UN Daily News,” *UN News Services*, Issue DH/7076, January 19, 2016, <http://www.un.org/News/dh/pdf/english/2016/19012016.pdf>

approximately \$236 million in GJD funding to Iraq from FY09-FY12, GJD dropped to an average of \$37 million annually from FY13-FY15.

The administration recently has sought to reverse this trend by increasing funding to Iraq to bolster Abadi’s reform efforts and anti-IS efforts, particularly as falling oil revenue has

A major focus of GJD funding in Iraq has been to support local government bodies in areas recaptured from IS control to restore governance and service delivery. Another focus is supporting national reforms undertaken by the Abadi government. Administration officials interviewed for this report note that DRL now administers the majority of GJD assistance to Iraq (approximately \$18 million of the overall GJD allocation of \$27 million in FY16). DRL also administers the Marla Ruzicka Innocent Victims of War Fund, which provides assistance to families and communities of Iraqi civilians who have suffered losses as a result of U.S. military operations in Iraq, and is funded at \$7.5 million in the FY16 omnibus appropriations act. DRL programming focuses on governance, minority and women’s rights, emergency assistance for survivors of IS attacks, and anticipated 2017-2018 provincial elections.

IRAQ: TOTAL FY17 REQUEST



sent the Iraqi economy into crisis. The FY17 budget request notes: “recent military, political, and economic developments have placed a higher importance on U.S. assistance to the government and people of Iraq.” New language this year argues that “critical, self-directed actions undertaken by the GOI in promoting responsive governance will bolster the efficacy of the U.S. government’s efforts, speed up the adoption of changes, and increase the chances for long-term sustainability of the reforms.”¹¹⁹

Administration officials interviewed for this report noted that some top U.S. officials had sought to reduce USAID budgets in Iraq in order to consolidate programs and to force the UN to take the lead on assistance to Iraq. More recently, the administration has been forced to reverse course and seek to scale funding up. The FY17 budget request includes \$510 million in bilateral assistance to Iraq, of which \$332 million is designated for ESE, \$150 million for FME, \$26.9 million for NADR, and \$1 million for IMET. Included in this request is \$53 million for democracy and governance programming, nearly double the amount for such programming in FY15.

In response to Iraq’s growing economic crisis, the FY17 budget request notes that \$260 million of Iraq’s ESF will support a sovereign loan guarantee, “conditioned on economic reform implementation in support of International Financial Institution reform efforts...this will enable the GOI to borrow up to \$1 billion.”¹²⁰ The request also includes \$53 million in GJD, which is broken down as: \$6 million for rule of law and human rights programming, \$44 million to support good governance, and \$3 million for political competition and consensus building.

Concerning FY17 FME, the budget request seeks authority to provide an FMF loan of up to \$2.7 billion to subsidize financing for military equipment to the Iraqi government.¹²¹ Administration officials say that they plan to notify Congress shortly on the details of a previously authorized FMF loan to Iraq, to be followed by this potential second loan requested in FY17. An FMF loan is a rarely-used assistance tool that allows the president to finance certain defense articles and services.¹²² For example, there was a similar FMF loan to Poland in 2003, which made possible a no subsidy-cost \$3.8 billion FMF loan to the government for

¹¹⁹ “Congressional Budget Justification, Foreign Operations – Appendix 3,” U.S. Department of State, February 2016, <http://www.state.gov/documents/organization/252734.pdf>

¹²⁰ *Ibid.*

¹²¹ *Ibid.*

¹²² Further details for FMF loans are available in Section 23 of the Arms Export Control Act.

the purchase of 48 F-16 aircraft, weapons, and related logistics support.¹²³

The United States has also provided weapons and equipment to Iraq through Foreign Military Sales (FMS). Since 2005, more than \$18.6 billion

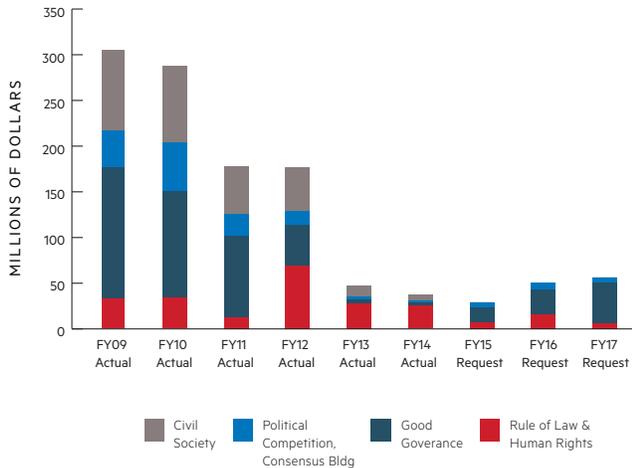
in FMS have been sold to Iraq; recent Iraqi FMS purchases include 3,300 Hellfire missiles; 31,000 2.75-inch rockets; and over 30,000 120mm tank rounds. Other Iraqi FMS purchases include 146 M1A1 Main Battle Tanks; 36 F-16 fighter aircraft; 24 IA407 helicopters; and 9 C-130 cargo aircraft. Transfers of U.S. equipment, training, and support are funded through other U.S. security assistance programs, including Excess Defense Articles (EDA) grants and Building Partner Capacity (BPC) grants administered by the Defense Department.¹²⁴

In addition to bilateral economic assistance and FMS and FMF financing, the administration has increased significantly humanitarian support for Iraq, exceeding \$780 million since the start of FY14.¹²⁵ This funding aims to “provide millions of Iraqi civilians affected by the conflict – including 3.2 million internally displaced persons and 370,000 refugees with critically needed relief such as food, clean water, health care, psychosocial services, child protection, legal aid, shelter, livelihood support, education, and logistics.”¹²⁶

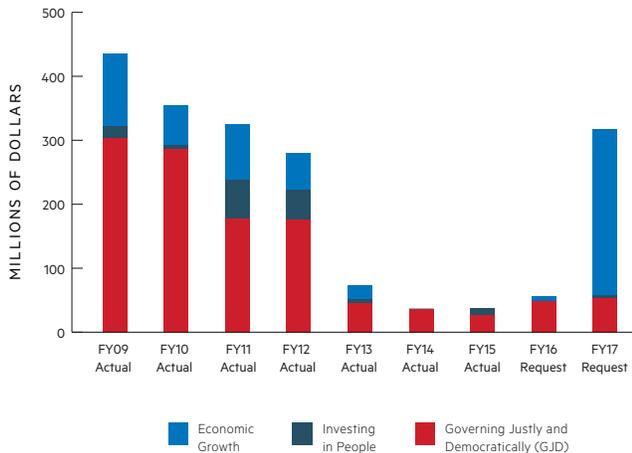
In an April 2016 visit to Baghdad, Secretary Kerry urged “all of the parties in Iraq to work together, to come together, to advance the political process in ways that for certain advance the interests and the aspirations and hopes of the Iraqi people. We stand ready to assist the Iraqi Government in any way that we can as partners and as friends.”¹²⁷ As Prime Minister Abadi continues to try to reshuffle the cabinet in an effort to place technocrats in leadership positions and combat corruption, he faces significant opposition from entrenched political forces.

While the U.S. strategy focuses on supporting Iraqi military operations against the Islamic State, effective governance and service delivery

IRAQ: GJD FUNDING, FY09-17



IRAQ: ECONOMIC FUNDING BREAKDOWN, FY09-17



¹²³ “Joint Resolution Making Further Continuing Appropriations for the Fiscal Year 2003,” U.S. Congress, Public Law 107-240, October 11, 2002, <https://www.gpo.gov/fdsys/pkg/PLAW-107publ240/html/PLAW-107publ240.htm>

¹²⁴ “Fact Sheet: U.S. Security Cooperation With Iraq,” U.S. Department of State, Bureau of Political-Military Affairs, August 19, 2015, <http://www.state.gov/t/pm/rls/fs/2015/246199.htm>

¹²⁵ “Press Availability in Baghdad, Iraq,” U.S. Department of State, April 8, 2016, <http://www.state.gov/secretary/remarks/2016/04/255619.htm>

¹²⁶ “Remarks on the Humanitarian Situation in Iraq,” U.S. Department of State, September 30, 2015, <http://www.state.gov/j/remarks/247828.htm>

¹²⁷ “Press Availability in Baghdad, Iraq,” U.S. Department of State, April 8, 2016, <http://www.state.gov/secretary/remarks/2016/04/255619.htm>

in reclaimed territory will be key to preventing the country's fracturing and ending conflict. The administration now aims to surge assistance back to FY12 levels to help meet these challenges, but the effectiveness of such funding hinges, in part, on inclusive and responsive political leadership by Iraqis. The administration understandably is seized with military operations against IS and the humanitarian crisis, but it will only repeat tragic mistakes of the past if it downplays the importance of inclusive and transparent governance and human rights to secure Iraq's long-term security and stability.

JORDAN

Many U.S. officials continue to view the Hashemite Kingdom of Jordan as an island of stability and a "soft" authoritarian state surrounded by violent conflict on its borders – in Iraq, in Israel and Palestine, and since 2011 in Syria. Jordan's King Abdullah II is often praised in Washington not only as a reliable partner and ally on counterterrorism and intelligence-sharing, but also as a "moderate" and a "reformer." Yet there are many reasons for concern regarding human rights and political reform in Jordan, which could bring increased scrutiny of the country's record.

Jordan's recent electoral law fails to address longstanding demands for equitable representation, and its broadly defined terror laws can be used to target peaceful dissent.¹²⁸ A draft NGO law introduced in March 2016 would place burdensome additional restrictions on an

already tightly controlled civil society sector.¹²⁹ Meanwhile, in the past year Jordan has detained at least 11 journalists under the auspices of anti-terror and cybercrime violations,¹³⁰ citizens have been jailed for critical Facebook posts,¹³¹ and the government has taken steps to undermine Islamist opposition groups.¹³² This month, a set of constitutional amendments was introduced in parliament that would grant the King "sole constitutional control in areas of security, defense, foreign policy, and the judiciary."¹³³

The country's economic situation, meanwhile, also faces daunting challenges. Jordan's domestic debt has ballooned in recent years and its "fiscal policy only remains sustainable because of immense dependence on foreign aid."¹³⁴ Bloated public sector hiring has placed additional budgetary constraints on the government, as has the influx of more than 1 million Syrian refugees.¹³⁵

With the signing in 2015 of a three-year Memorandum of Understanding, Jordan is guaranteed a minimum of \$1 billion in U.S. aid annually through 2017,¹³⁶ though Congress and the administration are providing aid well in excess of that amount. Congress exceeded the administration's \$1 billion FY16 request significantly, appropriating "not less than" \$1.275 billion in the FY16 omnibus appropriations act, while also granting authority to provide assistance from other accounts (detailed later in this section).

In a February 2016 press conference, Secretary Kerry detailed FY16 assistance plans for Jordan:

¹²⁸ "Country Reports: Middle East and North Africa Overview – Jordan," U.S. Department of State - Bureau of Counterterrorism, 2014, <http://www.state.gov/j/ct/rls/crt/2014/239407.htm>

¹²⁹ "NGO Law Monitor: Jordan," The International Center for Not-for-Profit Law, March 22, 2016, <http://www.icnl.org/research/monitor/jordan.html>

¹³⁰ Jason Stern, "Mission Journal: Rise in journalist arrests tarnishes Jordan's image as reformist," Committee to Protect Journalists, March 22, 2016, <https://cpi.org/x/67b1>

¹³¹ "Jordan: 2-Year Sentence for Facebook Post," Human Rights Watch, December 19, 2015, <https://www.hrw.org/news/2015/12/19/jordan-2-year-sentence-facebook-post>

¹³² Curtis Ryan, "One Society of Muslim Brothers in Jordan or Two?" Middle East Research and Information Project, March 5, 2015, <http://merip.org/one-society-muslim-brothers-jordan-or-two>

¹³³ Ali Younes, "Jordan King Abdullah set to consolidate executive power," *Al Jazeera*, April 21, 2016, <http://www.aljazeera.com/news/2016/04/amendments-recommend-powers-king-jordan-160421115110995.html>

¹³⁴ Kirk H Sowell, "Jordan is Sliding Toward Insolvency," Carnegie Endowment for International Peace, March 17, 2016, <http://carnegieendowment.org/sada/?fa=63061>

¹³⁵ "2015 UNHCR country operations profile – Jordan," United Nations High Commissioner for Refugees, 2015, <http://www.unhcr.org/pages/49e486566.html>

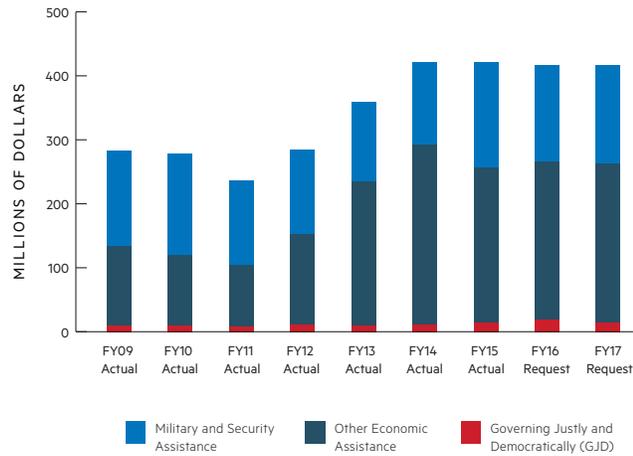
¹³⁶ "The United States and Jordan Sign a Memorandum of Understanding on U.S. Assistance," U.S. Department of State, February 3, 2015, <http://www.state.gov/r/pa/prs/ps/2015/02/237128.htm>

“Together with additional counter-terrorism support funds, Jordan will receive \$1.6 billion in assistance that will enhance border security, create economic growth, and create jobs for Jordanian people...And I can tell you that support will continue.”¹³⁷ This figure of \$1.6 billion makes Jordan the largest Arab state recipient of U.S. assistance, surpassing even Egypt for the first time.

The FY17 request seeks \$1 billion in assistance to Jordan: \$632 million in ESF, \$350 million in FME, \$4 million in IMET, and \$13.6 million in NADR. The majority (\$371.4 million) of the ESF is designated for a cash transfer to contribute to “overall economic stability and reform” by allowing “Jordan to pay down eligible debt, helping a key ally alleviate fiscal pressures caused by economic shocks.”¹³⁸ The request states that this cash transfer is granted “contingent on specific GOJ actions intended to address Jordan’s constraints to future growth.”¹³⁹

Of the ESF, \$35 million has been requested for democracy and governance programming, a \$12 million (25 percent) reduction from the FY16 request, which was the highest level ever requested for Jordan. The FY17 budget request states that \$10 million will support “improvements in the effectiveness, responsiveness, and transparency of municipal governance,” while an additional \$12 million will work locally and nationally to bolster “civil society’s organizational capacity” and “support civic advocacy efforts and citizen engagement in policy-making processes.” Seven million in democracy funding will assist government accountability, strengthen the rule of law to protect rights, and “increase the effectiveness of civil society and private sector organizations to advocate for their interests and participate in governing processes.” Finally, \$6 million will work to strengthen government efforts

JORDAN: TOTAL BILATERAL ASSISTANCE BREAKDOWN, 09-17



to improve avenues for meaningful political participation and “develop electoral processes that comply with international standards and best practices.”¹⁴⁰

The U.S. government has devoted considerable resources to support democracy and governance programming in Jordan, though the Jordanian government’s cooperation to conduct such programs is reportedly decreasing. Both local and international development professionals report growing levels of “micromanagement” of NGO work by the government, including restricting types of work, preventing registration, and requiring approval to hold events or receive foreign funding. Dozens of foreign funding requests have been reported by local NGOs as being denied, even for programs not explicitly related to human rights or political reform issues, and some NGOs have reported receiving warning letters from the government threatening prosecution. Further, in October 2015, Jordan increased restrictions on NGOs that wish to receive foreign funding by requiring that they receive prior government approval¹⁴¹ and that the programs meet “national and development goals.”¹⁴² U.S. officials interviewed

¹³⁷ “Press Availability with Jordanian Foreign Minister Nasser Judeh,” U.S. Department of State, February 21, 2016, <http://www.state.gov/secretary/remarks/2016/02/253100.htm>

¹³⁸ “Macroeconomic Foundation for Growth in Jordan,” United States Agency for International Development, 2014, <https://results.usaid.gov/jordan/economic-development/macroeconomic-foundation-growth#fy2014>

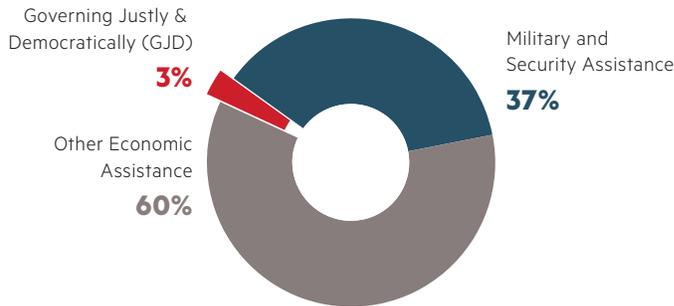
¹³⁹ “Congressional Budget Justification, Foreign Operations - Appendix 3, Fiscal Year 2017,” U.S. Department of State, February 2016, <http://www.state.gov/documents/organization/252734.pdf>

¹⁴⁰ *Ibid.*

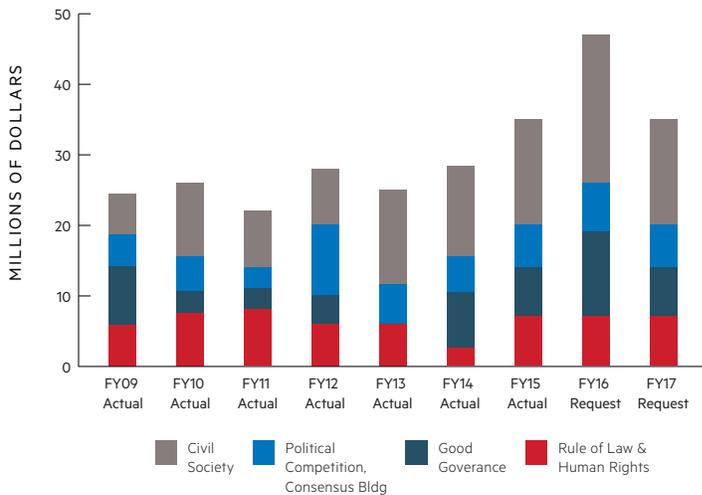
¹⁴¹ “Cabinet approves new mechanism for funding societies,” *The Jordan Times*, October 18, 2015, <http://www.jordantimes.com/news/local/cabinet-approves-new-mechanism-funding-societies>

¹⁴² “NGO Law Monitor: Jordan,” The International Center for Not-For-Profit Law, March 22, 2016, <http://www.icnl.org/research/monitor/jordan.html>

JORDAN: TOTAL FY17 REQUEST



JORDAN: GJD FUNDING, FY09-17



in December 2016. While the country is not currently eligible for further MCC assistance – having “graduated” to a higher income level that no longer permits MCC assistance – the Government of Jordan is reportedly in discussions with the World Bank to reconsider its income calculations due to the high number of refugees in the country.¹⁴³ The United States has also provided Jordan with \$3.75 billion in loan guarantees since 2013 to “ensure that Jordan can continue to provide critical services to its citizens.” The agreement is “designed to support the implementation of specific economic reforms that the Government of Jordan has been pursuing to promote economic stability, growth, and prosperity for the Jordanian people.”¹⁴⁴ Finally, since FY12 the United States has provided an additional \$730 million in economic aid to Jordan to deal specifically with the refugee influx related to the Syria crisis.¹⁴⁵

Like the economic aid relationship with Jordan, the security assistance relationship has grown significantly in recent years. Secretary Kerry stated in February 2016 that “Jordan received \$450 million in Foreign Military Financing funds this year [FY16], making it the third largest recipient in the world.”¹⁴⁶ The FY16 omnibus appropriations act also authorizes up to \$600 million in additional military aid to Jordan from the Counterterrorism Partnerships Fund, and the administration already announced plans to devote \$150 million of that fund to Jordan for “critical border security” and the procurement of at least a dozen Black Hawk

for this report called a recent draft NGO law that would tighten those restrictions “problematic.”

Jordan receives additional economic aid through other assistance channels as well. The country received a five-year, \$275 million Millennium Challenge Corporation (MCC) compact to improve the water sector that will come to an end

¹⁴³ “Subcommittee Hearing: Jordan: A Key U.S. Partner,” House Committee on Foreign Affairs, February 11, 2016, <http://foreignaffairs.house.gov/hearing/subcommittee-hearing-jordan-key-us-partner>

¹⁴⁴ “Government of Jordan Issues \$1.5 Billion in Bonds with U.S. Guarantees,” U.S. Department of State, June 30, 2015, <http://www.state.gov/r/pa/prs/ps/2015/06/244508.htm>

¹⁴⁵ “New U.S. Assistance to Respond to Syria Crisis,” U.S. Department of State, February 4, 2016, <http://www.state.gov/r/pa/prs/ps/2016/02/252113.htm>

¹⁴⁶ “Press Availability with Jordanian Foreign Minister Nasser Judeh,” U.S. Department of State, February 21, 2016, <http://www.state.gov/secretary/remarks/2016/02/253100.htm>

helicopters.¹⁴⁷ The omnibus appropriations act also authorizes Jordan to receive funds from the \$5.7 billion defense-wide Operations and Maintenance account to “increase or sustain security along its borders.”¹⁴⁸

The FY17 request seeks \$350 million in FMF to support “the objectives of building Jordan’s border security capacity, ability to control national territory, interoperability with the United States, and enable Jordan’s participation in coalition operations.”¹⁴⁹ As in the previous two years, this request seems likely to be exceeded: the FY15 and FY16 requests were exceeded by \$85 million and \$100 million, respectively.

This administration has clearly made it a priority to provide large-scale resources to Jordan, and Congress has been consistently supportive. In addition to consistently exceeding administration requests in assistance, Congress also passed the United States-Jordan Defense Cooperation Act, which seeks to expedite the provision of defense equipment and services to Jordan, and expresses support for further economic assistance and military cooperation.¹⁵⁰ The act will also further expedite U.S. arms sales to Jordan, which have exceeded \$1.2 billion since President Obama took office.¹⁵¹

The U.S.-Jordan aid relationship has expanded dramatically under the Obama administration, with strong support from Congress. While the administration is rightly worried about the incredible strain placed on Jordan as a result of neighboring conflicts, the United States should

also be wary of steps to walk back modest reforms and tighten the already-constrained political space in the country. Moving forward, the U.S. government should seek opportunities to use its close relationship with Jordan to discourage backsliding on reform, including on Jordan’s new draft NGO law.

LEBANON

Although last summer’s “You Stink” demonstrations over the Lebanese government’s failure to resolve a trash pick-up crisis have quieted, the protest movement that emerged over uncollected garbage put Lebanon’s political dysfunction into the international spotlight. The country’s political stalemate – defined by increasingly divided coalitions, sectarian political jockeying, and the war in Syria¹⁵² – remains worrying. Parliamentary elections originally scheduled for 2013 did not take place, as the assembly cannot agree on a revised electoral law and has as a result, extended its own mandate twice through 2017. The body has repeatedly failed to elect a new president, as deep political divisions have prevented progress.¹⁵³ In November 2015, Parliament convened after a year-long absence to pass laws required to continue receiving assistance from the World Bank.¹⁵⁴

The government’s inability to operate and deliver even basic services is exacerbated by the country’s massive refugee influx: there are more than 1.8 million Syrian refugees in Lebanon,¹⁵⁵ who now comprise 25 percent of the country’s

¹⁴⁷ “Department of Defense Budget Fiscal Year 2016: Counterterrorism Partnerships Fund,” Office of the Under Secretary of Defense (Comptroller), March 2015, http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2016/FY2016_CTPF_J-Book.pdf

¹⁴⁸ “Consolidated Appropriations Act, 2016,” H.R. 2029, Public Law 114-113, U.S. Congress, December 15, 2015, <http://docs.house.gov/billssthisweek/20151214/CPRT-114-HPRT-RU00-SAHR2029-AMNT1final.pdf>

¹⁴⁹ “Congressional Budget Justification, Foreign Operations - Appendix 3, Fiscal Year 2017,” U.S. Department of State, February 2016, <http://www.state.gov/documents/organization/252734.pdf>

¹⁵⁰ “H.R.907 - United States-Jordan Defense Cooperation Act of 2015,” U.S. Congress, February 18, 2016, <https://www.congress.gov/bill/114th-congress/house-bill/907>

¹⁵¹ “Search Results: Jordan,” Defense Security Cooperation Agency, accessed April 18, 2016, <http://www.dsca.mil/search/node/jordan>

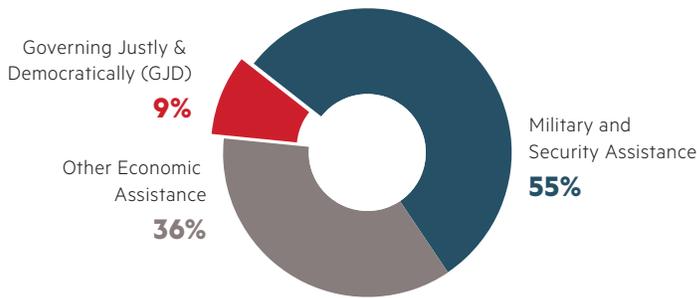
¹⁵² Maha Yahya, “Taking Out the Trash: Lebanon’s Garbage Politics,” Carnegie Endowment for International Peace, August 25, 2015, <http://carnegieendowment.org/syriaincrisis/?fa=61102>

¹⁵³ “Presidential election session adjourned until April 18,” *The Daily Star*, March 23, 2016, <http://www.dailystar.com.lb/News/Lebanon-News/2016/Mar-23/343683-lebanon-mps-scatter-to-parliament-to-attend-37th-election-session.ashx>

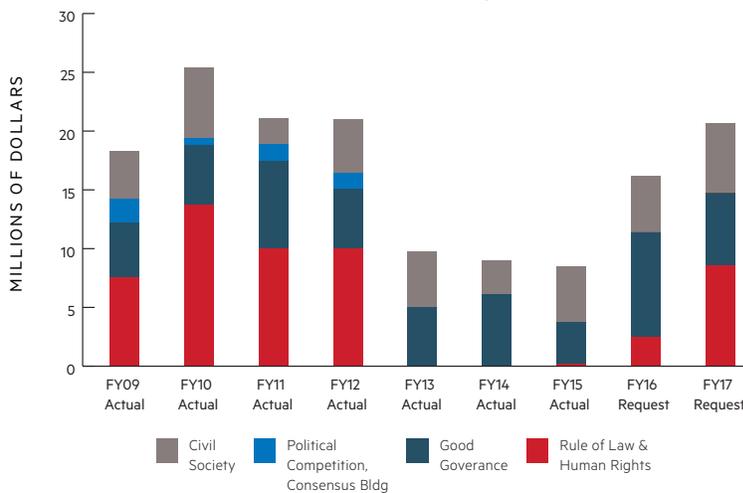
¹⁵⁴ Mariam Karouny, “Lebanon parliament endorses money laundry, combating terrorism laws,” *Reuters*, November 13, 2015, <http://www.reuters.com/article/us-lebanon-parliament-legislation-idUSKCN0T22GK20151113>

¹⁵⁵ “2015 UNHCR country operations profile – Lebanon,” United Nations High Commissioner for Refugees. <http://www.unhcr.org/pages/49e486676.html>

LEBANON: TOTAL FY17 REQUEST



LEBANON: GJD FUNDING, FY09-17



j\$67 million (40 percent) increase over FY15 spending. The FY17 requested level would be a return to the bilateral assistance levels seen at the beginning of the Obama administration in FY09 and FY10, which have decreased considerably in the interim. The FY17 request breaks down as follows: \$110 million for ESE, \$105 million for FMF, \$2.75 for IMET, \$10 million for INCLE, and \$5.8 million for NADR.

Of the ESE, the administration seeks to provide \$18.6 million for democracy and governance programming, including \$6.5 million for rule of law and human rights, \$6.1 million for good governance, and \$6 million for civil society. This would represent the second consecutive significant increase in democracy and governance funding for Lebanon, more than doubling the level requested in FY14 and FY15. The administration plans to use these funds to support civil society advocacy for the rights of marginalized communities, improve financial management and governance structures for civil society organizations, and expand

total population.¹⁵⁶ Municipal elections scheduled for May 2016 could be a key step toward breaking the political gridlock, though a delay could further deepen the crisis.

U.S. assistance to Lebanon aims both to “insulate” Lebanon from the effects of the Syrian conflict and to support domestic objectives, including the strengthening of institutions, support for civil society, and the bolstering of security services. The FY17 request of \$233.5 million in bilateral aid marks a \$23 million (11 percent) increase over the FY16 request and a considerable

the quality of the judicial process.¹⁵⁷

MEPI funding also supports democracy and governance work in the country, including a pre-election delegation by the National Democratic Institute (NDI) in advance of upcoming local elections. The municipal council and mayoral elections are scheduled for May 2016, though NDI’s assessment notes “the widely held doubt that they may not go forward as planned.” Parties, civil society, and citizens hold growing apathy and skepticism toward many Lebanese institutions, but municipal councils are still viewed positively.¹⁵⁸ Thus, successful, credible

¹⁵⁶ “Conditions of Syrian refugees in Lebanon worsen considerably, UN reports.” UN News Centre, December 23, 2015. <http://www.un.org/apps/news/story.asp?NewsID=52893#.Vwv9PDArKM8>

¹⁵⁷ Congressional Budget Justification, Foreign Operations – Appendix 3, Fiscal Year 2017,” U.S. Department of State, February 2016, <http://www.state.gov/documents/organization/252734.pdf>

¹⁵⁸ Statement of the National Democratic Institute Pre-Election Delegation to Lebanon,” National Democratic Institute, April 14, 2016, https://www.ndi.org/files/NDI%20Lebanon%20PEAM%20Statement_Final_EN.pdf

elections could potentially further the U.S. policy goal of restoring confidence in the country's institutions.¹⁵⁹

These efforts are limited however by the small size of Lebanon's USAID mission (reported to only have five U.S. staff members), a lack of flexibility due to congressional earmarks that consume significant resources, and prohibitions on working with ministries with a Hezbollah presence, according to U.S. officials.

Additionally, the U.S. government sees the refugee crisis as having "exacerbated long-standing internal sectarian tensions and created new divisions as a result of social and economic strains, reactivation of historical resentment against the Syrian presence in Lebanon, fears of prolonged demographic imbalances, and the incursion of violent extremist groups into Lebanon."¹⁶⁰ In response, the administration has marshalled nearly \$1.1 billion in humanitarian aid to Lebanon since the start of the Syria crisis. This money targets both refugees and their host communities by supporting education, health care, food, water and sanitation systems, and access to schools and community centers.¹⁶¹

As is the case with many U.S. allies in the region, the U.S.-Lebanese bilateral assistance package is increasingly dominated by security assistance. This aid package supports both the Lebanese Armed Forces (LAF) and Internal Security Forces (ISF), seen as the primary actors needed

to "secure Lebanon's borders and disrupt and mitigate violent extremism."¹⁶² U.S. government officials also say this support has made "a real difference" in beating back the Islamic State.¹⁶³

The United States has provided more than \$1 billion in security assistance to the LAF and the ISF since 2005, including \$150 million in FY15 alone¹⁶⁴ (nearly double the \$80 million originally requested for FY15). As a result, FMF levels increased to \$105 million in the FY17 request (the second-highest level ever after FY09).¹⁶⁵ Congress also recently authorized Lebanon to receive as much as an additional \$150 million annually from the Defense Department's Counterterrorism Partnerships Fund (CTPF).¹⁶⁶ In August 2015, Congress also approved more than \$59 million in CTPF funding for Humvees, radios, grenade launchers, small arms ammunition, and other supplies for Lebanon.¹⁶⁷

In addition to security assistance, the State Department has approved \$853 million in Foreign Military Sales (FMS) to the country for the purchase of missiles and aircraft in June 2015,¹⁶⁸ which were subsidized at least in part by a \$3 billion grant from Saudi Arabia.¹⁶⁹ However, Saudi Arabia later withdrew much of its promised military grants following a political fallout with the Lebanese government over, *inter alia*, Iran and Hezbollah's perceived expansion of power.¹⁷⁰ Administration officials contacted for this report indicated that they were "still working through the implications" of the Saudi

¹⁵⁹ "Hearing: Nominations." U.S. Senate Committee on Foreign Relations, March 10, 2016, <http://www.foreign.senate.gov/hearings/nominations-031016>

¹⁶⁰ Office of Transition Initiatives Lebanon Fact Sheet, March 2016

¹⁶¹ "New U.S. Assistance to Respond to Syria Crisis," U.S. Department of State, February 4, 2016, <http://www.state.gov/r/pa/prs/ps/2016/02/252113.htm>

¹⁶² "Congressional Budget Justification, Foreign Operations - Appendix 3, Fiscal Year 2017," U.S. Department of State, February 2016, <http://www.state.gov/documents/organization/252734.pdf>

¹⁶³ "Statement of Elizabeth H. Richard Ambassadorial Nominee To Lebanon." U.S. Senate Foreign Relations Committee, March 10, 2016, http://www.foreign.senate.gov/imo/media/doc/031016_Richard_Testimony.pdf

¹⁶⁴ "Remarks as Prepared for Delivery by Secretary of State John Kerry at the International Support Group for Lebanon," U.S. Embassy in Lebanon, September 30, 2015, <http://lebanon.usembassy.gov/mobile/remarksig093015.html>

¹⁶⁵ Christopher M. Blanchard, "Lebanon: Background and U.S. Policy," Congressional Research Service, February 14, 2014, <https://www.fas.org/spp/crs/mideast/R42816.pdf>

¹⁶⁶ "Department of Defense Budget Fiscal Year (FY) 2016: Counterterrorism Partnerships Fund," Office of the Under Secretary of Defense (Comptroller), March 2015, http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2016/FY2016_CTPF_J-Book.pdf

¹⁶⁷ Julian Pecquet, "Lebanon reaps weapons windfall from Congress," *Al-Monitor*, September 30, 2015. <http://www.al-monitor.com/pulse/originals/2015/09/lebanon-weapons-aid-congress-hezbollah.html#ixzz45i4vAHpV>

¹⁶⁸ "Search Results: Lebanon," Defense Security Cooperation Agency, Accessed April 18, 2016, <http://www.dsca.mil/tags/lebanon>

¹⁶⁹ Awad Mustafa, "Lebanon to Buy Super Tucanos with Saudi Funds," *Defense News*, June 21, 2015, <http://www.defensenews.com/story/defense/international/mideast-africa/2015/06/21/lebanon-to-buy-super-tucanos-with-saudi-funds-us-fms/28927563/>

¹⁷⁰ "Saudi Arabia halts \$3 billion package to Lebanese army, security aid," *Reuters*, February 19, 2016, <http://www.reuters.com/article/us-saudi-lebanon-idUSKCN0V51KK>

aid suspension on U.S. arms sales to Lebanon. Ambassador-designate Elizabeth Richard testified in her March 2016 nomination hearing, “Our point to [the Saudis] is if the ultimate objective here is to limit the ability of Hezbollah to do what it’s doing, the solution is to invest in Lebanese institutions and not to withdraw support from them at this critical time.”¹⁷¹

Additionally, questions surrounding Lebanese security forces’ cooperation with Hezbollah have long rankled policymakers, though the State Department characterizes the relationship as “one of coexistence, not of collaboration.”¹⁷² Ambassador-designate Richard described the two institutions as “not polluted by some of the worst parts of the inter-confessional fighting.”¹⁷³ However, depending heavily on these institutions, which have been described as “unable to maintain their current systems” and fraught with corruption,¹⁷⁴ is not without problems.

The administration’s goal of bolstering Lebanon’s security apparatus while undermining Hezbollah is shared by Congress.¹⁷⁵ Congress passed the Hezbollah International Financing Prevention Act of 2015 to undermine the group’s financial networks globally, and has approved hundreds of millions in new military aid and sales to Lebanese security forces in recent years.

The conference report accompanying the FY16 omnibus appropriations act further requires the Secretary of State to report “on the performance of the LAF, including an assessment of the operational capabilities of such forces and how the training, curriculum, and equipment provided by the United States contributes

to those capabilities.”¹⁷⁶ In past years, the State Department had sought to perform an evaluation of Lebanon’s security assistance, though the evaluation was formally stopped in late 2014 because of the security situation in Lebanon.¹⁷⁷

Without resolving its engrained political stalemate, Lebanon is at a significant risk of being unable to handle its myriad challenges. The United States is well positioned to continue pushing for progress on the political front, and it must continue to press the Saudis to minimize interference while using the limited opening with Iran to do the same. At the same time, the United States should also be careful and considerate in devoting such significant resources into the Lebanese security apparatus without serious and sustained efforts to also bolster democratic actors and institutions.

LIBYA

Libya’s fractious and conflict-filled political environment has grown increasingly complicated over the past year. After protracted negotiations, the UN-backed Presidential Council and Government of National Accord (GNA) arrived in Tripoli in March 2016 with the aim to unite the country and begin the rebuilding process. Instead, opponents within the rival governments based in Tripoli and Tobruk rejected the GNA aim, though it had won support from key institutions including the Central Bank, Libyan Investment Authority, and National Oil Corporation.¹⁷⁸ These divisions are exacerbated by an already tenuous security situation and lack of governance, giving the

¹⁷¹ “Hearing: Nominations,” U.S. Senate Committee on Foreign Relations, March 10, 2016, <http://www.foreign.senate.gov/hearings/nominations-031016>

¹⁷² Akbar Ahmed and Jessica Schulberg, “To Fight ISIS, Obama Risks Empowering Iran’s Favorite Terror Group,” *Huffington Post*, December 31, 2015, http://www.huffingtonpost.com/entry/lebanon-hezbollah-iran_us_55d1f479e4b07addcb43674a

¹⁷³ “Hearing: Nominations,” U.S. Senate Committee on Foreign Relations, March 10, 2016, <http://www.foreign.senate.gov/hearings/nominations-031016>

¹⁷⁴ David Schenker, “Saudi Arabia Rethinks Its Commitments to Lebanon,” Washington Institute for Near East Policy, February 25, 2016, <http://www.washingtoninstitute.org/policy-analysis/view/saudi-arabia-rethinks-its-commitments-to-lebanon>

¹⁷⁵ “Pathetic and Dangerous: What Ros-Lehtinen Calls Obama Potentially Granting Iran Access to U.S. Financial System.” Ros-Lehtinen for Congress, April 1, 2016, <http://voteileana.com/roslehtinencongress/newsroom/press-releases/>

¹⁷⁶ “State, Foreign Operations, and Related Programs Appropriations Bill, 2016.” House Committee on Appropriations, June 15, 2016, <https://www.congress.gov/114/crpt/hrpt154/CRPT-114hrpt154.pdf>

¹⁷⁷ “Egypt: U.S. Government Should Examine Options for Using Unobligated Funds and Evaluating Security Assistance Programs.” U.S. Government Accountability Office, February 2015, <http://www.gao.gov/assets/670/668448.pdf>

¹⁷⁸ “Tripoli Authority Reneges on Ceding Power to Libyan Unity Government,” *The National*, April 7, 2016, <http://www.thenational.ae/world/middle-east/tripoli-authority-reneges-on-ceding-power-to-libyan-unity-government>

Islamic State an opportunity to gain traction and control territory in parts of the country. The situation is urgent for the international community, which has broadly backed the UN-led government and has taken steps to combat the Islamic State.¹⁷⁹

The United States pledged to provide the GNA with “full political backing and technical, economic, humanitarian, security and counter-terrorism assistance,”¹⁸⁰ and it labeled parties opposed to the GNA as “spoilers” engaged in “ham-fisted obstructionism.”¹⁸¹ U.S. assistance programs will seek to bolster the GNA in a variety of ways. As USAID Assistant Administrator Paige Alexander said in her April 2016 congressional testimony, U.S. assistance “will provide direct technical assistance to Libyan government institutions, support ‘bottom-up’ efforts to link national government institutions with municipal councils, civil society, and other local leaders, and fund strategic communications efforts to disseminate information on government efforts...to build capacity and create consensus around national political issues.”¹⁸²

Despite the growing challenges in Libya, the FY17 budget request seeks \$20.5 million in total bilateral aid, including \$14 million in democracy and governance funding. Seven million of these funds will be devoted to good governance programming, while another \$5 million is designated for civil society. U.S. officials find it increasingly difficult to spend funds supporting civil society, as much of Libyan civil society is fearful to engage or has fled the country already.

Funds that can be spent are often used on programs and training conducted in Tunisia, where the U.S. diplomatic mission for Libya is currently based. Assistant Secretary Anne Patterson described the request as “modest” so that the United States may preserve “only what is essential to maintain our current posture and assistance engagement.”¹⁸³

There has been a small increase in U.S. government solicitations to support democracy and governance programming in the country, as illustrated by an announced funding opportunity from DRL for \$850,000 to “promote sustainable peace processes” and “civil society to engage in future local and national security sector reform efforts.”¹⁸⁴ MEPI released another funding opportunity prioritizing the strengthening of national and local governance, professionalizing the media, and preparing for parliamentary elections.¹⁸⁵

These efforts may however face further obstacles with the recent passage of an extraordinarily restrictive law on associations passed by the Tobruk-based House of Representatives (HOR). The law reportedly requires explicit, prior government permission to attend or conduct any foreign-funded trainings or meetings either inside or outside the country, as well as written justification to the government of all programs and activities. Described as even “more restrictive than [the laws in] Egypt or Sudan.”¹⁸⁶ U.S. officials and democracy organizations interviewed for this report say they have already felt the restrictions “sharply.” While it’s unclear how the law might be implemented if

¹⁷⁹ Declan Walsh, Ben Hubbard, and Eric Schmitt, “U.S. Bombing in Libya Reveals Limits of Strategy Against ISIS,” *New York Times*, February 19, 2016, http://www.nytimes.com/2016/02/20/world/middleeast/us-airstrike-isis-libya.html?_r=0

¹⁸⁰ “Secretary Kerry’s Meeting with Special Representative of the UN Secretary General for Libya Martin Kobler,” U.S. Department of State, March 3, 2016, <http://www.state.gov/r/pa/prs/ps/2016/03/253963.htm>

¹⁸¹ “Index for Today’s Briefing: Libya,” U.S. Department of State, March 29, 2016, <http://www.state.gov/r/pa/prs/dpb/2016/03/255265.htm#LIBYA2>

¹⁸² “Statement of Paige Alexander, Assistant Administrator, U.S. Agency for International Development,” U.S. House Committee on Foreign Affairs, Middle East and North Africa Subcommittee, April 13, 2016, <http://docs.house.gov/meetings/FA/FA13/20160413/104767/HHRG-114-FA13-Wstate-AlexanderP-20160413.pdf>

¹⁸³ “Statement for the Record, Ambassador Anne W. Patterson, Assistant Secretary of State for Near Eastern Affairs,” House Foreign Affairs Committee Subcommittee on the Middle East and North Africa, April 13, 2016, <http://docs.house.gov/meetings/FA/FA13/20160413/104767/HHRG-114-FA13-Wstate-PattersonA-20160413.pdf>

¹⁸⁴ “Promoting Civil Society Engagement on Human Rights, Democracy, and Rule of Law in Libya,” U.S. Department of State – Bureau of Democracy, Human Rights and Labor, December 7, 2015, <http://www.grants.gov/web/grants/view-opportunity.html?oppId=280403>

¹⁸⁵ “Open Funding Opportunities: Supporting Local Engagement in Tunisia’s Political Process,” U.S. Department of State – Middle East Partnership Initiative, <http://mepi.state.gov/mepi/english-mepi/funding-opportunities/apply-for-a-grant/open-funding-opportunities.html>

¹⁸⁶ Leslie Campbell, “Libya - Tobruk-based government recently passed an NGO law more restrictive than Egypt or Sudan. Independent civil society threatened,” Twitter, March 10, 2016, https://twitter.com/_lescampbell/status/708005090112741376

the unity government were to consolidate its power, it is nonetheless a discouraging sign of a growing desire by Libyan government officials to constrain and control its NGO sector.

The security portion of the FY17 request consists mostly of \$4.5 million for NADR counterterrorism programs to combat the proliferation of weapons of mass destruction and to bolster stabilization operations and security sector reform. An additional \$1 million of INCLE funds will be used to enhance the “capabilities of specialized police units in order to promote government control of the provision of security and justice services in accordance with the rule of law.”

All these efforts seek to help “produce a legitimate, accountable, and effective national government” in coordination with the UN and other partners.¹⁸⁷ However, the credibility of the UN-led political negotiation process was severely damaged by the scandal involving Bernardino León, former UN Special Representative and Head of the UN Support Mission in Libya (UNSMIL). It was reported in November 2015 that León had been in discussions with the Government of the United Arab Emirates as early as December 2014 (only a few months into his post as UN Special Representative to Libya) regarding a lucrative position as director of the government-funded Emirates Diplomatic Academy,¹⁸⁸ a position that he has now assumed.¹⁸⁹ The UAE government has arguably been the most important external backer of the Tobruk-based government and HOR, and leaked emails revealed León describing himself to the Emirati foreign minister as “biased in favor of HOR” and asserting, “I have a strategy, which I am pretty sure should work, to completely delegitimize GNC.”¹⁹⁰

León has denied any bias (despite having apparently boasted explicitly of his bias in leaked emails) and denies that his job search amounted to a conflict of interest.¹⁹¹ The UN Secretary-General and the U.S. government did not publicly comment on the incident, but the revelation was extremely harmful to the prospects of a political settlement. As analyst Karim Mezran noted, “the UN’s reputation as neutral mediator...has been irremediably shattered by [the scandal] and by the behavior of the upper echelons of the United Nations, who appear to have swept the whole scandal under the rug.”¹⁹² Some UNSMIL officials reported that their credibility within Libya was decimated by the scandal, acknowledging that many Libyans with whom they had forged relationships and trust over many months were suddenly no longer willing to speak with the UN or engage it in any way.

Moreover, not only did this scandal destroy the credibility of the UN in Libya, but it also eroded the credibility of many Libyan actors on different sides of the conflict who were perceived as having been too supportive of the UN-led process and therefore too close to UNSMIL and León. In other words, Libyans from various factions who were the most supportive of international mediation and of the UN-led peace process have been marginalized by the León scandal, empowering those who were less supportive and complicating the already-difficult task of forging consensus around a peace agreement. The UN has reportedly agreed to investigate the matter in response to a formal complaint,¹⁹³ though most observers do not expect any meaningful repercussions to result.

¹⁸⁷ “Congressional Budget Justification, Foreign Operations - Appendix 3, Fiscal Year 2017,” U.S. Department of State, February 2016, <http://www.state.gov/documents/organization/252734.pdf>

¹⁸⁸ Randeep Ramesh, “UN Libya Envoy Accepts £1,000-a-Day Job From Backer of One Side in Civil War,” *The Guardian*, November 4, 2015, <http://www.theguardian.com/world/2015/nov/04/un-libya-envoy-accepts-1000-a-day-job-from-backer-of-one-side-in-civil-war>

¹⁸⁹ “Emirates Diplomatic Academy Appoints Top UN Diplomat Bernardino León Gross as its First Director General,” *PR Newswire*, November 4, 2015, <http://www.prnewswire.com/news-releases/emirates-diplomatic-academy-appoints-top-un-diplomat-bernardino-leon-gross-as-its-first-director-general-540064061.html>

¹⁹⁰ “Full Text of Email From UN Libya Envoy Bernardino Leon to UAE Foreign Minister,” *Middle East Eye*, November 5, 2015, <http://www.middleeasteye.net/news/full-text-email-un-libya-envoy-bernardino-leon-uae-foreign-minister-1313023554>

¹⁹¹ “Anger at UN Chief Negotiator in Libya’s New Job in UAE,” *Al-Jazeera*, November 5, 2015, <http://www.aljazeera.com/news/2015/11/anger-chief-negotiator-libya-job-uae-151105161323791.html>

¹⁹² Karim Mezran, “The Libya Peace Talks are Dead, Long Live the Peace Talks,” *The Atlantic Council*, November 24, 2015, <http://www.atlanticcouncil.org/blogs/menasource/the-libya-peace-talks-are-dead-long-live-the-peace-talks>

¹⁹³ Cara Anna, “Libyan-American Group Says UN Begins Investigating Ex-envoy,” *Associated Press*, December 7, 2015, <http://bigstory.ap.org/article/8e68bd5e2c9c4f05b09b1a0c6dd4b6c4/libyan-american-group-says-un-begins-investigating-ex-envoy>

Along with the scandal surrounding León, other emails leaked around the same time revealed that the government of the UAE had continued to ship weapons to factions fighting within Libya in violation of UN Security Resolution 1970. *The New York Times* reported that such arms transfers could, according to U.S. law, “result in sanctions against UAE entities,” although that does not appear to have taken place.¹⁹⁴

Congress again passed legislative language in the FY16 omnibus spending act forbidding assistance to the Libyan central government unless the Secretary of State reports to Congress that the government is “cooperating with United States Government efforts to investigate and bring to justice those responsible for the attack on United States personnel and facilities in Benghazi.”¹⁹⁵ Congress also confirmed new U.S. Ambassador to Libya, Peter Bodde, in November 2015. In his testimony, Bodde emphasized that, “It will be incumbent on members of the international community and regional partners to assist a new Libyan unity government in its early days while building capacity.”¹⁹⁶ The ambassador and his staff are currently based in Tunis.

The Senate Foreign Relations Committee held a hearing in March 2016 during which Chairman Senator Bob Corker (R-TN) lamented the United States’ inability to “build substantial policies that will help Libya progress out of [its] revolution.” Ranking Member Senator Ben Cardin (D-MD) described the GNA as “the best hope” to move Libya forward and stressed that he saw “no military solution” for the country’s conflict.¹⁹⁷

The Obama administration clearly sees the successful consolidation of power by the GNA

as the best option for bringing fighting to a close in Libya, but U.S. officials should also carefully consider contingency plans in case of the GNA’s failure. As Ambassador Bodde suggested, it is imperative that preparations be made to provide serious support if the GNA is able to take root. Equally important, until the unity government assumes power, the United States must continue to support the UN arms embargo and take concrete measures, such as bilateral sanctions, against countries that have violated it, including Egypt, the UAE, Qatar, and Turkey.¹⁹⁸

MOROCCO

As unrest grows worse in many Arab countries, the United States has come to view Morocco’s apparent stability ever more favorably. In February 2016, Secretary Kerry commended Morocco’s role in “[building] stability in the region as a whole.”¹⁹⁹ The administration has also given significant praise to the monarchy for its “progress” on democratic reform—despite a steady backsliding of democratic rights since 2013. In April 2016, Assistant Secretary of State Anne Patterson’s congressional testimony included praise for Morocco’s “long-standing commitment to shared economic and democratic reform.”²⁰⁰

King Mohammed VI undertook modest reforms following mass protests in 2011, but they have largely failed to bring about genuine change. As Moroccan political scientist Merouan Mekouar wrote in March 2016, the King’s reforms “have not generated fundamental changes. Instead, the past five years witnessed the development of an increasingly erratic governing style ill-equipped to deal with the country’s serious

¹⁹⁴ David Kirkpatrick, “Leaked Emirati Emails Could Threaten Peace Talks in Libya,” *New York Times*, November 12, 2015, <http://www.nytimes.com/2015/11/13/world/middleeast/leaked-emirati-emails-could-threaten-peace-talks-in-libya.html>

¹⁹⁵ “Consolidated Appropriations Act, 2016,” H.R. 2029, Public Law 114-113, U.S. Congress, December 15, 2015, <http://docs.house.gov/billssthisweek/20151214/CPRT-114-HPRT-RU00-SAHR2029-AMNT1final.pdf>

¹⁹⁶ “Testimony of Ambassador Peter Bodde, Ambassador-Designate to Libya,” U.S. Senate Committee on Foreign Relations, October 28, 2015, http://www.foreign.senate.gov/imo/media/doc/102815_Bodde_Testimony.pdf

¹⁹⁷ “The Path Forward in Libya,” U.S. Senate Committee on Foreign Relations, March 3, 2016, <http://www.foreign.senate.gov/hearings/the-path-forward-in-libya-030316>

¹⁹⁸ Margaret Corker, “U.N. Report Sees Array of Nations, People and Companies Breaking Libyan Arms Embargo,” *Wall Street Journal*, March 10, 2016, <http://www.wsj.com/articles/u-n-report-sees-array-of-nations-people-and-companies-breaking-libyan-arms-embargo-1457652779>

¹⁹⁹ “Remarks with Moroccan Foreign Minister Salaheddine Mezouar,” U.S. Department of State, February 18, 2016, <http://www.state.gov/secretary/remarks/2016/02/252626.htm>

²⁰⁰ “Statement for the Record - Ambassador Anne W. Patterson,” House Foreign Affairs Committee, April 13, 2016, <http://docs.house.gov/meetings/FA/FA13/20160413/104767/HHRG-114-FA13-Wstate-PattersonA-20160413.pdf>

political, economic and social challenges.”²⁰¹ The September 2015 local elections were a positive development, though over-centralized power within the palace remains a fundamental problem.

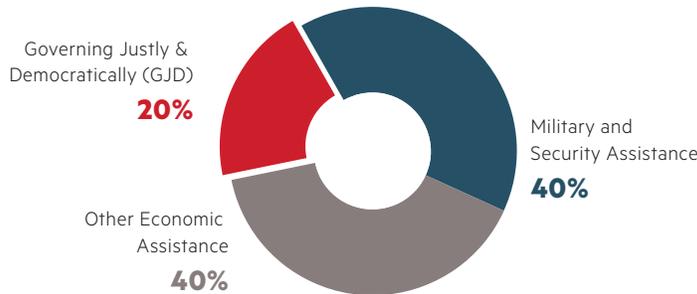
The administration’s FY17 budget request

states that it seeks to provide support “during this critical juncture in Morocco’s democratic evolution,”²⁰² despite clear evidence that Morocco’s political evolution has not been headed in the direction of greater democratic rights for some time. The 2015 State Department Human Rights Report on Morocco acknowledges

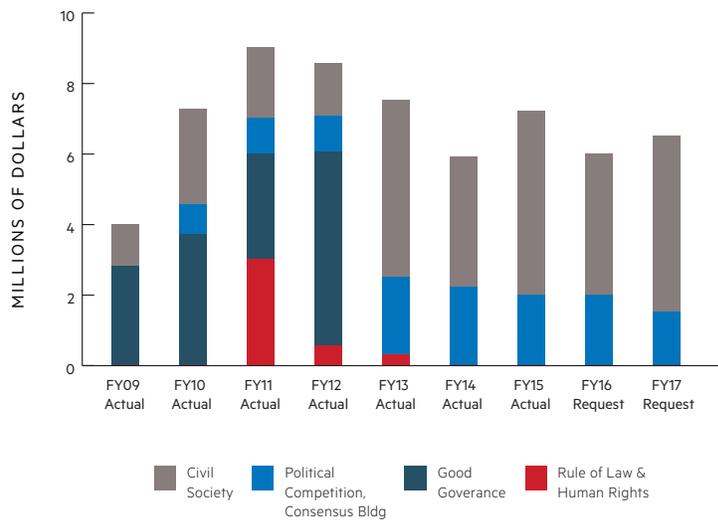
“corruption in all branches of government and widespread disregard for the rule of law by security forces.”²⁰³ Moreover, already limited freedoms have come increasingly under assault. Numerous journalists and civil society members have faced trial for “undermining state security” or “not reporting foreign funding.”²⁰⁴ Human rights activists Wafae Charaf and Oussama Housne were jailed in 2014 for making “false allegations” and “slander” after reporting that they had been tortured. The government also expelled two Amnesty International staff members in June 2015²⁰⁵ and in September 2015 ordered Human Rights Watch to cease its activities in the country.²⁰⁶

Against this backdrop, the U.S. assistance package to Morocco has remained relatively stable. The FY17 budget request seeks \$33.5 million in bilateral assistance, a modest six percent increase over the FY16 request and in line with assistance allocated in recent years, which has ranged from \$25.2 million to \$41.2 million annually since FY09. Of the FY17 request,

MOROCCO: TOTAL FY17 REQUEST



MOROCCO: GJD FUNDING, FY09-17



²⁰¹ Merouan Mekouar, “How cronyism and lack of accountability are holding Morocco back,” *Washington Post*, March 24, 2016, <https://www.washingtonpost.com/news/monkey-cage/wp/2016/03/24/how-cronyism-and-lack-of-accountability-are-holding-morocco-back/>

²⁰² “Congressional Budget Justification, Foreign Operations - Appendix 3, Fiscal Year 2017,” U.S. Department of State, February 2016, <http://www.state.gov/documents/organization/252734.pdf>

²⁰³ “Morocco: Country Report on Human Rights Practices for 2015.” U.S. Department of State, 2016, <http://www.state.gov/j/drl/rls/hrrpt/humanrightsreport/index.htm?year=2015&dliid=252939>

²⁰⁴ “Human rights organizations call upon the Moroccan government to drop charges against rights activists and journalists,” Cairo Institute for Human Rights Studies, March 16, 2016, <http://www.cihrs.org/?p=18309&lang=en>

²⁰⁵ “Amnesty International staff members expelled from Morocco,” Amnesty International, June 11, 2015, <https://www.amnesty.org/en/latest/news/2015/06/amnesty-international-staff-members-expelled-from-morocco/>

²⁰⁶ “Statement Regarding Human Rights Watch Activities in Morocco,” Human Rights Watch, October 2, 2015, <https://www.hrw.org/news/2015/10/02/statement-regarding-human-rights-watch-activities-morocco>

\$20 million (60 percent) is marked for ESE, and the remaining \$13.5 million would be devoted to various security programs funded by other accounts including police professionalization, fighting illicit trafficking, and combatting terrorism.

Of the ESE, \$6.5 million (19 percent) is designated for democracy and governance programming. Per the FY17 budget request, approximately \$5 million of this amount would support civil society “to develop constituency networks and form effective coalitions,” while the remaining \$1.5 million would be devoted to fostering political competition and building consensus by “[increasing] political party engagement with citizens at the local level” and fostering trust among “at-risk youth, the police, and government leaders.”²⁰⁷

This very modest support for democracy and governance programming in Morocco, along with minimal diplomatic attention and almost nonexistent public criticism is disappointing, as the Moroccan government has steadily regressed on human rights issues. As one U.S. official acknowledged privately, weak U.S. diplomatic and funding support for democracy and human rights has given Moroccan authorities confidence that Washington largely will ignore any crackdown. Another U.S. official described the country as a regional “bellwether of concern” for civil society restrictions as Morocco places more impediments in the way of freedom of assembly and association. In addition, a representative of a U.S. based democracy organization interviewed for this report noted serious concerns that U.S. interest in democracy and governance programming wanes after events (such as the 2015 local elections), making it difficult to sustain longer-term programs that might be more effective.

Concerning security assistance, the FY17 request seeks \$5 million in FME, as well as funding for IMET (\$2 million), INCLE (\$5 million), and NADR (\$1.5 million). Despite the relatively small bilateral security aid package, U.S. officials attest that defense cooperation remains strong and is underpinned by Morocco’s major non-NATO ally status, the annual “African Lion” military exercises, and close counterterrorism cooperation. Additionally, in November 2015 the State Department notified Congress of a potential \$157 million arms sale to Morocco, which would include 600 TOW missiles and associated equipment and training.²⁰⁸ Given Morocco’s popularity on Capitol Hill, congressional resistance to the sale is unlikely.

Moroccan assertions of sovereignty in the Western Sahara have in recent years become a more tense issue in the U.S.-Morocco relationship. Report language accompanying the FY16 omnibus appropriations act renews requirements concerning Western Sahara that have not been present in appropriations language since 2011. The language requires the State Department to submit a report 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;²⁰⁹ as well as adding a new, third requirement on “steps taken by interested parties 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.”²¹⁰

This reporting requirement comes as some in Congress have renewed efforts to raise the issue of Sahrawi rights. In March 2016, the

²⁰⁷ “Congressional Budget Justification, Foreign Operations - Appendix 3, Fiscal Year 2017,” U.S. Department of State, February 2016, <http://www.state.gov/documents/organization/252734.pdf>

²⁰⁸ “Morocco - TOW 2A, Radio Frequency (RF) Missiles (BGM-71E-4B-RF), M220A2 TOW Launchers, Support and Training,” Defense Security Cooperation Agency, November 18, 2015, <http://www.dsca.mil/major-arms-sales/morocco-tow-2a-radio-frequency-rf-missiles-bgm-71e-4b-rf-m220a2-tow-launchers>

²⁰⁹ “Consolidated Appropriations Act, 2012,” Public Law 112–74, U.S. Congress, December 23, 2011, <https://www.congress.gov/112/plaws/publ74/PLAW-112publ74.pdf>

²¹⁰ “Committee Report for State, Foreign Operations, and Related Programs Appropriations Bill, 2016,” 114th Congress, June 15, 2015, <https://www.congress.gov/114/crpt/hrpt154/CRPT-114hrpt154.pdf>

Tom Lantos Human Rights Commission in the House of Representatives held a hearing on human rights in the Western Sahara. Lantos Co-Chair Rep. Joe Pitts (R-PA), who also heads the Western Sahara Caucus in the House, worked with Rep. John Conyers (D-MI), “to lead a bipartisan effort to highlight the human rights and humanitarian issues facing the people of the Western Sahara.”²¹¹

Meanwhile, other Members of Congress inserted language into the FY16 omnibus appropriations act that compels the administration to spend bilateral assistance in the Western Sahara, described by journalist Julian Pecquet as a “move [that] amounts to a *de facto* recognition of Rabat’s sovereignty over the resource-rich territory.”²¹² Report language accompanying the FY16 omnibus appropriations act states that House appropriators expect “funds to support democratic reforms and economic development.”²¹³ The Moroccan government unquestionably sees these developments as a legislative victory, and the results are perhaps the fruit of concerted congressional lobbying efforts costing Morocco nearly \$15 million from 2010-2014.²¹⁴

The State Department says that it intends to adhere to the legislative requirement by implementing a \$1 million civil society and local governance program in the territory to be

administered by MEPI.²¹⁵ The State Department insists that this programming “does not reflect a change in longstanding U.S. policy [...] to find a peaceful, sustainable, and mutually-agreed solution to the conflict.”²¹⁶ However, the U.S. position has been complicated by Morocco’s recent move to expel more than 70 civilian UN staff from the territory and cut funding to the UN peacekeeping mission there after UN Secretary General Ban Ki-moon referred to Morocco’s presence as an “occupation.”²¹⁷ One UN official warned that, unless Morocco reverses its decision, the entire mission may be forced to shut down.²¹⁸

Although Morocco’s bilateral assistance package remains among the smallest in the region, it is the only MENA country that receives funding from the Millennium Challenge Corporation (MCC) in amounts well in excess of its annual bilateral aid.²¹⁹ Morocco’s first five-year compact, completed in 2013, was worth \$697.5 million—among the MCC’s largest programs anywhere in the world to date.²²⁰ In December 2015, the MCC agreed to a second compact program, for an additional \$450 million.²²¹ The MCC approved this sizeable new funding despite growing concerns of the Moroccan government’s repression of democratic rights, although the MCC board reportedly discussed human rights setbacks at its December 2015 meeting.²²²

²¹¹ “Statement: Rep. John Conyers, Jr. – The Status of the Western Sahara,” Lantos Commission for Human Rights, March 23, 2016, <https://humanrightscormission.house.gov/sites/tlrc.house.gov/files/documents/2016-03-23%20JC%20Statement--Western%20Sahara%20Hearing.pdf>

²¹² Julian Pecquet, “Morocco courts US backing in Sahara dispute,” *Al-Monitor*, August 3, 2016, <http://www.al-monitor.com/pulse/originals/2015/07/morocco-lobbies-congress.html>

²¹³ “Committee Report for State, Foreign Operations, and Related Programs Appropriations Bill, 2016,” 114th Congress, June 15, 2015, <https://www.congress.gov/114/crpt/hrpt154/CRPT-114hrpt154.pdf>

²¹⁴ “Middle East Lobbying: Morocco,” *Al-Monitor*, Updated December 28, 2015, <http://www.al-monitor.com/lobbying/morocco>

²¹⁵ “Obama administration steps into Western Sahara minefield,” *Al-Monitor*, April 4, 2016, <http://www.al-monitor.com/pulse/originals/2016/04/us-congress-aid-western-sahara-sahrawi-morocco.html>

²¹⁶ “Response to Rep. Joe Pitts regarding Moroccan assistance in Western Sahara,” U.S. Department of State, December 23, 2015, <http://www.al-monitor.com/pulse/files/live/sites/almonitor/files/documents/2016/Department%20of%20State%20Response%20Assistance%20to%20Western%20Sahara.pdf>

²¹⁷ Rick Gladstone, “Morocco Orders U.N. to Cut Staff in Disputed Western Sahara Territory,” *New York Times*, March 17, 2016, <http://www.nytimes.com/2016/03/18/world/africa/morocco-orders-un-to-cut-staff-in-disputed-western-sahara-territory.html>

²¹⁸ Edith M. Lederer, “UN official: Western Sahara mission threatened with closure,” *Associated Press*, March 23, 2016, <http://bigstory.ap.org/article/ab6ae5b2f05a496bac4a5b5bd1e8a35d/un-official-western-sahara-mission-threatened-closure>

²¹⁹ For comparison’s sake, Jordan has received \$275.1 million from the MCC over several years, while its annual bilateral assistance package exceeds more than \$1 billion.

²²⁰ “Morocco Compact,” Millennium Challenge Corporation, <https://www.mcc.gov/where-we-work/program/morocco-compact>

²²¹ “MCC Board of Directors Approves Liberia and Morocco Compacts & Sierra Leone Threshold Program,” Millennium Challenge Corporation, September 17, 2015, <https://www.mcc.gov/news-and-events/release/mcc-board-of-directors-approves-liberia-and-morocco-compacts-sierra-091715>

²²² “Board of Directors Meeting, December 2015,” Millennium Challenge Corporation, December 16, 2015, <https://www.mcc.gov/news-and-events/event/outreach-120915-board-meeting>

SYRIA

Since the start of the war in Syria in 2011, more than 470,000 Syrians have been reported killed—almost twice the number documented by the UN until it stopped counting in 2014 due to a lack of confidence in the data.²²³ Russia began airstrikes in Syria in September 2015 to shore up the regime of President Bashar al-Assad by targeting “terrorists” in the country, but Western diplomats and independent observers criticized the widely-indiscriminate nature of Russian-backed strikes against civilian population centers. After the United States and Russia announced a cessation of hostilities between the government and some warring parties in February 2016, hundreds of thousands of Syrians took to the streets in peaceful protests, reiterating their demands for political change after more than five years of war.²²⁴ The United States has continued to work closely with UN Special Envoy for Syria Staffan de Mistura in an attempt to find a negotiated resolution to the conflict through UN-led Syria negotiations in Geneva.²²⁵

The war has displaced more than half of Syria’s population by creating more than 4 million refugees and more than 6.5 million internally displaced persons.²²⁶ The number of Syrian refugees residing in neighboring countries reached a breaking point in 2015 and 2016, with huge surges of refugees seeking to enter Europe, especially from Turkey.

The United States is the single largest global donor of humanitarian assistance to help those affected by the war, both inside Syria and in neighboring countries, providing more than \$5.1 billion since 2011.²²⁷ The administration’s FY17 global request includes significant amounts of funding within humanitarian assistance accounts such

as International Disaster Assistance (IDA), Migration and Refugee Assistance (MRA), and emergency food programs intended to respond to these humanitarian needs.

As noted in previous editions of this report, the Obama administration continues to make significant efforts to regularize assistance to Syria by designating such assistance in a bilateral account (beginning in FY15), rather than relying entirely on cobbling together funds from a patchwork of multi-country accounts. U.S. support for the Syrian opposition since 2012 is nearly \$500 million. This assistance has supported education programs, electricity and water infrastructure, independent media and civil society, and building the capacity of the moderate opposition to play a role in a future Syria that respects human rights and the rule of law.²²⁸

Administration officials and representatives of development and humanitarian organizations interviewed for this report have described funding regularization as extremely helpful for their planning and implementation, allowing program timelines to be as long as three to five years. But one democracy advocate also complained that the U.S. assistance strategy was still almost entirely in “disaster assistance mode,” and not focused sufficiently on developing the long-term sustainability of Syrian communities.

The FY17 budget request proposes \$238.5 million in assistance specifically for Syria, which represents a slight decrease from the FY16 request of \$255 million. Of the \$238.5 million requested, \$175 million is designated for ESE, \$1 million for INCLE, \$12.5 million for NADR, and \$50 million for Peacekeeping Operations (PKO). The PKO request, a 23 percent decrease in funding from last year’s request, is designated “to continue the provision of non-lethal

²²³ Anne Barnard, “Death Toll From War in Syria Now 470,000, Group Finds,” *New York Times*, February 11, 2016, http://www.nytimes.com/2016/02/12/world/middleeast/death-toll-from-war-in-syria-now-470000-group-finds.html?_r=1

²²⁴ Anne Barnard, “Syrian Protestors Take to Streets as Airstrikes Ease,” *New York Times*, March 4, 2016, <http://www.nytimes.com/2016/03/05/world/middleeast/bashar-al-assad-protesters-syria-truce.html?ref=topics>

²²⁵ “Readout: Secretary Kerry’s Call with UN Special Envoy for Syria Staffan de Mistura,” U.S. Department of State, April 13, 2016, <http://www.state.gov/r/pa/prs/ps/2016/04/255804.htm>

²²⁶ “Congressional Budget Justification, Foreign Operations –Appendix 3, Fiscal Year 2017,” U.S. Department of State, February 2016, <http://www.state.gov/documents/organization/252734.pdf>

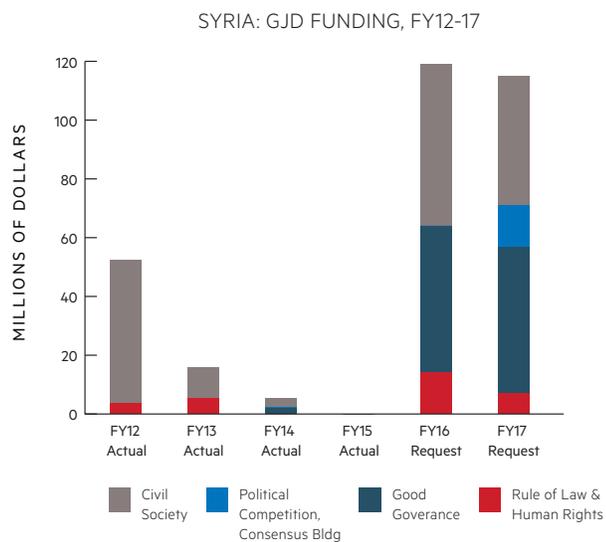
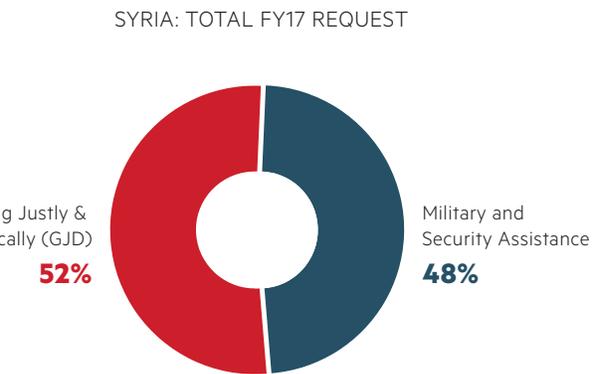
²²⁷ “Remarks at the Syria Donors Conference,” U.S. Department of State, February 4, 2016, <http://www.state.gov/secretary/remarks/2016/02/252121.htm>

²²⁸ “Fact Sheet: Additional Assistance for the Syrian Opposition,” U.S. Department of State, October 31, 2015, <http://www.state.gov/r/pa/prs/ps/2015/10/249033.htm>

support to vetted, moderate units of the armed opposition in Syria,” including to help those units “protect their communities from attacks by the Assad regime or extremists” as well as to “reinforce and maintain a ceasefire in Syria.”²²⁹ The FY17 request removes previous years’ references to such programs’ complementarity to the Defense Department’s train and equip program, which ended in October 2015.²³⁰

The \$175 million in ESF assistance is planned as leverage to “support ongoing negotiations leading to a political transition and an end to this conflict, as well as international efforts to stabilize and reconstruct Syria.”²³¹ The majority – \$125 million – is designated for democracy and governance funding which would be broken down as follows: \$17 million for rule of law and human rights, \$50 million for good governance, \$14 million for political competition and consensus building, and \$44 million for civil society. This \$125 million level would represent a \$10 million increase over the FY16 democracy and governance request.

Representatives of democracy organizations interviewed for this report described two large funding agreements in place for Syrian organizations, focusing on strengthening local councils (which operate in some of the moderate-opposition held areas) and building civil society. Together, these two programs are funded with \$42 million over the next 18 months. Some in the democracy community have criticized the size of the grants particularly for civil society support as too large for nascent NGOs in Syria to use effectively. Although democracy and governance resources are very much needed in Syria, some argue that smaller grants would be more effective. In the



big picture, one democracy advocate criticized democracy assistance to the Syrian opposition as lacking any policy connectivity between the armed opposition inside Syria and supporting civilian structures. As a result, such assistance has fragmented rather than united elements of the opposition.

Some representatives of U.S. democracy organizations carrying out Syria programs also express frustration that the extensive vetting process required by the U.S. government for Syrian partner organizations and individuals

²²⁹ “Congressional Budget Justification, Foreign Operations – Appendix 3, Fiscal Year 2017.” U.S. Department of State, February 2016, <http://www.state.gov/documents/organization/252734.pdf>

²³⁰ Kevin Baron, “Obama Cancels Syrian Train-and-Equip Program,” *Defense One*, October 9, 2015. <http://www.defenseone.com/threats/2015/10/obama-cancels-syrian-train-and-equip-program/122695/>

²³¹ “Congressional Budget Justification, Foreign Operations – Appendix 3, Fiscal Year 2017.” U.S. Department of State, February 2016, <http://www.state.gov/documents/organization/252734.pdf>

stalls implementation; whereas such vetting previously could be completed in a week or two, it is now taking three to five months. Administration officials say that they want U.S. assistance programs to demonstrate a tangible impact before President Obama leaves office, but increasingly sluggish vetting and other procedures have caused large delays in spending the funds.

The State Department's Office of Assistance Coordination (NEA/AC), part of the Bureau of Near Eastern Affairs, oversees and coordinates civilian and nonlethal assistance to Syria. The Syria Transition Assistance and Response Team (START), based in Ankara, coordinates assistance to northern Syria, while the Southern Syria Assistance Platform (SSAP) coordinates assistance to southern Syria from Amman. Administration officials now report that the head of START is scheduled to depart in June 2016, and will be succeeded by an official from the State Department's Bureau of International Narcotics and Law Enforcement Affairs (INL). Administration officials also report that the current director of the SSAP will depart this summer and will be succeeded by an official from a regional USAID mission.

Several bureaucratic and personnel changes related to Syria aid have taken place since 2015, mainly to consolidate management and regularize assistance from an emergency, rapid-response footing to one that more closely resembles a sustained assistance effort; these changes also represent an acknowledgment that the Syria conflict is likely to continue for some time. For example, State Department's Bureau of Conflict and Stabilization Operations (CSO) has been phased out from managing democracy and governance assistance, and several staff from CSO have shifted to working with NEA/AC as it takes the lead on Syria assistance. One representative from a U.S.-based democracy organization welcomed the more permanent shift, as CSO grants required renewal and re-vetting every six months and frequently disrupted programming.

USAID's Office of Transition Initiatives (OTI) also administers regional programs for Syria

through staff based in Turkey, and it has programmed more than 355 activities with \$115.1 million in funding to date. OTI focuses on support to civil society organizations and governance structures at the national, provincial, and local levels. OTI has also provided more than \$21 million in assistance to Syrian civil defense teams that function as emergency responders and have saved more than 40,000 lives.²³² In interviews, administration officials explained that OTI manages in-kind donations of equipment such as trucks and generators, NEA/AC administers training of local councils, and DRL programs support embattled NGOs, digital security, and gender programs in refugee communities.

The FY17 budget request indicates that no funding was spent on democracy programming in Syria from its country account in FY15, but USAID officials said that \$114 million in essential services were instead funded using unspent and reprogrammed FY13 funds originally allocated for Egypt for this category in FY15. FY15 activities were largely planned to be "transitional in nature," but the ongoing conflict made such work impossible, and funding was instead shifted largely to humanitarian programs. One representative from a U.S.-based democracy organization described the essential services program as a "bulwark" against the governance structures established in some parts of Syria by terrorist groups.

The unwillingness of the Jordanian and Turkish governments to host trainings of Syrians has been a hindrance to democracy and governance programming. Administration officials interviewed for this report confirmed that this is a region-wide issue for many out-of-country democracy and human rights trainings for Syrians; U.S. embassies across the region are hesitant to support such trainings out of concern that they will anger host governments, which sometimes back only certain political figures and factions inside Syria and/or do not want to grant visas for Syrians altogether.

The U.S. administration also directs \$15 million annually of Syria's bilateral assistance to the Syria Recovery Trust Fund (SRTF), a multi-

²³² "Political Transition Initiatives: Where We Work: Syria," USAID, <https://www.usaid.gov/political-transition-initiatives/syria>

donor financing mechanism for projects to meet priority needs of the Syrian people. The United States, Germany, and the United Arab Emirates launched the SRTF nearly three years ago and it has received approximately \$100 million from 14 donor countries (\$30 million from the United States.)²³³ Based in Turkey, SRTF administers projects that focus on essential services in sectors such as “water, health, electricity, education, food security, solid waste removal, as well as other sectors including rule of law, agriculture, transportation, telecommunication, public enterprise, and housing.” Without additional investments, however, the SRTF likely will be depleted by the end of 2016.²³⁴

Each year, the amount of resources required for Syria continues to multiply. Tragically, after five brutal years the war in Syria seems as intractable as ever, as recent political negotiations have not progressed and the ceasefire is collapsing. In the meantime, the humanitarian toll on the Syrian people is growing. In light of this reality, some congressional staff interviewed for this report complained that the administration’s FY17 request underfunds the humanitarian assistance accounts, and that difficult trade-offs will need to be made in the appropriations process to ensure that adequate levels of assistance are in place to continue to respond to the Syria crisis.

TUNISIA

Over the past year, Tunisia has made important progress in consolidating its democratic gains but faces mounting economic and security challenges that threaten to derail its historic political progress. Nidaa Tounes, the party with the largest share of seats in parliament following the 2014 elections, has faced an internal crisis over the past year that led to its split and the creation of a new party. This has heightened a sense of political fragility and slowed progress on crucial reform legislation in the parliament. In January 2016, Prime

Minister Habib Essid announced a reshuffle of cabinet ministers as well as the creation of ministries, including a new Ministry of Local Affairs. On the security front, the country has suffered from a number of serious terrorist attacks attributed to the Islamic State (IS) over the past year. Deadly attacks in the resort town of Sousse left 39 dead in June 2015, a suicide bomber killed 12 members of the presidential guard in November 2015, and coordinated attacks against the military barracks and a National Guard station in Ben Guerdane left 36 attackers, 12 security forces, and seven civilians dead in March 2016. At the same time, Tunisia’s economy has struggled to address widespread unemployment, particularly among youth and among residents of the south and interior of the country, and Tunisia continues to turn to the international community and international financial institutions for assistance in closing its widening fiscal gap.

The United States has increased funding and assistance for Tunisia considerably during its democratic transition, providing more than \$700 million since 2011, with the majority of this amount provided through multi-country accounts.²³⁵ In 2015, Congress, with strong support from the administration, took the important step of increasing Tunisia’s bilateral assistance package to \$141.9 million, more than double the previous year’s level of funding.

Soon after the publication of last year’s version of this report, President Beji Caid Essebsi made an official visit to Washington in May 2015. The administration announced a number of commitments to Tunisia, including the signing of a bilateral Memorandum of Understanding (MOU), support for another loan guarantee to Tunisia of up to \$500 million (contingent upon Tunisia’s commitment to economic reforms), and the designation of Tunisia as a major non-NATO ally.²³⁶ President Obama declared, “the United States believes in Tunisia, is invested in its success, and will work as a steady partner

²³³ “Fact Sheet: Additional Assistance for the Syrian Opposition,” U.S. Department of State, October 31, 2015, <http://www.state.gov/r/pa/prs/ps/2015/10/249033.htm>

²³⁴ “Overview,” Syria Recovery Trust Fund, 2014, http://www.srtfund.org/articles/1_overview

²³⁵ “Press Availability with Tunisian Foreign Minister Taieb Baccouche,” U.S. Department of State, November 13, 2015, <http://www.state.gov/secretary/remarks/2015/11/249487.htm>

²³⁶ “FACT SHEET: Enduring U.S.-Tunisian Relations, The White House, May 21, 2015, <https://www.whitehouse.gov/the-press-office/2015/05/21/fact-sheet-enduring-us-tunisian-relations>

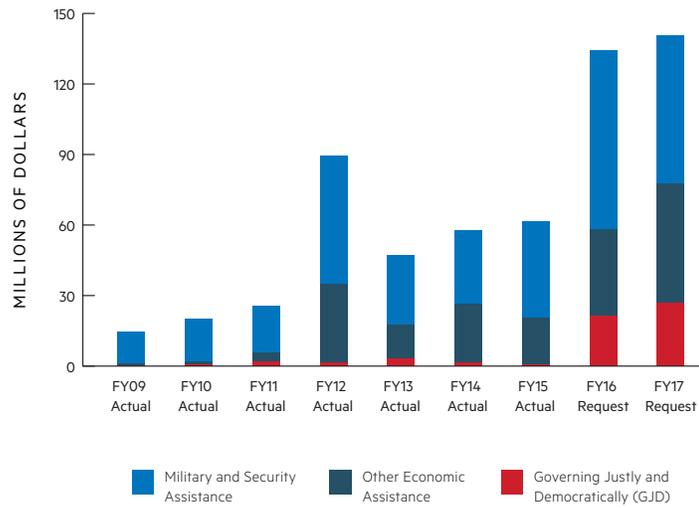
for years to come.”²³⁷ Secretary of Commerce Penny Pritzker and American business leaders also joined President Essebsi for an “open dialogue on how to strengthen Tunisia’s economy and on how the country can translate its remarkable political transition into sustainable economic progress.”²³⁸

The Tunisian government had sought an MOU that committed the administration to seek to provide increased assistance at specific levels over several years (similar to the MOUs the United States has with major Middle East allies such as Israel and Jordan). But although the United States is strongly supportive of Tunisia’s democratic transition, administration officials described that request as unrealistic for now, due to U.S. budget constraints.

With most of the current U.S. foreign assistance budget for the MENA region committed to fulfilling MOUs for Jordan and Israel, as well as for an annual \$1.3 billion military aid package for Egypt, U.S. officials are reluctant to enter into more such commitments, preferring to maintain flexibility in assistance accounts. President Essebsi reportedly also requested a Country Development Cooperation Strategy (CDCS), a five-year, comprehensive country-based strategy for U.S. foreign assistance, including strategies for synchronizing USAID support with other agencies’ development efforts. U.S. officials expect the Tunisia CDCS to be finalized by mid-2016.

As noted in last year’s version of this report, the administration requested \$134.4 million in bilateral assistance to Tunisia for FY16, which was more than double the FY15 bilateral request of \$66 million. But Congressional appropriators took dramatically different approaches to

TUNISIA: TOTAL BILATERAL ASSISTANCE BREAKDOWN, 09-17



Tunisia in their draft versions of the FY16 appropriations bill. The House bill fully funded the bilateral request for Tunisia, while the Senate bill fell short, designating just \$86.9 million in bilateral assistance. Senator Chris Murphy (D-CT), a member of both the Foreign Relations Committee and the State and Foreign Operations Appropriations Subcommittee, raised this issue in the nomination hearing for Ambassador-designate to Tunisia Daniel Rubinstein in July 2015, asking, “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?” Rubinstein replied that requests for aid to Tunisia were “well-grounded” and that the Tunisian government was “primarily looking to the United States” to meet needs in economic reform, democracy and governance, and security.²³⁹

Following the passage of the two bills by the House and Senate appropriations committees in June and July 2015, respectively, 114 experts wrote to congressional appropriators urging them to fully fund the FY16 request for Tunisia. The diverse group of signatories included 12

²³⁷ “Remarks by President Obama and President Essebsi of Tunisia after Bilateral Meeting,” The White House, May 21, 2015, <https://www.whitehouse.gov/the-press-office/2015/05/21/remarks-president-obama-and-president-essebsi-tunisia-after-bilateral-me>

²³⁸ “U.S. Secretary of Commerce Discusses Tunisia’s Economic and Commercial Future,” Department of Commerce, May 20, 2015, <https://www.commerce.gov/news/secretary-speeches/2015/05/us-secretary-commerce-penny-pritzker-discusses-tunisia-economic-and>

²³⁹ “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>

former members of Congress including Senators Richard Lugar, Tom Daschle, and Joseph Lieberman, along with Representatives Howard Berman, David Dreier, Jane Harman, and Jim Kolbe, as well as six former U.S. ambassadors to Tunisia and dozens of other former government officials including Deputy Secretary of State Bill Burns.²⁴⁰ When Congress passed the FY16 appropriations act in December 2016, it not only matched the administration's request of \$134.4 million, but allocated additional security assistance, bringing the total to \$141.9 million in bilateral assistance appropriated for Tunisia in FY16.

The FY17 budget request includes \$140.4 million in bilateral assistance for Tunisia, a slight decrease from the FY16-enacted level of \$141.9 million. In reviewing Tunisia's bilateral assistance since the beginning of the Obama administration, Tunisia's aid package has increased from \$14.6 million in FY09 to nearly ten times that amount in FY17. Yet when compared with many of the large aid packages in the region requested for FY17, such as for Israel (\$3.1 billion), Egypt (\$1.5 billion), Jordan (\$1 billion), Iraq (\$510 million), and Lebanon (\$233.5 million), it is evident that Tunisia still ranks further down the list of priorities. During an April 2016 budget hearing, Rep. Ileana Ros-Lehtinen (R-FL), chair of the House Foreign Affairs Subcommittee on the Middle East North Africa, addressed this:

"Tunisia is strategically important and this is where the democratic transition has been referred to by the administration as a model for other states in the Arab world. However, when compared to Egypt, Jordan, or even Lebanon, our aid package to Tunisia does not really indicate that the administration views its future as a high priority. The people and government of Tunisia need us now more than ever. While this year's request may represent an [overall] increase [over the FY16 request], foreign military

financing assistance for Tunisia's security accounts for [FY17 is] \$45 million, while slightly more than that is being provided for democracy and governance, and economic assistance. Tunisia is facing some trying times at the moment, and I want to support it to ensure that it remains on the transition toward democracy, yet the administration does not appear to be making a successful transition a priority in this request."²⁴¹

Of the \$140.4 million included in the FY17 request, the \$45 million proposed for FMF represents a nearly 30 percent decrease from the current FMF level for FY16. This proposed reduction in security assistance is surprising, as this year's CBJ includes strong new language on Tunisia's increased security challenges. For example it states that terrorist groups Ansar al-Sharia and IS have now "established a foothold in Tunisia;" that the number of Tunisians who have left to join terrorist organizations abroad has increased to 5,000 and represent a major potential threat of returning to conduct "terrorist operations at home;" and that Tunisia "heavily relies on" the strong military-military relationship between the United States and Tunisia to bolster its security. The Tunisia chapter of the State Department's 2014 country report on terrorism notes that "terrorism remained a serious challenge for Tunisia's nascent democracy."²⁴² Since 2011, the U.S. government has provided more than \$225 million in security assistance to Tunisia.

Administration officials and congressional staff interviewed for this report have provided several explanations for the decrease in FMF requested for FY17. Some argue that the reduction is a result of constraints on FMF globally, and will likely be offset by increased security assistance through the Counterterrorism Partnership Fund (CTPF), which comes from the Defense Department budget. Other officials suggested that Tunisia has a backlog of unspent FMF that made a renewal of the \$60 million request

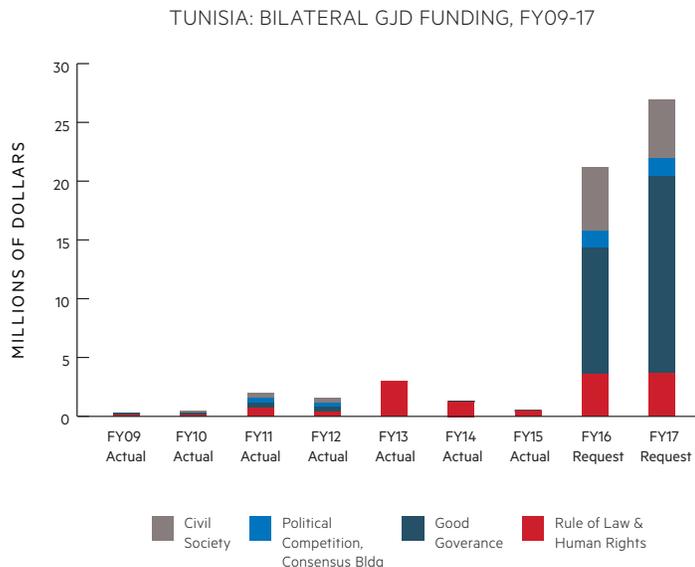
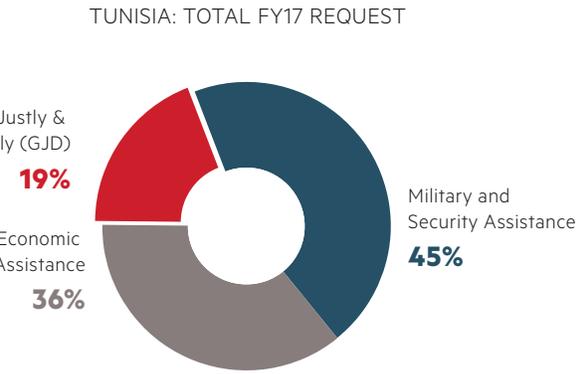
²⁴⁰ "114 Experts Increased Support for Tunisia," Project on Middle East Democracy, October 20, 2015, <http://pomed.org/wp-content/uploads/2015/10/Letter-to-Appropriators-on-Tunisia-October-2015.pdf>

²⁴¹ "Subcommittee Hearing: Assessing President Obama's Middle East and North Africa FY 2017 Budget Request," House of Representatives, April 13, 2016, <http://foreignaffairs.house.gov/hearing/subcommittee-hearing-assessing-president-obama-s-middle-east-and-north-africa-fy-2017-budget>

²⁴² "Country Reports on Terrorism – Tunisia," U.S. Department of State 2014, <http://www.state.gov/j/ct/rls/crt/2014/239407.htm>

from FY16 difficult to justify. But one congressional staffer reported that only \$3 million of Tunisia’s FMF remains unspent. Another congressional staffer suggested that the equipment requested by Tunisia was of low cost (such as bulletproof vests), and that therefore a larger FMF package was unnecessary. In addition to security assistance through FMF and CTPF, Tunisia will also receive some funding during 2016 through the \$65 million Security Governance Initiative (SGI), a multi-country initiative that currently provides assistance to six African countries to help address issues of governance within the security sector.

Of the \$140.4 million requested in bilateral aid for FY17, \$74 million is designated for ESF, which would represent a 23 percent increase over the FY16-enacted level. The request proposes two-thirds of this additional \$20 million in ESF to support economic growth, and one-third to support GJD programs. In addition, a portion of the ESF likely would be used to subsidize a third sovereign loan guarantee for Tunisia, which is expected to be finalized by summer 2016. The administration has placed a high priority on economic reform in Tunisia, in particular seeking to encourage reforms that address “Tunisia’s three primary constraints for economic growth,” including a stifling regulatory environment; labor market practices that hinder job creation and hiring; and lack of access to capital by small and medium size enterprises.²⁴³ As of April 2016, the Tunisian Parliament has passed a number of economic reforms, including the Competition and Prices Law, Public Bank Recapitalization, the Public-Private Partnership (PPP) Law, and the Law on



the Status [and autonomy] of the Central Bank. The passage of these reforms helped pave the way for a \$2.8 billion loan deal that was agreed upon with the IMF in April 2016.²⁴⁴

Yet, Tunisia’s parliament still needs to pass many key economic reform laws. Notably, the U.S. government and the international community have for some time viewed the Bankruptcy Law, the investment Code, and the Banking Sector Reform law as crucial reform steps. The executive referred all three of these

²⁴³ “The New Tunisian Model of Governance,” U.S. Department of State, September 2, 2015, <http://www.state.gov/j/drl/rls/rm/2015/246584.htm>

²⁴⁴ Ian Talley, “IMF Reaches \$2.8 Billion Bailout Deal with Tunisia,” *Wall Street Journal*, April 15, 2016, <http://www.wsj.com/articles/imf-reaches-2-8-billion-bailout-deal-with-tunisia-1460736282>

laws to parliament and it was hoped that they would have been passed by the end of 2015, but this has not yet happened. Although the parliament and the executive branch have moved slowly on economic reforms, there has nonetheless been progress, and it appears that international pressure has been important in helping to move forward the reforms that have occurred. International support and pressure will remain necessary, particularly as attention turns to more politically difficult reforms such as addressing the tax code, customs regulations, labor code, and reforming subsidies.

Economic assistance in Tunisia is jointly administered by the State Department and USAID. Although there is no USAID mission in the country, USAID is now in the process of increasing its staff presence in Tunis. Several officials interviewed for this report noted that the Tunisian government has been eagerly seeking a level of close cooperation and on-the-ground assistance not seen from other governments in the region. For example, Tunisia is seeking “embeds” of U.S. officials and specialists from across the U.S. government to work directly inside Tunisian government ministries and agencies. Tunisia already has had advisors from the U.S. government “embedded” in the Tunisian Central Bank as well as the Ministry of Finance, and is seeking similar advisors to help provide direct technical assistance on reforms in other parts of its government.

Finally, while previous years’ versions of this report have criticized the impact of the U.S. Embassy in Tunisia’s unaccompanied status as limiting the ability to attract senior personnel to key postings in Tunis, interviews with State Department officials suggest that status is currently under review.

Also included in the FY17 budget request for Tunisia is \$27 million in GJD funding, which represents a 27 percent increase over the FY16 request. This year’s CBJ includes new emphases on transparency and responsiveness of government institutions and support for

decentralization, local government, and preparation for municipal elections. In addition to U.S.-funded democracy programs, the World Bank has a \$300 million Urban Development and Local Government Program for Tunisia to strengthen local governments’ performance as well as improving access to services.²⁴⁵ Such support will be critical, as many Tunisians view a meaningful decentralization process as essential to addressing continued disillusionment in the south and the interior of the country as well as frustrations of other citizens who feel excluded from national politics.²⁴⁶ Discontent in the “deprived” regions, regional wealth and opportunity disparities, and lack of economic opportunity helped to fuel the Tunisia’s initial uprising and has continued to fuel protests, including most recently demonstrations focused on unemployment that erupted in Gasserine in January 2016 and spread rapidly across the country.

In previous versions of this report, we noted complaints from democracy promotion organizations about the lack of resources for political party development in between elections. Such complaints were common after parliamentary elections concluded in 2011, and emerged again last year after the 2014 parliamentary elections, especially with municipal elections still on the horizon and the obviously underdeveloped nature of Nidaa Tounes. As some had feared, this lack of party structure eventually led to an internal split within the party. U.S. officials interviewed for this report noted that since parliamentary elections, MEPI has continued to support work with Tunisian ministries and the parliament, which in practice requires working with representatives from political parties. But some democracy organizations respond that with the low level of capacity for new MPs (most lack legislative experience, staff, and even offices) political parties can play a critical support role to MPs on research and policy to support those elected parliamentarians to carry out their duties. Because of the gap in sustained party support, “both Tunisia’s political organizations and the

²⁴⁵ “Projects and Operations,” World Bank, 2016, <http://www.worldbank.org/projects/P130637/tn-urban-development?lang=en>

²⁴⁶ Amy Hawthorne, “POMED Backgrounder: A Trip Report from Tunisia’s ‘Dark Regions,’” November 2015, <http://pommed.org/pommed-publications/backgrounder-a-trip-report-from-tunisias-dark-regions/>

effectiveness of their governing institutions are for the worse as a result.” In March 2016, MEPI released a new \$7 million Notice of Funding Opportunity for political party development.²⁴⁷ While this is welcome, it will be important that support for political parties not diminish after upcoming municipal elections as it has following national elections in 2011 and again in 2014.

In Congress, there is growing support for Tunisia. As mentioned above, Rep. Ileana Ros-Lehtinen (R-FL) has suggested that the level of assistance for Tunisia requested by the administration does not match its rhetoric describing the country a top regional priority. Senator Chris Coons (D-DE), a member of the Senate Foreign Relations and Appropriations Committees, wrote in a November 2015 op-ed:

“Our leadership role in global affairs demands that our actions back up our words, so we must fully fund the President’s request for bilateral funding to assist and reinforce Tunisia’s transition to democracy, stability, and prosperity.”²⁴⁸

Additionally, Sen. Coons, along with Senators Ben Cardin (D-MD), David Perdue (R-GA), and Tim Kaine (D-VA) introduced a resolution in December 2015 congratulating the Tunisian National Dialogue Quartet for winning the 2015 Nobel Peace Prize and reaffirmed “the commitment of the United States to support the Government of Tunisia and its people as they continue on the path to democracy.”

Strong messages of support for Tunisia’s transition and the importance of Tunisia for the entire region have come not only from Congress, but also from senior Obama administration officials. During a visit to Tunisia in September 2015, Assistant Secretary of State for Democracy, Human Rights, and Labor Tom Malinowski declared: “This region and the world needs the Tunisia model to succeed, and to spread so that you are not alone. And the United

States is proud to stand with you as you continue to make the courageous and sometimes difficult decisions required of the democratic path you have chosen.”²⁴⁹ Secretary Kerry said in October 2015: “To skeptics who say that democracy can’t make it in the Middle East and North Africa, I reply with one word: Tunisia...What is happening in Tunisia is important for the people there, obviously, but guess what? It is instructive for the entire region. Tunisia is showing what it means to be builders in the Middle East.”²⁵⁰

As much of the region is embroiled in violent conflict or resurgent authoritarianism, Tunisia stands alone as still working to complete the Arab world’s first successful transition to genuine democracy. Washington recognizes this as a special opportunity, praising Tunisia’s leadership, civil society, and people for their role in ensuring the transition keeps progressing. But Tunisia faces serious challenges on the economic and security fronts, and U.S. assistance and other outside support will be important to helping Tunisia’s nascent democracy overcome these threats.

As President Obama approaches the closing months of his administration, he would be well served to double down on support to Tunisia by taking further concrete measures of support to supplement statements of public praise. The U.S.-Tunisia Joint Economic Commission is scheduled to meet in May 2016 in Washington; the forum can provide an opportunity to deepen cooperation and support to Tunisia’s economy. And following meetings of the U.S.-Tunisia Strategic Dialogue in Washington in April 2014 and in Tunis in November 2015, the administration should also ensure that the next session of this dialogue takes place here in Washington before President Obama leaves office. This could serve as a valuable opportunity for President Obama to offer additional tangible measures of support for what remains the best hope of a success story in the region during his tenure in office.

²⁴⁷ “Notice of Funding Opportunity: Supporting Local Engagement in Tunisia’s Political Process,” U.S. Department of State, March 17, 2016, <http://www.grants.gov/web/grants/view-opportunity.html?oppId=282283>

²⁴⁸ Sen. Chris Coons, “Support Tunisia, the Arab Spring’s sole success,” *The Hill*, November 19, 2015, <http://thehill.com/blogs/congress-blog/foreign-policy/260603-support-tunisia-the-arab-springs-sole-success>

²⁴⁹ “The New Tunisian Model of Governance,” U.S. Department of State, September 2, 2015, <http://www.state.gov/j/drl/rls/rm/2015/246584.htm>

²⁵⁰ “Remarks at the Carnegie Endowment for International Peace,” U.S. Department of State, October 28, 2015, <http://www.state.gov/secretary/remarks/2015/10/248937.htm>

WEST BANK AND GAZA

The dissolution of the Hamas-Fatah consensus government last summer laid bare the ongoing political challenges facing Palestine. The factions have been unable to find common ground on security and administrative issues, complicated further by waning confidence in Palestinian Authority President Mahmoud Abbas. President Abbas has been criticized for political power grabs and efforts to marginalize Hamas, and two-thirds of Palestinians reportedly want him to resign.²⁵¹ Meanwhile, a recent spike in violence between Israelis and Palestinians has undermined already dim prospects for restarting peace negotiations.

The Obama administration has repeatedly made clear that it supports the Palestinian Authority (PA) in part because it fears the alternative in the case of its collapse. As Secretary Kerry said in a December 2015 speech: “If there is a risk that the PA could collapse, and it is in Israel’s interest for it to in fact survive, as [Prime Minister Netanyahu] suggested, should more therefore not be done to help sustain it?”²⁵² Secretary Kerry has made consistent efforts to advance the peace process, though there are some signs that his confidence in a positive outcome may be waning. As analyst Suzanne Maloney commented on Kerry’s December 2015 speech: “[the speech] aimed at shifting the onus for progress toward peace onto the parties themselves and marking a reluctant denouement to the Obama administration’s assiduous efforts to broker an agreement.”²⁵³

Outside of the peace process, the U.S. assistance relationship with the Palestinian territories has historically been complicated by PA efforts to gain statehood at the UN, the role of

Hamas in the government, and actions in the International Criminal Court (ICC) regarding Israel. When the PA submitted evidence to the ICC last June for an investigation into possible Israeli war crimes in the 2014 Gaza war, some Members of Congress said the actions triggered legislative language that requires immediate aid suspension to the West Bank and Gaza.²⁵⁴ At the time, the State Department countered that it does “not consider the relevant restrictions on assistance to the Palestinians to have been triggered.”²⁵⁵

Congress has frequently held aid to the Palestinian territories to push back against various PA actions. Reps. Kay Granger (R-TX) and Nita Lowey (D-NY), the top two House appropriators for State Department and Foreign Operations, sent a letter to Abbas in October 2015 urging him to stop the incitement of violence and re-enter direct negotiations with Israel. Without negotiations, Granger and Lowey argued, their “ability to support future aid [would be] severely jeopardized.”²⁵⁶

Around that time, an informal congressional hold was placed on FY15 economic assistance to the West Bank and Gaza; in December 2015, Members of Congress allowed \$75 million of ESF to be obligated, followed by an additional \$21 million in February 2016. In March 2016, Palestinian news outlets reported that approximately \$160 million in U.S. aid remained on hold at Granger and Rep. Ed Royce’s (R-CA) behest, which USAID confirmed, though the lawmakers allowed \$108 million of that funding to move forward to pay Palestinian creditors in mid-April 2016.²⁵⁷

The State Department has also used U.S. assistance to respond to PA actions. In October

²⁵¹ “Palestinian Public Opinion Poll No. 59,” Palestinian Center for Policy and Survey Research, April 4, 2016., <http://www.pcpsr.org/en/node/636>

²⁵² “Brookings Institution’s 2015 Saban Forum Keynote Address,” U.S. Department of State, December 5, 2015, <http://www.state.gov/secretary/remarks/2015/12/250388.htm>

²⁵³ Suzanne Maloney, “Secretary of State John Kerry Talks Peace Process, ISIS, and Iran at the 2015 Saban Forum,” *Markaz Blog*, December 7, 2015, <http://www.brookings.edu/blogs/markaz/posts/2015/12/07-john-kerry-keynote-address-maloney>

²⁵⁴ Rebecca Shabad, “Lawmakers Warn Palestinian Actions Could Suspend US Aid,” *The Hill*, June 25, 2015, <http://thehill.com/policy/finance/246179-lawmakers-warn-palestinian-actions-could-suspend-us-aid>

²⁵⁵ Rebecca Shabad, “GOP Lawmaker: Obama Must ‘Immediately’ Cut Aid to the Palestinians,” *The Hill*, June 29, 2015. <http://thehill.com/policy/finance/246448-gop-lawmaker-demands-state-dept-cut-aid-to-palestinians>

²⁵⁶ Reps. Kay Granger and Nita Lowey, “Letter to President Mahmoud Abbas,” U.S. Congress, October 20, 2015. http://www.al-monitor.com/pulse/files/live/sites/almonitor/files/documents/2015/congress_letter_abbas.pdf

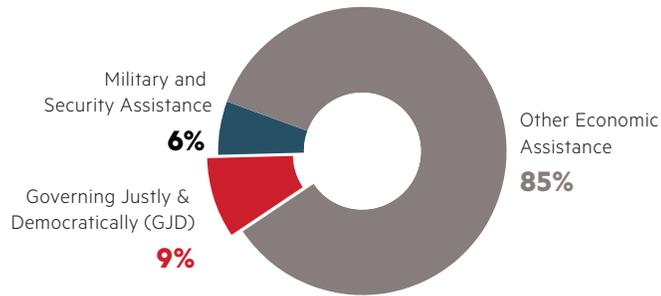
²⁵⁷ Julian Pecquet, “Congress unblocks \$108 million in Palestinian aid,” *Al-Monitor*, April 20, 2016, <http://www.al-monitor.com/pulse/originals/2016/04/congress-unblock-palestine-aid-state-department.html>

2015, the State Department notified Congress that it was reducing FY15 economic aid to the Palestinian territories by \$80 million, cutting it from \$370 million to \$290 million.²⁵⁸ Congressional sources told journalist Julian Pecquet that the move aimed to send a “message” to Abbas over the surge in violence and Palestinian “incitement,” with the State Department attributing the cut to “unhelpful actions taken by the Palestinians and constraints on our global assistance budget.”²⁵⁹

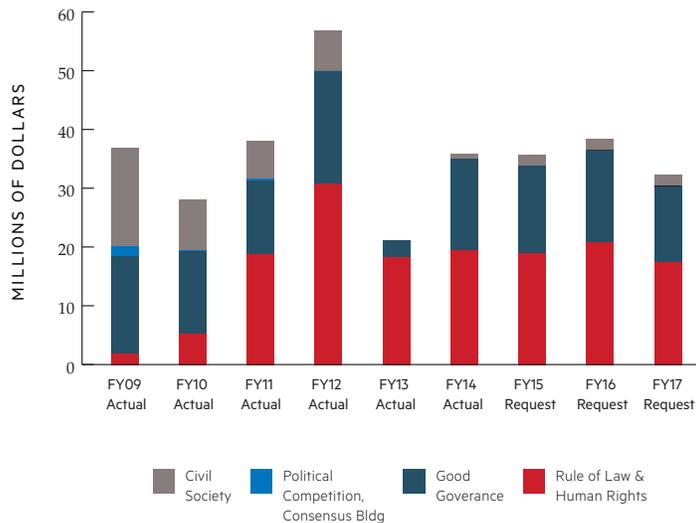
The FY17 request seeks \$363 million in total funding to the West Bank and Gaza - \$78.4 million (18 percent) lower than the FY16 request and the lowest level of funding requested during the Obama presidency. ESF represents \$327.6 million (90 percent) of the aid package, while the remainder consists of \$35 million in INCLE funding and \$1 million in NADR support. The vast majority (\$244 million) of the ESF will be devoted to repairing water and sanitation infrastructure, restoring schools and health clinics, and addressing humanitarian needs.

Democracy and governance funding makes up \$16.7 million of the ESF request, with \$4.0 million designated to strengthen the capacity of the Palestinian judiciary and \$10.8 million to “support increased effectiveness and accountability of the PA governance system.” Only \$1.9 million is sought for civil society support, which comprises only 0.5 percent of the overall aid request, and will “support citizens’ efforts to advocate for transparent and accountable governance; increase citizens’ participation in policy and legislative processes; and promote the inclusion of women, youth, people living with disabilities, and other

WEST BANK AND GAZA: TOTAL FY17 REQUEST



WEST BANK AND GAZA: GJD FUNDING, FY09-17



marginalized groups in the political process.” Notably, an additional \$15.6 million in INCLE funding is requested for the governing justly and democratically objective to support rule of law and good governance programs.

The remaining \$19.4 million in INCLE funding will support stabilization operations and security sector reform, which will continue security assistance efforts that have “help[ed] the Palestinians build effective and

²⁵⁸ “U.S. Agency for International Development Program Narrative: West Bank and Gaza.” http://www.al-monitor.com/pulse/files/live/sites/almonitor/files/documents/2015/USAID_Palastine.pdf

²⁵⁹ Julian Pecquet, “US Sends ‘Message’ to Abbas With \$80 Million Aid Cut,” *Al-Monitor*, October 22, 2015, <http://www.al-monitor.com/pulse/originals/2015/10/abbas-netanyahu-palestinian-authority.html>

professional forces that have resulted in a more stable, less violent West Bank,” according to analyst Seth Binder.²⁶⁰ This portion of the INCLE funding in the FY17 request, however, represents a significant cut from recent levels of approximately \$50 million, and according to the State Department none of the FY15 or FY16 INCLE funding has been obligated as of March 2016.²⁶¹

Since President Obama took office, the United States has provided approximately \$375 million in bilateral humanitarian aid to the West Bank and Gaza, with \$10.5 million requested in FY17. This represents only a small share of U.S. humanitarian aid for Palestinians, most of which is routed through the United Nations; the administration has given more than \$2.4 billion to the UN Relief and Works Agency (UNRWA) since President Obama assumed office. Worryingly, the agency still anticipated an \$81 million budget shortfall in 2016.

The Obama administration and especially Congress will likely continue to use the assistance package to the West Bank and Gaza as leverage in hopes of achieving certain policy objectives. While the administration has managed to continue the provision of funding in the face of strong congressional opposition and informal holds, Members of Congress have indicated that future spending bills may include even stronger language to restrict aid.²⁶²

YEMEN

The rapid advance of Houthi rebels across large swaths of Yemen followed by the collapse of the Abd Rabbuh Mansour Hadi government in

2014 spurred a military intervention by Saudi Arabia in March 2015. The Saudi operation that intended to “repel Houthi aggression” and restore the Hadi government has instead resulted in a horrific humanitarian disaster. More than 6,000 people have been killed in the conflict so far, at least half of which have been civilians, and the Saudi-led coalition is “responsible for twice as many civilian casualties as all other forces put together, virtually all as a result of air strikes,” according to UN High Commissioner for Human Rights Zeid Ra’ad Al Hussein.²⁶³ Additionally, the conflict has displaced at least 2.4 million people and put 82 percent of the population in dire need of humanitarian aid.²⁶⁴

The United States has found itself providing intelligence, airborne refueling, and advanced munitions for the Saudi offensive, seen by many as an effort to assuage Saudi concerns with the nuclear accord with Iran. The administration hoped that providing support and input would reduce the likelihood of the campaign resulting in a large-scale humanitarian crisis, though the United States publicly acknowledged the extent of the crisis just months into the offensive. Even Saudi officials have now admitted that “there is no endgame.”²⁶⁵ And while the Islamic State’s presence remains weak, the ensuing political vacuum has empowered a resurgent al-Qaeda in the Arabian Peninsula.

To address the country’s vast humanitarian needs, the United States has given approximately \$317 million in humanitarian aid to Yemen in FY15 and FY16 as of April 2016. Nonetheless, the 2016 Yemen Humanitarian Response Plan²⁶⁶ of the UN Office for the Coordination of Humanitarian Affairs (UN OCHA) remains

²⁶⁰ Seth Binder, “What Palestinian-Israeli Security Cooperation?” *Al-Jazeera*, March 9, 2016, <http://www.aljazeera.com/indepth/opinion/2016/03/palestinian-israeli-security-cooperation-160309091052648.html>

²⁶¹ Jim Zanotti, “U.S. Foreign Aid to the Palestinians,” Congressional Research Service, March 18, 2016, <https://www.fas.org/sgp/crs/mideast/RS22967.pdf>

²⁶² Julian Pecquet, “Congress unblocks \$108 million in Palestinian aid,” *Al-Monitor*, April 20, 2016, <http://www.al-monitor.com/pulse/originals/2016/04/congress-unblock-palestine-aid-state-department.html>

²⁶³ “Yemen War: Saudi Coalition ‘Causing Most Civilian Casualties,’” *BBC*, March 18, 2016, <http://www.bbc.com/news/world-middle-east-35842708>

²⁶⁴ “One Year On: Looming Banking Crisis in Yemen Risks Pushing Millions Into Famine,” Oxfam International, March 22, 2016, <https://www.oxfam.org/en/pressroom/pressreleases/2016-03-22/one-year-looming-banking-crisis-yemen-risks-pushing-millions>

²⁶⁵ Mark Mazzetti and Eric Schmitt, “Quiet Support for Saudis Entangles U.S. in Yemen,” *New York Times*, March 13, 2016, <http://www.nytimes.com/2016/03/14/world/middleeast/yemen-saudi-us.html>

²⁶⁶ “Humanitarian Response Plan – Yemen,” United Nations, January 2016, https://www.humanitarianresponse.info/en/system/files/documents/files/2016_hrp_yemen_20160217_0.pdf

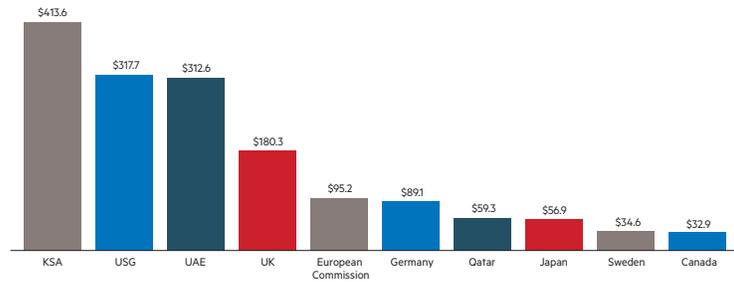
massively underfunded, having received only 13 percent of the \$1.8 billion requested as of April 2016,²⁶⁷ and aid organizations report difficulties in delivering available aid due to threats of violence and restrictions from both the Houthis and the Saudi coalition.

Conditions on the ground have made it exceedingly difficult for the United States to administer non-humanitarian assistance as well. Ambitious plans to spend nearly \$40 million in bilateral democracy and governance funding in FY15, for example, proved impossible, with the administration’s estimates showing that none of that bilateral funding was able to be spent. Last summer, USAID staff left Yemen and the agency placed \$12 million of development projects on “full suspension” due to aforementioned insecurity.²⁶⁸ While most programs administered by international democracy NGOs have reportedly ended, some modest State Department programs monitoring the rights situation have resumed, according to officials interviewed for this report.

Overall, prior to the start of the war, the Obama administration had planned to spend more than \$106 million on diverse objectives in Yemen in FY15; the actual level for that fiscal year was \$89.5 million, but \$55 million (61 percent) was humanitarian aid. More than \$114 million in requested FY16 funding – which Congress has deferred consideration on due to the security environment - encountered similar obstacles. As the the FY17 budget request explains:

“In FY 2015, democracy and governance assistance focused on maintaining the forward momentum on Yemen’s transition milestones [including the National Dialogue, a new constitution, and ratifying a new constitution]. Consensus on the structure of the state and transition of power through national elections remains

YEMEN: TOTAL HUMANITARIAN FUNDING, FY15-16
(PER DONOR, IN MILLIONS OF DOLLARS)



Funding figures are as of April 6, 2016. All international figures are according to OCHA’s Financial Tracking Service and based on international commitments during the 2015 and 2016 calendar years, while USG figures are according to the USG and reflect the most recent USG commitments based on FY2015 and FY2016, which began on October 1, 2014, and October 1, 2015, respectively. Source: USAID Report, https://www.usaid.gov/sites/default/files/documents/1866/yemen_ce_fs08_04-06-2016.pdf.

elusive and is not likely to materialize by FY 2017. In FY 2016, USAID had intended to pivot from supporting this transitional process to institutionalizing real change, which would have relied on the willingness of leaders and government institutions to implement the conclusions of the national dialogue and engage in challenging, fundamental reforms. These assistance activities were interrupted by mounting insecurity and the eventual engagement of a Saudi-led coalition supporting the [Yemeni government] through airstrikes that began in March 2015.”

The FY17 request levels also reflect the difficulties of delivering aid, as this year’s request fell by more than 50 percent to \$55.9 million from the \$114 million level in the FY16 request. Forty million (72 percent) will go to ESE, and additional \$9 million for global health programs. The remaining funds will be devoted predominantly to NADR counterterrorism and stabilization operations, with another \$1 million sought for INCLE programs.

Of the \$40 million in ESE, \$9.6 million is marked for GJD funding, with \$3 million for political competition and consensus-building and \$6.6 million for civil society support. Yemen’s once vibrant civil society faces incredible challenges and remain targets for combatants. The FY17

²⁶⁷ “Yemen – Complex Emergency, Fact Sheet # 8, FY 2016.” USAID, April 6, 2016. https://www.usaid.gov/sites/default/files/documents/1866/yemen_ce_fs08_04-06-2016.pdf

²⁶⁸ Julian Pecquet, “US Suspends Aid to Yemen for One Year,” *Al-Monitor*, June 16, 2015, <http://www.al-monitor.com/pulse/originals/2015/06/us-yemen-aid-suspended-usaid-congress.html>

budget request acknowledges, “democracy and governance activities must complement broader recovery efforts and recognize that Yemeni counterparts will be starting from a lower base than pre-conflict, with challenges related to increased poverty rates, a fragmented security sector, local conflicts, diminished state capacity to deliver basic services, and a fragile macro-economic and fiscal situation.” As Yemeni journalist Nadia al-Sakkaf phrased it, “...although some [civil society] groups have impressively survived through their tenacity [the war has] erased two decades of effort and will continue to affect the post-conflict country for decades more.”²⁶⁹

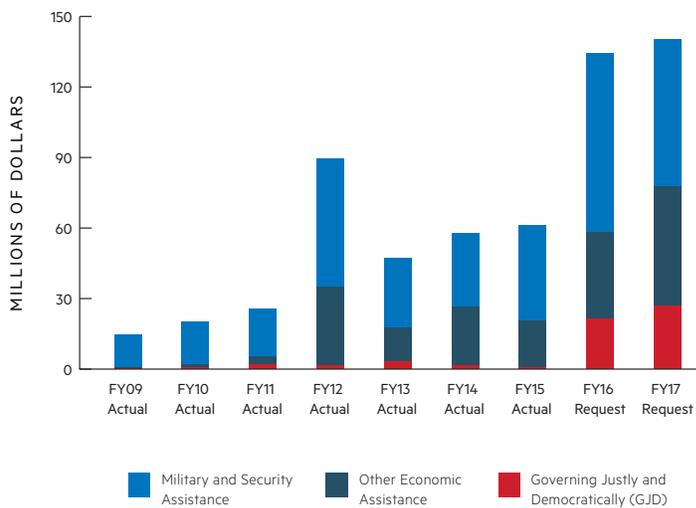
Additionally, the budget request states says, “The United States must be fully prepared and resourced to support [the goals of the Yemeni people] as soon as opportunities emerge, as this will be a critical time to prevent further deterioration and destabilization and help to

create positive momentum.” But U.S. officials and some in the development community have criticized the administration’s short-sighted thinking on development. They suggest there has been insufficient planning for the “day after” to deal with crucial political questions and that there will inevitably be a scramble for funding if the environment changes.

The United States has also found itself in the uncomfortable position of providing funds to prevent Yemen’s total collapse while simultaneously supplying the weaponry that has aided in destroying the country, which many observers view as being at odds with repeated U.S. proclamations that the conflict must be solved “through peaceful political means.” American military support has included record levels of arms sales, including more than \$12 billion in newly approved arms sales to Saudi Arabia since the military campaign began in March 2015.²⁷⁰ In one startling incident, rights groups found remnants of American-made bombs in the rubble of a market bombing that killed nearly 100 civilians, a quarter of them children.²⁷¹

Controversially, the United States and its allies scuttled a key opportunity – due reportedly to objections from the Saudi-led coalition – to foster accountability by withdrawing support from a UN resolution that would have created an independent committee to investigate coalition and Houthi human rights violations. The coalition will instead be permitted to conduct its own investigation.²⁷² The United States has “encouraged” the investigation to be “prompt.”²⁷³

YEMEN: TOTAL BILATERAL ASSISTANCE BREAKDOWN, 09-17



²⁶⁹ Nadia Al-Sakkaf, “The Tragedy of Yemen’s Civil Society,” Fikra Forum, February 19, 2016, <http://www.washingtoninstitute.org/policy-analysis/view/the-tragedy-of-yemens-civil-society>

²⁷⁰ Christopher M. Blanchard, “Saudi Arabia: Background and U.S. Relations,” Congressional Research Service, February 5, 2016, <https://www.fas.org/spp/crs/mideast/RL33533.pdf>

²⁷¹ Karim Fahim and C.J. Chivers, “Report Ties U.S. Bomb to Saudi-Led Strike That Killed Yemeni Civilians,” *New York Times*, April 7, 2016, <http://www.nytimes.com/2016/04/07/world/middleeast/report-ties-us-bombs-to-saudi-led-strike-that-killed-yemeni-civilians.html>

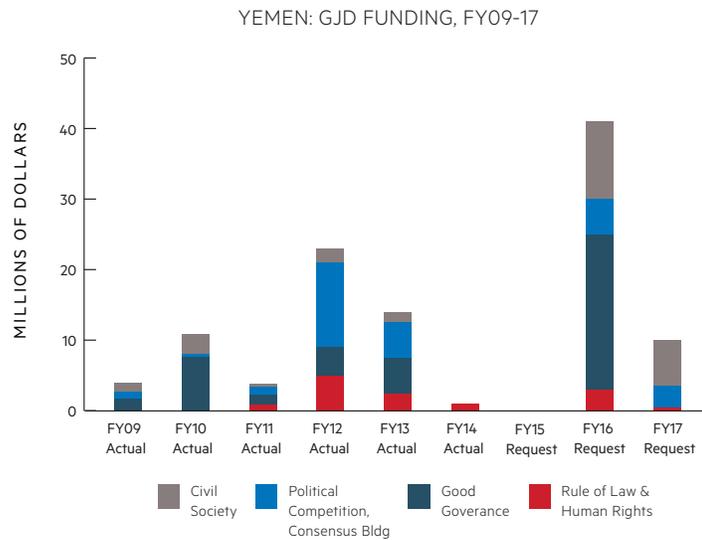
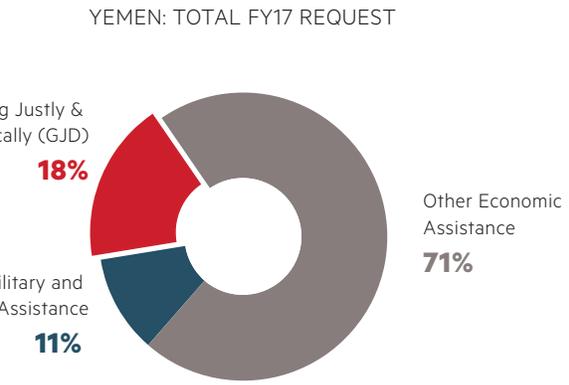
²⁷² Nick Cumming-Bruce, “Saudi Objections Halt U.N. Inquiry of Yemen War,” *New York Times*, September 30, 2015, <http://www.nytimes.com/2015/10/01/world/middleeast/western-nations-drop-push-for-un-inquiry-into-yemen-conflict.html>

²⁷³ “Daily Press Briefing: Yemen,” U.S. Department of State, April 7, 2016, <http://www.state.gov/r/pa/prs/dpb/2016/04/255595.htm#YEMEN>

The crisis in Yemen has caused some in Congress to question U.S. support for the Saudi-led military campaign. Sen. Chris Murphy (D-CT) has been especially outspoken, having called for the suspension of U.S. assistance to the Yemen campaign and military sales to Saudi Arabia until the United States receives necessary assurances. “We need to be careful about not just blindly backing our friends plays in conflicts that simply create more instability [...] like what’s going on in Yemen today,” Murphy suggested.²⁷⁴

To that end, Murphy and Sen. Rand Paul (R-KY) introduced legislation in April 2016 that would halt the transfer of air-to-ground munitions to Saudi Arabia until the U.S. President certifies that the kingdom is not providing support to terrorist groups, taking precautions to reduce harm to civilians, making demonstrable efforts to facilitate the flow of humanitarian aid, and taking measures to target terrorist groups. The bill would also require a briefing to congress prior to any sale that details what equipment is being made available and assesses various aspects of Saudi Arabia’s campaign in Yemen.²⁷⁵ Reps. Ted Lieu (D-CA) and Ted Yoho (R-FL) introduced the companion bill in the House.

Senate Foreign Relations Committee Chair Bob Corker (R-TN), though generally supportive of the Saudi campaign, said, “The war and the resulting extreme humanitarian crisis is receiving the reluctant support of [the Obama



administration], yet I’m not sure what the defined objectives and end state of that support is at present...”²⁷⁶ Corker and Ranking Member Sen. Ben Cardin (D-MD) have required the State Department to notify Congress of each new weapons shipment to Riyadh 30 days in advance.²⁷⁷

²⁷⁴ “Chris Murphy on the Roots of Radical Extremism,” Council on Foreign Relations, January 29, 2016, <http://www.cfr.org/middle-east-and-north-africa/chris-murphy-roots-radical-extremism/p37471>

²⁷⁵ “A Joint Resolution to Provide Limitations on the Transfer of Certain U.S. Munitions from the U.S. to Saudi Arabia,” S.J. Res. 32, U.S. Congress, April 13, 2016, <http://www.murphy.senate.gov/download/saudi-arms-bill>

²⁷⁶ “Hearing: The U.S. Role and Strategy in the Middle East: Yemen and the Countries of the Gulf Cooperation Council,” U.S. Senate Committee on Foreign Relations, October 6, 2015, <http://www.foreign.senate.gov/hearings/the-us-role-and-strategy-in-the-middle-east-yemen-and-the-countries-of-the-gulf-cooperation-council-10062015>

²⁷⁷ John Hudson, “Flexing New Powers, Congress to Review Arms Shipments to Saudi Arabia,” *Foreign Policy*, December 10, 2015, <http://foreignpolicy.com/2015/12/10/flexing-new-powers-congress-to-review-arms-shipments-to-saudi-arabia/>

Yemen peace negotiations have repeatedly stalled and have not borne fruit as of yet. President Hadi's surprise sacking of Prime Minister and Vice President Khaled Bahah, who was replaced with a former Saleh regime official as prime minister and a hardline general as vice president, was described by Secretary Kerry as having "complicated" peace efforts. He added that he "thought we were making significant progress on [forming a new government structure] up until this most recent decision."²⁷⁸ When the political process finally resumes, the United States must not only be prepared

to offer sorely needed assistance and resume aid programming, but it will also need to press its Gulf allies to provide considerable financial support to rebuild the country. The United States' support for Saudi Arabia's problematic military campaign in Yemen should at the very least spur difficult conversations about the consequences of unqualified military support to Middle East allies. Congressional efforts toward examining this policy are a welcome step toward beginning such conversations.

²⁷⁸ "Joint Press Availability with Bahraini Foreign Minister Sheikh Khalid bin Ahmed al-Khalifa," U.S. Department of State, April 7, 2016, <http://www.state.gov/secretary/remarks/2016/04/255568.htm> <https://www.commerce.gov/news/secretary-speeches/2015/05/us-secretary-commerce-penny-pritzker-discusses-tunisia-economic-and>

CONCLUSIONS

President Barack Obama entered office in January 2009 accompanied by genuine hope that he would align U.S. policy in the Middle East more closely with democratic values. Just 18 months later, the pro-democracy Arab uprisings that swept the region seemed to offer an unprecedented opportunity for the United States to do just that. Many democracy advocates hoped that the U.S. government would now learn the lesson that authoritarian rule will never bring prosperity and lasting stability to the region.

Regrettably, not long after the uprisings, U.S. policymakers largely fell back into old habits of prioritizing heavily-militarized relationships with repressive regimes in the pursuit of security and counterterrorism goals. The resurgence of authoritarianism in the post-2011 Middle East and North Africa, the widespread outbreak of violent conflict, and the threat of terrorism now thoroughly dominate U.S. policy, at the expense of vigorous support for genuine democratic change and urgently-needed political and economic development.

As the Obama administration comes to an end, it will leave behind a legacy in the region of continuing close ties with repressive governments and increasing already-robust security assistance, while reducing attention to and funding for democracy, human rights, and governance. Despite this, the Obama administration has taken a few positive steps, including supporting Tunisia's democratic transition, beginning to examine the outdated U.S. assistance relationship with Egypt, and increasing funding for global democracy-promotion initiatives that can be effective in challenging environments such as those found in the Middle East and North Africa.

The next administration will inherit a number of complex and intersecting regional challenges from President Obama. His successor will need to counter short-term security threats, while not losing sight of the critical need for economic and political reform which lies at the root of the

region's instability. If U.S. policy in the region is to be successful, the next President must reorient the policy tools at his or her disposal toward support for democracy. The Obama administration has taken a few positive steps in this direction, and his successor must double down on those initiatives while also seeking new ways to support genuine democratic reform in the Middle East and North Africa.

In addition, there are a number of specific, narrower conclusions that can be drawn regarding U.S. assistance and policy toward the MENA region:

The limited space for independent civil society, especially pro-democracy organizations, is becoming even more constrained across the region – most dramatically in Egypt, but also in Jordan, Libya, and Morocco. Since 2011, growing restrictions on civil society across the region, particularly in Egypt and the Gulf states, have impeded the work of independent democracy and human rights organizations. But more recently, some Arab governments are also putting up new obstacles before U.S. development organizations that work on less politically-sensitive areas such as education, water, and economic growth. These activities are growing ever-more dangerous, as activists and development professionals alike endure increasing levels of harassment, legal restrictions, and threats. If this worrisome trend continues, various forms of U.S. foreign assistance could become even more difficult to administer in the region. The United States needs to push back forcefully and consistently against government efforts to impede the work of these organizations across the region.

U.S. government spending on programming to support democracy, human rights, and governance in the MENA region reached its lowest level under the Obama administration in Fiscal Year 2015. Democracy and governance programming in the MENA region averaged approximately \$380 million annually

from fiscal years 2009 through 2014. But in FY2015, the administration spent only \$180 million on such programming. Democracy and governance programs have become increasingly difficult to implement across the region, due to violent conflict and instability in some countries and increasing interference and restrictions in other countries. President Obama's final budget request, for FY17, does include \$427.5 million for democracy programming, but U.S. government agencies may continue to experience difficulties in spending those funds as planned.

Concerns remain regarding the diminished role of the Middle East Partnership Initiative (MEPI) and its future. The democracy-promotion community continues to view the recent folding of MEPI into the State Department's Bureau of Near Eastern Affairs Office of Assistance Coordination (NEA/AC) as cementing a weaker role for MEPI, which was for more than a decade the flagship U.S. program to support Arab reformers. The FY17 budget includes the lowest annual budget requested for MEPI since it was launched in 2002. It appears that U.S. officials have begun to take steps to address some concerns about MEPI. But MEPI's role will need to be clarified and its reputation rehabilitated in order to receive continued support from Congress during the next administration.

In the past year, funding for the State Department's Bureau of Democracy, Human Rights, and Labor (DRL) and for the National Endowment for Democracy (NED) has increased significantly. In the FY2017 budget request, the administration seeks \$75 million in funding for DRL, the highest amount requested for the Bureau since President Obama came into office; Congress also appropriated \$88.5 million for DRL's Human Rights and Democracy Fund in FY2016. Over the past seven years, Congress has also steadily increased funding for the NED, appropriating a new high of \$170 million in the FY2016 appropriations act. The willingness of these entities to take important risks is invaluable in the face of U.S. government entities and private foundations that are increasingly risk averse. As democracy and governance programming

becomes more difficult in the region due to instability and government interference, DRL and the NED often are viewed as better suited to the kind of sensitive work that is necessary in challenging environments.

Although there are notable tensions between the Obama administration and some of its closest authoritarian allies, this has not resulted in any significant decrease in U.S. support for such governments. Long-time bilateral relationships with several authoritarian governments in the region – namely Egypt and the oil-rich Gulf states – have become frayed. U.S. frustrations with and criticisms of these states have increasingly spilled out into the open, deepening mistrust on both sides. Yet, these frustrations have not led to any significant corresponding decrease in support to such authoritarian governments. On the contrary, in the past year the administration has ended key suspensions and holds on security assistance to Egypt and Bahrain due to human rights concerns. In addition, military aid and large-scale U.S. arms sales to Middle Eastern governments have continued and reached record levels, with the U.S. government selling more than \$100 billion in arms and weapons to the region since Obama took office.

The future of U.S. economic assistance to Egypt is increasingly uncertain, and changes to military aid are underway. An extremely difficult period in Egypt, marked by brutal repression, economic deterioration, and escalating violence, has contributed to difficulties in U.S.-Egypt relations and challenges in implementing some assistance programs for economic and political development. This has sparked discussions within the administration and Congress regarding potential changes or reductions to Egypt's aid package. U.S. military assistance to Egypt in some respects returned to normal over the past year after the administration ended its partial suspension of military aid in place from 2013-2015. The administration, however, has taken initial steps to pave the way for potentially important changes to the \$1.3 billion military aid package to begin in FY18.

The Obama administration and Congress are supportive of Tunisia's democratic transition, doubling the level of assistance for 2016 compared to previous years. Five years after the dramatic uprisings that swept across the region in 2011, Tunisia stands alone in terms of the progress made in its democratic transition. Daunting security, economic, and political challenges remain, however, and the country will continue to need large-scale support in the period ahead. Although many observers believe that the United States was too slow to reward Tunisia's democratic progress adequately, the United States should be commended for increasing bilateral assistance levels to the country in 2015. President Obama should double down on support to Tunisia during his final year in office, finding creative and concrete measure to set the tone for a new administration, including ensuring that the next session of the U.S.-Tunisia Strategic Dialogue takes place in Washington before President Obama leaves office.

U.S. assistance to Jordan has grown significantly. Although Jordan has been among the largest recipients of U.S. aid globally for many years, the administration and Congress have recently acted to expand the aid relationship even further. Congress appropriated \$1.275 billion in bilateral assistance for Jordan in FY2016, significantly more than the \$1 billion agreed upon in a multi-year MOU for 2015-2017. Including funds drawn from other accounts, Jordan is now expected to receive a total of \$1.6 billion in U.S. assistance during 2016. This level would exceed U.S. aid to Egypt in FY16, making Jordan the largest Arab country recipient of U.S. assistance for the first time. While U.S. policymakers are rightly worried about the incredible strain placed on Jordan as a result of neighboring conflicts, the United States should also be wary of steps to walk back modest reforms and tighten the already-constrained political space in the country.

APPENDIX: DATA TABLES

TABLE 1: TOTAL ASSISTANCE BY STRATEGIC OBJECTIVE, FY09-FY17 (IN MILLIONS OF DOLLARS)

Near East Total	FY09 Actual	%	FY10 Actual	%	FY11 Actual	%	FY12 Actual	%	FY13 Actual	%	FY14 Actual	%	FY15 Actual	%	FY16 Request ¹	%	FY17 Request	%
Peace and Security	4857.4	68.6	4890.7	73.4	5125.0	73.1	6032.8	73.9	5347.1	73.8	5346.7	75.9	5344.2	79.4	5559.5	75.9	5380.4	73.4
Governing Justly, Democratically (GJD)	483.5	6.8	495.1	7.4	422.0	6.0	473.6	5.8	254.9	3.5	250.0	3.5	180.4	2.7	442.4	6.0	427.5	5.8
Investing in People	939.9	13.3	602.5	9.0	603.5	8.6	580.0	7.1	700.7	9.7	580.1	8.2	430.7	6.4	553.2	7.5	579.4	7.9
Economic Growth	679.7	9.6	614.0	9.2	643.7	9.2	896.9	11.0	803.2	11.1	777.3	11.0	642.5	9.5	762.4	10.4	940.5	12.8
Humanitarian Assistance	118.8	1.7	64.1	1.0	84.1	1.2	101.8	1.2	71.8	1.0	89.8	1.3	133.8	2.0	10.6	0.1	10.6	0.1
TOTAL ²	7079.3	100	6666.4		7013.3		8158.0		7243.3		7044.0		6731.6		7327.9		7338.4	

TABLE 2: GJD FUNDS BY PROGRAM AREA, FY09-FY17 (IN MILLIONS OF DOLLARS)

Near East	FY09 Actual	%	FY10 Actual	%	FY11 Actual	%	FY12 Actual	%	FY13 Actual	%	FY14 Actual	%	FY15 Actual	%	FY16 Request ¹	%	FY17 Request	%
Rule of Law and Human Rights	82.6	17.1	79.7	16.1	77.1	18.3	132.2	28.2	82.3	32.2	74.6	29.8	50.6	28.1	77.6	17.5	79.5	18.0
Good Governance	186.4	38.5	157.1	31.7	134.9	32.0	93.3	19.9	31.5	12.4	51.5	20.6	44.3	24.5	163.3	36.9	171.2	38.7
Political Competition, Consensus Building	59.3	12.3	70.2	14.2	70.9	16.8	56.0	12.0	42.9	16.8	31.8	12.7	24.5	13.6	39.4	8.9	48.8	11.0
Civil Society	155.3	32.1	188.1	38.0	139.1	33.0	186.8	39.9	98.2	38.5	92.2	36.9	61.1	33.8	161.6	36.5	128.1	29.0
GJD Total	483.6		495.1		422.0		468.3		254.9		250.0		180.4		442.4		427.5	

¹ For Fiscal Year 2016, the FY17 Congressional Budget Justification (CJ) did not include overall estimates or detailed breakdowns for bilateral assistance by strategic objective, which this report uses to track trends in programming priorities by country. In the absence of this data, the FY16 CJ Request figures are used as the best indicator of the administration's intended spending levels.

² These totals include a sixth component of assistance (which does not appear in this table) known in the Congressional Budget Justification as "Program Support."

TABLE 3 - BILATERAL FOREIGN ASSISTANCE BY COUNTRY AND BY STRATEGIC OBJECTIVE, FY09-FY17 (MILLIONS USD)

Algeria	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Request	FY17 Request
Peace and Security	1.4	2.4	1.6	2.2	2.5	2.6	2.7	2.6	2.3
Governing Justly, Democratically (GJD)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investing in People	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Economic Growth	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Humanitarian Assistance	6.9	6.2	8.2	8.7	6.6	4.5	0.0	0.0	0.0
Total Bilateral Assistance	8.7	8.6	9.8	10.9	9.1	7.2	2.7	2.6	2.3
Egypt	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Request	FY17 Request
Peace and Security	1304.7	1305.7	1304.3	1308.5	1244.2	1304.7	1305.4	1305.3	1304.8
Governing Justly, Democratically (GJD)	20.0	25.0	46.5	14.3	19.9	21.7	6.4	6.0	17.0
Investing in People	119.4	75.9	55.5	52.1	135.4	77.3	56.7	55.0	74.0
Economic Growth	110.6	149.1	147.4	181.6	84.8	102.2	87.3	90.0	61.0
Humanitarian Assistance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Bilateral Assistance	1554.7	1555.7	1553.8	1556.5	1484.2	1505.9	1455.8	1456.3	1456.8
Iraq	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Request	FY17 Request
Peace and Security	148.6	60.3	146.4	990.3	516.5	330.3	190.1	299.3	191.9
Governing Justly, Democratically (GJD)	318.7	286.9	177.5	176.0	46.2	37.3	28.7	49.6	53.0
Investing in People	17.7	5.1	61.1	46.4	6.2	0.0	0.0	0.0	5.0
Economic Growth	113.9	62.5	86.8	57.5	20.5	0.0	1.5	6.5	260.5
Humanitarian Assistance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Bilateral Assistance	599.0	414.8	471.8	1270.3	589.4	367.6	229.8	355.4	510.4
Jordan	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Request	FY17 Request
Peace and Security	358.3	380.0	315.9	315.9	296.4	310.3	396.0	362.7	367.6
Governing Justly, Democratically (GJD)	24.3	26.0	22.0	28.0	25.0	28.4	35.0	47.0	35.0
Investing in People	192.4	174.5	111.3	93.0	98.0	126.6	132.5	113.8	153.0
Economic Growth	296.9	262.5	229.0	339.0	441.4	545.0	447.5	476.6	444.4
Humanitarian Assistance	0.0	0.0	0.0	0.0	0.5	0.0	0.0	0.0	0.0
Total Bilateral Assistance	871.8	843.0	678.2	775.9	1142.6	1010.3	1011.0	1000.0	0.0

TABLE 3 - (CONTINUED)
(MILLIONS USD)

Lebanon	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Request	FY17 Request
Peace and Security	172.6	129.3	101.6	106.4	104.8	98.0	103.1	105.0	128.5
Governing Justly, Democratically (GJD)	18.3	25.4	21.1	21.0	9.8	9.0	9.4	16.2	20.6
Investing in People	27.6	48.1	48.8	49.0	46.2	44.8	40.2	65.7	66.2
Economic Growth	16.6	35.5	14.8	14.7	15.2	14.1	13.6	23.7	18.2
Humanitarian Assistance	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Bilateral Assistance	240.1	238.3	186.4	191.1	176.0	166.0	166.3	210.5	233.5
Libya*	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Request	FY17 Request
Peace and Security	0.8	0.8	0.0	5.4	8.5	5.4	4.2	9.5	4.5
Governing Justly, Democratically (GJD)	1.0	0.0	0.0	0.0	9.0	0.5	0.4	10.5	15.0
Investing in People	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Economic Growth	0.5	0.0	0.0	0.0	5.0	0.0	0.0	0.0	1.0
Humanitarian Assistance	0.0	0.0	5.7	0.0	0.0	0.0	0.0	0.0	0.0
Total Bilateral Assistance	3.3	0.8	5.7	5.4	22.5	5.9	4.5	20.0	20.5
Morocco	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Request	FY17 Request
Peace and Security	7.2	15.7	15.1	21.6	13.1	13.3	18.5	11.6	13.5
Governing Justly, Democratically (GJD)	5.0	7.2	9.0	8.6	7.5	5.9	7.2	6.0	6.5
Investing in People	6.5	6.5	4.5	4.5	6.2	9.9	6.4	4.4	5.4
Economic Growth	6.5	5.8	5.5	6.5	3.3	5.1	6.4	9.6	8.1
Humanitarian Assistance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Bilateral Assistance	25.2	35.3	34.1	41.2	31.1	34.2	38.5	31.6	33.5
Syria	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Request	FY17 Request
Peace and Security	0.0	0.0	0.0	3.0	43.5	2.8	45.0	136.0	113.5
Governing Justly, Democratically (GJD)	0.0	0.0	0.0	52.5	15.9	5.5	0.0	119.0	125.0
Investing in People	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Economic Growth	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Humanitarian Assistance	0.0	0.0	0.0	0.0	18.3	0.0	0.0	0.0	0.0
Total Bilateral Assistance	0.0	0.0	0.0	55.5	77.7	8.3	46.9	255.0	238.5

TABLE 3 - (CONTINUED)
(MILLIONS USD)

Tunisia*	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Request	FY17 Request
Peace and Security	13.8	19.9	20.2	54.3	29.7	31.5	40.9	76.4	62.7
Governing Justly, Democratically (GJD)	0.3	0.5	2.0	1.6	3.0	1.3	0.5	21.2	27.0
Investing in People	0.0	0.5	1.6	11.6	10.0	4.8	0.0	0.0	0.0
Economic Growth	0.5	1.0	1.9	21.8	4.5	20.3	20.0	36.8	50.7
Humanitarian Assistance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Bilateral Assistance	14.6	21.9	25.7	89.3	47.2	57.8	61.4	134.4	140.4
Turkey	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Request	FY17 Request
Peace and Security	7.9	8.2	5.4	4.9	4.3	4.1	4.8	3.9	3.8
Governing Justly, Democratically (GJD)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investing in People	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Economic Growth	7.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Humanitarian Assistance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Bilateral Assistance	15.4	8.2	5.4	4.9	4.3	4.1	4.8	3.9	3.8
West Bank and Gaza	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Request	FY17 Request
Peace and Security	233.5	100.7	133.5	60.4	49.3	49.3	59.9	50.3	20.4
Governing Justly, Democratically (GJD)	36.9	31.6	38.0	56.9	21.2	35.9	31.1	38.4	32.4
Investing in People	530.7	244.0	292.0	294.0	366.7	276.3	152.0	287.1	244.6
Economic Growth	121.9	74.5	38.9	62.6	0.0	55.7	47.1	55.7	55.7
Humanitarian Assistance	104.5	45.1	47.6	36.3	0.0	32.5	76.9	10.6	10.6
Total Bilateral Assistance	1027.5	495.9	550.1	510.3	437.2	449.7	367.0	442.0	363.6
Yemen	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Request	FY17 Request
Peace and Security	5.9	19.6	26.6	31.8	29.0	27.0	12.5	34.4	6.4
Governing Justly, Democratically (GJD)	4.0	11.0	3.8	23.0	14.0	1.0	0.0	40.0	10.1
Investing in People	26.0	22.5	21.7	16.0	15.5	16.5	15.8	18.8	20.0
Economic Growth	4.0	14.5	8.3	7.6	5.0	5.5	6.3	21.2	19.4
Humanitarian Assistance	2.4	12.7	22.6	56.8	46.4	52.8	55.0	0.0	0.0
Total Bilateral Assistance	42.4	80.3	56.3	135.2	114.8	102.8	89.6	114.4	55.9

TABLE 4 - GOVERNING JUSTLY AND DEMOCRATICALLY (GJD) FUNDING BY COUNTRY, PROGRAM AREA, FY09-FY17 (MILLIONS USD)

Egypt	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Request	FY17 Request
Rule of Law and Human Rights	10.2	2.6	10.3	0.8	8.1	11.6	2.5	3.0	6.7
Good Governance	2.5	2.0	8.8	5.9	7.2	4.2	2.4	3.0	8.6
Political Competition, Consensus Building	0.0	0.0	21.3	1.4	3.0	1.3	1.5	0.0	0.8
Civil Society	7.3	20.4	6.1	6.2	1.5	4.7	0.0	0.0	1.0
GJD Total	20.0	25.0	46.5	14.3	19.9	21.7	6.4	6.0	17.0
Iraq	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Request	FY17 Request
Rule of Law and Human Rights	46.6	33.3	12.0	68.8	27.3	24.8	7.0	15.6	6.0
Good Governance	143.6	117.4	89.6	44.5	4.5	4.0	15.7	27.0	44.0
Political Competition, Consensus Building	41.0	52.6	23.2	14.5	3.3	2.0	6.0	7.0	3.0
Civil Society	87.5	83.6	52.7	48.2	11.1	6.5	0.0	0.0	0.0
GJD Total	318.7	286.9	177.5	176.0	46.2	37.3	28.7	49.6	53.0
Jordan	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Request	FY17 Request
Rule of Law and Human Rights	5.8	7.5	8.0	6.0	6.0	2.5	7.0	7.0	7.0
Good Governance	8.3	3.0	3.0	4.0	0.0	8.0	7.0	12.0	11.0
Political Competition, Consensus Building	4.5	5.0	3.0	10.0	5.5	5.0	6.0	7.0	8.0
Civil Society	5.8	10.5	8.0	8.0	13.5	12.9	15.0	21.0	9.0
GJD Total	24.3	26.0	22.0	28.0	25.0	28.4	35.0	47.0	35.0
Lebanon	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Request	FY17 Request
Rule of Law and Human Rights	7.6	13.7	10.0	10.0	0.0	0.0	0.2	2.5	8.6
Good Governance	4.6	5.1	7.5	5.1	5.0	6.1	3.5	8.9	6.1
Political Competition, Consensus Building	2.1	0.6	1.4	1.3	0.0	0.0	0.0	0.0	0.0
Civil Society	4.1	6.0	2.2	4.6	4.7	2.9	4.8	4.8	6.0
GJD Total	18.3	25.4	21.1	21.0	9.8	9.0	9.4	16.2	20.7
Libya	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Request	FY17 Request
Rule of Law and Human Rights	0.3	0.0	0.0	0.0	0.0	0.5	0.4	0.5	3.0
Good Governance	0.5	0.0	0.0	0.0	0.0	0.0	0.0	7.0	7.0
Political Competition, Consensus Building	0.0	0.0	0.0	0.0	9.0	0.0	0.0	0.0	0.0
Civil Society	0.2	0.0	0.0	0.0	0.0	0.0	0.0	3.0	5.0
GJD Total	1.0	0.0	0.0	0.0	9.0	0.5	0.4	10.5	15.0

TABLE 4 (CONTINUED)
(MILLIONS USD)

Morocco	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Request	FY17 Request
Rule of Law and Human Rights	0.0	0.0	3.0	0.6	0.3	0.0	0.0	0.0	0.0
Good Governance	2.8	3.7	3.0	5.5	0.0	0.0	0.0	0.0	0.0
Political Competition, Consensus Building	1.0	0.8	1.0	1.0	2.2	2.2	2.0	2.0	1.5
Civil Society	1.2	2.7	2.0	1.5	5.0	3.7	5.2	4.0	5.0
GJD Total	5.0	7.2	9.0	8.6	7.5	5.9	7.2	6.0	6.5
Syria	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Request	FY17 Request
Rule of Law and Human Rights	0.0	0.0	0.0	3.5	5.4	0.0	0.0	14.0	17.0
Good Governance	0.0	0.0	0.0	0.0	0.0	1.8	0.0	50.0	50.0
Political Competition, Consensus Building	0.0	0.0	0.0	0.0	0.0	0.6	0.0	0.0	14.0
Civil Society	0.0	0.0	0.0	49.0	10.5	3.1	0.0	55.0	44.0
GJD Total	0.0	0.0	0.0	52.5	15.9	5.5	0.0	119.0	125.0
Tunisia	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Request	FY17 Request
Rule of Law and Human Rights	0.2	0.2	0.8	0.4	3.0	1.3	0.5	3.6	2.0
Good Governance	0.2	0.2	0.5	0.5	0.0	0.0	0.0	10.8	14.8
Political Competition, Consensus Building	0.0	0.0	0.4	0.4	0.0	0.0	0.0	1.4	1.5
Civil Society	0.0	0.2	0.5	0.5	0.0	0.0	0.0	5.4	5.0
GJD Total	0.3	0.5	2.0	1.6	3.0	1.3	0.5	21.2	27.0
West Bank and Gaza	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Request	FY17 Request
Rule of Law and Human Rights	2.0	8.8	18.8	30.8	18.3	19.5	20.3	20.9	17.5
Good Governance	16.5	14.2	12.6	19.3	2.9	15.6	10.0	15.6	13.0
Political Competition, Consensus Building	1.7	0.1	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Civil Society	16.7	8.6	6.3	6.9	0.0	0.8	0.8	1.9	1.9
GJD Total	36.9	31.6	38.0	56.9	21.2	35.9	31.1	38.4	32.4
Yemen	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Request	FY17 Request
Rule of Law and Human Rights	0.0	0.0	0.9	5.0	2.5	1.0	0.0	2.5	0.5
Good Governance	1.7	7.6	1.4	4.0	5.0	0.0	0.0	22.0	0.0
Political Competition, Consensus Building	0.9	0.6	1.0	12.0	5.0	0.0	0.0	5.0	3.0
Civil Society	1.3	2.8	0.5	2.0	1.5	0.0	0.0	10.5	6.6
GJD Total	4.0	11.0	3.8	23.0	14.0	1.0	0.0	40.0	10.1



MR. CARDIN
RANKING MEMBER

