

PRESIDENT TRUMP'S FY21 BUDGET

Examining U.S. Assistance to the Middle East and
North Africa in the Shadow of COVID-19

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NORTH AFRICA IN THE SHADOW OF COVID-19

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with contributions from

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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 United States 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.

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ACRONYMS

CBJ	Congressional Budget Justification
DA	Development Assistance
DRL	Bureau of Democracy, Human Rights, and Labor, U.S. Department of State
ESDF	Economic Support and Development Fund
ESF	Economic Support Fund
FMF	Foreign Military Financing
FY	Fiscal Year
GHP	Global Health Programs
GJD	Governing Justly and Democratically
HACFO	House Appropriations Subcommittee on State, Foreign Operations, and Related Programs
IMET	International Military Education and Training
INCLE	International Narcotics Control and Law Enforcement
MENA	Middle East and North Africa
MEPI	Middle East Partnership Initiative
NADR	Nonproliferation, Anti-Terrorism, Demining, and Related Programs
NEA	Bureau of Near Eastern Affairs, U.S. Department of State
NED	National Endowment for Democracy
NERD	Near East Regional Democracy
PKO	Peacekeeping Operations
REM	Religious and Ethnic Minorities
RRF	Relief and Recovery Fund
SACFO	Senate Appropriations Subcommittee on State, Foreign Operations, and Related Programs
USAID	United States Agency for International Development

EXECUTIVE SUMMARY

President Donald Trump's fourth international affairs budget looks much like the prior three iterations.¹ His Fiscal Year (FY) 2021 request proposes crippling cuts to the foreign assistance budget funded by the State and Foreign Operations appropriations bill.² The Trump administration's top-line request of \$44.1 billion, while 2.9 percent higher than the FY20 request, would nevertheless constitute a 22.2 percent cut as compared to what Congress appropriated (\$56.6 billion) in the FY20 Further Consolidated Appropriations Act. This is an even deeper reduction than the 21.3 percent that the Trump administration proposed last year. Likewise, President Trump is again proposing a substantial reduction in democracy and governance funding, a cut of 30.3 percent as compared to what the administration spent in FY19.

As the president's foreign affairs budget resembles his last three submissions, so, too, the congressional reaction is likely to mirror past years. Congress is once again primed to reject the administration's proposed cuts on a bipartisan and bicameral basis. Senator Patrick Leahy (D-VT), ranking member of the United States Senate Committee on Appropriations, left little doubt as to his attitude toward the request, calling it "a reckless and cynical budget proposal that is divorced from reality and, if implemented, would do more harm than good."³ Rep. Nita Lowey (D-NY), chairwoman of the United States House Committee on Appropriations, likewise referred to the president's budget as "a disastrous repeat of the misplaced priorities and callous cuts he has pursued unsuccessfully in past requests."⁴ Highlighting the bipartisan nature of the opposition to the Trump administration's proposed cuts, Rep. Michael McCaul (R-TX), ranking member of the United States House Committee on Foreign Affairs, said, "fully funding our foreign assistance programs will ultimately save taxpayer dollars, military resources and protect the homeland."⁵

If the interplay between the Trump administration and Congress is likely to play out as in past years, what makes the FY21 budgetary process different is the backdrop of the coronavirus pandemic. While much remains unknown at this point in time, it appears likely that the crisis will both increase the demand for international aid and, simultaneously, make the provision of such assistance more difficult. To be sure, any administration would have been overwhelmed by COVID-19, but President Trump's visceral aversion to U.S. aid appears even more out of step with the scale of the challenges the United States faces than it was before.

This report analyzes President Trump's FY21 foreign aid budget request for the Middle East and North Africa, comparing it to past requests and congressional appropriations and examining how Congress is likely to respond. While this report places special emphasis on democracy and governance aid, it also covers security, economic, and humanitarian assistance.

1. "President Trump's Third Foreign Affairs Budget: Democracy, Governance, and Human Rights in the Middle East and North Africa in FY20," Project on Middle East Democracy (POMED), June 2019, https://pomed.org/wp-content/uploads/2019/06/BudgetReport_FY20.pdf; "President Trump's Second Foreign Affairs Budget," POMED, June 2018, https://pomed.org/wp-content/uploads/2018/06/BudgetReportFY19_Digital.pdf; "The Foreign Affairs Budget: Democracy, Governance, and Human Rights in the Middle East and North Africa," POMED, July 2017, https://pomed.org/wp-content/uploads/2017/07/POMED_BudgetReport_FY18_FINAL.pdf

2. "Congressional Budget Justification Department of State Fiscal Year 2021, Appendix 2," U.S. Department of State, <https://www.state.gov/wp-content/uploads/2020/04/FY21-CBJ-Appendix-2-FINAL-2.pdf>

3. "Statement On President Trump's Budget Proposal," Senator Patrick Leahy of Vermont, February 10, 2020, https://www.leahy.senate.gov/press/statement_on-president-trumps-budget-proposal

4. "Lowey Statement on President Trump's FY2021 Budget Request," House Committee on Appropriations, February 10, 2020, <https://appropriations.house.gov/news/press-releases/lowey-statement-on-president-trump-s-fy2021-budget-request>

5. "Press Release: McCaul Statement on the Administration's FY 2021 Budget Request," House Foreign Affairs Committee minority, February 10, 2020, <https://gop-foreignaffairs.house.gov/press-release/mccaul-statement-on-the-administrations-fy2021-budget-request/>

KEY FINDINGS FOR THE MIDDLE EAST AND NORTH AFRICA (MENA):

- **While Trump’s FY21 request continues to propose more U.S. foreign aid—\$6.5 billion—for MENA than for any other region, he does not request a significant increase in funding for the Middle East—as he does for several other regions.** The president bolstered his requests for East Asia, Europe, and the Western Hemisphere by double digits (in percentage terms), but he actually requested a small decrease for MENA as compared to last year’s budget proposal.
- **The president’s budget request continues the trend of securitizing U.S. aid to MENA, while giving short shrift to democracy and governance programming.** The Trump administration’s \$5.46 billion proposal for security assistance accounts for 83.4 percent of the total request for MENA, while democracy assistance represents a mere 2.9 percent.
- **Consistent with the Trump administration’s relative lack of interest in promoting democracy and human rights abroad, the FY21 request seeks virtually the same amount of aid for Egypt as last year, despite the government’s continued abuses and its role in the death of a wrongfully imprisoned American.** The \$1.38 billion request includes the same \$1.3 billion in Foreign Military Financing (FMF) funding that Egypt has received since 1987.
- **President Trump continues the pattern of seeking severe cuts in aid to Tunisia, the lone democracy to emerge from the 2011 Arab uprisings.** While the \$83.8 million requested for Tunisia in FY21 is only \$2.6 million less than last year’s request, it would represent a glaring cut of 65.3 percent as compared to the FY20 level appropriated by Congress.
- **The FY21 request proposes zeroing out bilateral funding for the West Bank and Gaza, as part of the administration’s effort to coerce the Palestinians to negotiate with Israel on the basis of Trump’s “peace plan.”** The proposed \$35 million in bilateral assistance for the West Bank and Gaza requested in FY20—all International Narcotics Control and Law Enforcement (INCLE) funding—has been moved into a “Diplomatic Progress Fund” that the administration would administer with minimal oversight from Congress.
- **President Trump once again proposes slashing U.S. assistance to conflict countries, including Iraq and Syria, reflecting his belief that other countries should increase their share of the burden for reconstruction and development.** The FY21 request includes no bilateral aid to Syria for the second consecutive year, and seeks to cut funding for Iraq by 72.4 percent as compared to the FY20 appropriated level.

INTRODUCTION

In certain respects, the Fiscal Year (FY) 2021 foreign affairs budgetary process resembles that of the last several years. President Donald Trump is once again proposing deep cuts to U.S. international affairs spending. While the Trump administration's FY21 request of \$44.1 billion is slightly larger than its FY20 request (2.9 percent higher), it would nevertheless represent a 22.2 percent reduction from the \$56.6 billion approved by Congress for the international affairs budget in the FY20 Further Consolidated Appropriations Act.⁶ This proposed reduction is actually larger in percentage terms than what President Trump sought in FY20, a 21.3 percent haircut to foreign affairs accounts.⁷ Of government agencies, only the Environmental Protection Agency's budget would be cut by more than that of the State Department and U.S. Agency for International Development (USAID).⁸

Also, as in past years, the Trump administration is seeking to drastically slash funding for democracy and governance programs abroad. The proposed FY21 funding level for programming that falls within the Governing Justly and Democratically (GJD) objective—the category for democracy-related aid—would constitute a cut of 30.3 percent as compared to FY19 actual levels, the last year for which such data is available. In the president's budget, GJD-related programming would receive only 3.9 percent of total global assistance funding, underscoring

President Trump's indifference in U.S. democracy promotion.⁹

The other way in which the FY21 international affairs request is similar to the Trump administration's prior requests is that it will almost certainly be rejected by Congress on a bipartisan and bicameral basis. Last year, Congress responded to President Trump's proposal to slash international affairs spending by appropriating 32.2 percent more funding (nearly \$14 billion) than he requested.¹⁰ Based on initial congressional reactions, the FY21 request is dead in the water. Rep. Eliot Engel (D-NY), chairman of the House Committee on Foreign Affairs (HFAC), was particularly blunt, calling the request “a waste of the paper it's printed on” and predicting that “Congress will again reject this proposal in resounding bipartisan fashion.”¹¹ Rep. Hal Rogers (R-KY), ranking member of the House Appropriations Subcommittee on State, Foreign Operations, and Related Programs (HACFO), expressed a similar sentiment, though in more subdued language, saying the proposed cuts “would be handled in a similar manner” to prior years.¹²

If the president's budget request and the congressional response are similar to prior years, the context in which the FY21 U.S. international affairs budget is being deliberated is fundamentally different. The coronavirus pandemic will not just color every decision made by the administration and Congress, it

6. “Congressional Budget Justification Department of State, Fiscal Year 2021, Appendix 2,” U.S. Department of State, <https://www.state.gov/wp-content/uploads/2020/04/FY21-CBJ-Appendix-2-FINAL-2.pdf>; and U.S. Congress, House, *Further Consolidated Appropriations Act, 2020*, HR1865, 116th Cong., 1st sess., introduced in House on January 3, 2019, <https://www.congress.gov/116/bills/hr1865/BILLS-116hr1865enr.pdf>

7. Andrew Miller, Seth Binder, and Louisa Keeler, “President Trump's Third Foreign Affairs Budget: Democracy, Governance, and Human Rights In the Middle East and North Africa in FY20,” POMED, June 2019, https://pomed.org/wp-content/uploads/2019/06/BudgetReport_FY20.pdf

8. “Out of Touch with America's Interests: International Affairs Programs Slashed for Fourth Straight Year Despite Growing Global Crises,” U.S. Global Leadership Coalition, February 10, 2020, https://www.usglc.org/media/2020/02/USGLC-FY21-Budget-Analysis_web.pdf

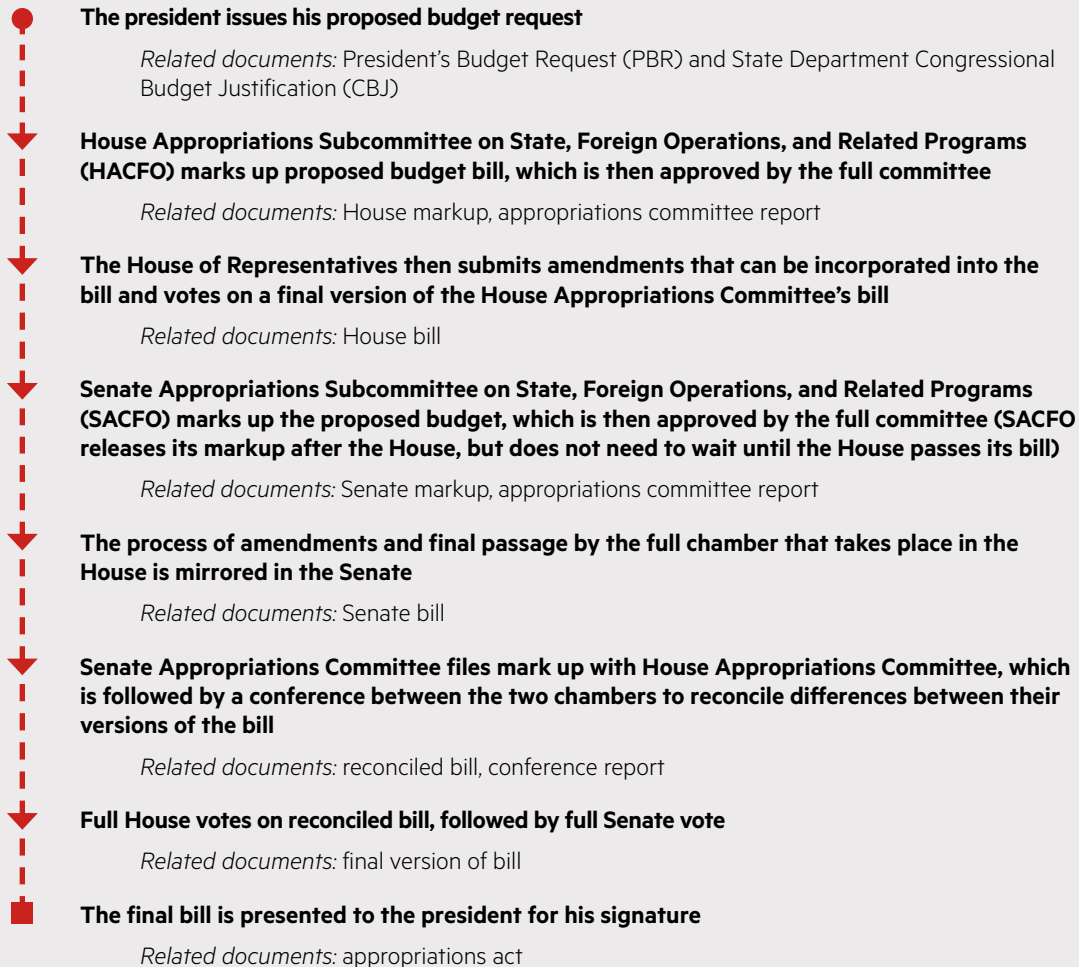
9. “Congressional Budget Justification 2021.”

10. *Further Consolidated Appropriations Act, 2020*, HR1865.

11. “Engel Blasts Trump Proposal To Slash Diplomacy And Development Budget,” U.S. Representative Eliot Engel, February 10, 2020, <https://engel.house.gov/latest-news/engel-blasts-trump-proposal-to-slash-diplomacy-and-development-budget/>

12. Adva Saldinger, “US lawmakers reject budget cuts, question USAID policy,” Devex, March 4, 2020, <https://www.devex.com/news/us-lawmakers-reject-budget-cuts-question-usaid-policy-96689>

FOREIGN AFFAIRS BUDGET PROCESS*



* In the last ten years, political disagreements over budget priorities have resulted in legislators not following the normal appropriations process. In particular, the reliance on omnibus spending packages, in lieu of department-specific appropriations, has changed the sequencing of these steps.

will have critical and direct implications for how much and what kind of aid the United States seeks to provide, as well as for the ability of the U.S. government to provide that assistance.

Two likely consequences stand out. First, the demand for aid from the United States and other international donors is likely to grow.

The COVID-19 pandemic's twin blows—the health emergency and associated economic crisis—have the potential to shake governments and societies to their cores. Health systems will require supplies, additional financing, and expertise, as even the most developed countries struggle with an influx of patients, many of whom are in critical condition.¹³ Financial

13. Nahal Toosi, "US cast as culprit in global scrum over coronavirus supplies," Politico, April 4, 2020, <https://www.politico.eu/article/coronavirus-united-states-cast-as-culprit-in-global-scrum-over-supplies/>

and social services also will need help to cope with precipitous declines in economic activity, rising unemployment rates, and severe supply disruptions.¹⁴

Second, COVID-19 could reduce the capacity of international donors, including the U.S. government, to meet the rising demand for foreign aid. With countries focused first on addressing the domestic dimensions of the pandemic, it is unclear how much additional funding will be made available to support those abroad who are in even greater need. Both administration officials and congressional staffers interviewed for this report have said that the U.S. government's current priority is getting a handle on COVID-19 within the borders of the United States.¹⁵

While Congress has appropriated an additional \$2.4 billion in supplemental foreign aid in response to the pandemic, this represents a small fraction of COVID-19 emergency spending and is woefully insufficient to support a global response to the coronavirus.¹⁶ Yet, it will be hard to persuade the Trump administration and members of Congress to increase international affairs spending, as unemployment rates in the United States reach their highest levels since the Great Depression. A congressional staffer interviewed for this report indicated that there is not enough room under the budget caps on discretionary spending, which are supposed to expire after this year, to fund a comprehensive response to COVID-19.¹⁷ Instead, the funding for domestic and international COVID relief will have to continue to come from supplemental bills, which have been difficult to negotiate with the Trump administration.

Even should Congress and the executive branch come together to increase U.S. foreign aid—judging by President Trump's punitive withdrawal of financial support from the World Health Organization, that seems unlikely—the movement restrictions necessitated by COVID-19 will make it more difficult for the State Department and USAID to administer this funding responsibly.¹⁸ Prohibitions on international travel militate against effective aid program oversight, while lockdowns in host countries impede U.S. diplomats in the field from managing projects. As one congressional staffer interviewed for this report warned, in the absence of oversight there could be a lot of wasteful projects that recall the days of the Coalition Provisional Authority in Iraq, which was notorious for its profligate spending patterns.¹⁹

If a report that focuses on foreign aid to the Middle East and North Africa (MENA), and democracy and governance assistance in particular, seems irrelevant amid a global pandemic, it is not. Not only is the progress of democracy abroad important in and of itself, there is reason to believe that transparent, accountable governments are both more responsive to the health and economic concerns of their publics and better partners to other governments in managing a crisis that transcends borders. As USAID has argued, "The COVID-19 pandemic starkly illustrates the linkage between public health outcomes and democracy, human rights, and governance (DRG)."²⁰

It may not be a coincidence that the two countries in the MENA region rated "free" by Freedom House (Tunisia and Israel) appear to be handling the coronavirus crisis fairly well.²¹

14. Maria Nicola, Zaid Alsafi, Catrin Sohrabi, Ahmed Kerwan, Ahmed Al-Jabir, Christos Iosifidis, Maliha Agha, and Riaz Aghaf, "The Socio-Economic Implications of the Coronavirus and COVID-19 Pandemic: A Review," *International Journal of Surgery*, April 17, 2020, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7162753/>

15. POMED interviews with congressional staffers and administration officials, March–May 2020.

16. International Affairs Budget, Foreign Policy For America, <https://www.fp4america.org/international-affairs-budget>

17. POMED interview with congressional staffer, May 2020.

18. "COVID-19: Democracy, Human Rights, and Governance Issues and Potential USAID Responses," USAID, April 2020, https://www.usaid.gov/sites/default/files/documents/1866/COVID_USAID-DRG-Issues-and-Potential-Responses.pdf

19. POMED interview with congressional staffer, March 2020.

20. "COVID-19: Democracy, Human Rights, and Governance Issues and Potential USAID Responses," United States Agency for International Development.

21. "Freedom in the World 2020," Freedom House, March 4, 2020, <https://freedomhouse.org/report/freedom-world/2020/leaderless-struggle-democracy>

Despite the Trump administration's general indifference to promoting democracy abroad, it is hard not to read Secretary of State Michael Pompeo's criticism of China for failing to operate in an "open, transparent, and efficient way" regarding COVID-19 as an implicit recognition that the United States has a direct stake in the levels of freedom around the world.²²

THERE IS REASON TO BELIEVE THAT TRANSPARENT, ACCOUNTABLE GOVERNMENTS ARE BOTH MORE RESPONSIVE TO THE HEALTH AND ECONOMIC CONCERNS OF THEIR PUBLICS AND BETTER PARTNERS TO OTHER GOVERNMENTS IN MANAGING A CRISIS THAT TRANSCENDS BORDERS.

Notwithstanding the new circumstances created by COVID-19, President Trump's FY21 request provides important insight into his administration's thinking. Comparing requests year-on-year can help to identify changes in the administration's priorities over time. Comparisons between the president's request and congressional appropriations, moreover, highlight

important policy differences between the executive and legislative branches.

This report describes the portion of President Trump's FY21 international affairs budget request that pertains to security and economic assistance for the MENA region. Regarding security assistance, the report focuses on Foreign Military Financing (FMF), International Military Education and Training (IMET), International Narcotics Control and Law Enforcement (INCLE), and Nonproliferation, Anti-Terrorism, Demining, and Related Programs (NADR). For economic assistance, we discuss the Economic Support Fund (ESF) for MENA (which includes aid both for economic development and for governance, human rights, and democracy building), and to a lesser degree, international disaster assistance (IDA) and migration and refugee assistance (MRA).

The information and analysis presented here is drawn from a variety of sources, including analysis of all relevant budget documents and legislation; interviews with current and former executive branch officials and congressional staff; and discussions with a wide range of other relevant actors, such as regional experts and representatives of development and democracy-promotion organizations involved with U.S. aid to the region. The following sections provide an in-depth analysis of the trajectory of U.S. foreign assistance in MENA in recent years, with an emphasis on U.S. aid to support human rights and democracy.

22. Humeyra Pamuk and David Brunnstrom, "In apparent swipe at China, Pompeo calls for transparency in coronavirus fight," Reuters, April 7, 2020, <https://www.reuters.com/article/us-health-coronavirus-usa-pompeo/in-apparent-swipe-at-china-pompeo-calls-for-transparency-in-coronavirus-fight-idUSKBN21P2AY>

THE BIG PICTURE: U.S. ASSISTANCE FOR THE MIDDLE EAST AND NORTH AFRICA

President Trump's FY21 request of \$6.5 billion in total aid to the MENA region is virtually identical to FY20 (\$6.6 billion).²³ While it may appear that the region has made out relatively well, this request is more than \$1.3 billion less than what was actually spent on the Middle East and North Africa in FY19, which would amount to a cut of 16.7 percent.²⁴ Moreover, the administration's decision not to request additional funding for MENA compared to last year's request stands in stark contrast to the significant increases proposed for several other regions, including East Asia, Europe, and the Western Hemisphere. MENA would receive more funding than any other region under the FY21 request, but the trend lines are pointing away from the administration's earlier proposals, which sought major cuts for countries outside of the Middle East and North Africa.

The top-line proposal for MENA, which includes massive requests for Israel, Jordan, and Egypt (legacies of the Arab-Israeli peace process), continues to obscure the significant reductions proposed for other regional countries. These three countries, which the Trump administration has continued to support at traditional levels, account for 91 percent of the total FY21 aid request for MENA. When these countries are excluded from the totals, President Trump's FY21 request for the region comes in at 5.2 percent lower than the FY20 request. Compared to what was actually spent on these same countries in FY19, the administration's proposal of \$590.4 million for these countries would amount to a whopping 63.5 percent cut.²⁵ It is clear that the president's aid commitment to MENA does not extend beyond Israel and the two countries that have made formal peace treaties with it, reflecting the underlying domestic political motivation for his assistance requests.

President Trump's FY21 request would also continue the securitization of U.S. aid to MENA. Of the \$6.5 billion slated for the region, 83.4 percent (\$5.5 billion) is requested for the Peace and Security objective—the category for military and security aid. This is a higher percentage than both what the administration sought in FY20 (80.9 percent) and what was actually spent in FY19 (73 percent). Under the president's budget proposal, the MENA region would receive 77.3 percent of global Peace and Security funding. (Put another way, Israel, Egypt, and Jordan alone would get 90.5 percent of the funding requested for the entire FMF account in the FY21 request.)²⁶

In contrast, the Trump administration continues to seek major reductions in funding for democracy and governance in the region. President Trump's FY21 request for GJD funding for MENA is 3.5 percent less than what he proposed in FY20. Compared to what was actually spent in FY19, the FY21 request would constitute a 43.3 percent cut. It should be noted that the proposed cut in GJD funding for MENA is higher in percentage terms than what was proposed for GJD funding globally, revealing that an administration that is generally uninterested in democracy promotion is especially averse to it in the Middle East and North Africa. Total GJD funding in the FY21 request would amount to a paltry 2.9 percent of total aid proposed for the region.²⁷

Security aid has long dominated U.S. assistance to MENA, even at the height of the Arab Spring. While this imbalance is not of the Trump administration's making, it is indisputable that it is exacerbating this pathology by elevating it to new levels. The securitization of U.S. aid to the Middle East appears even more ill-advised amid the coronavirus crisis. While security threats

23. "Congressional Budget Justification Department of State, Fiscal Year 2021, Appendix 2," U.S. Department of State, <https://www.state.gov/wp-content/uploads/2020/04/FY21-CBJ-Appendix-2-FINAL-2.pdf>

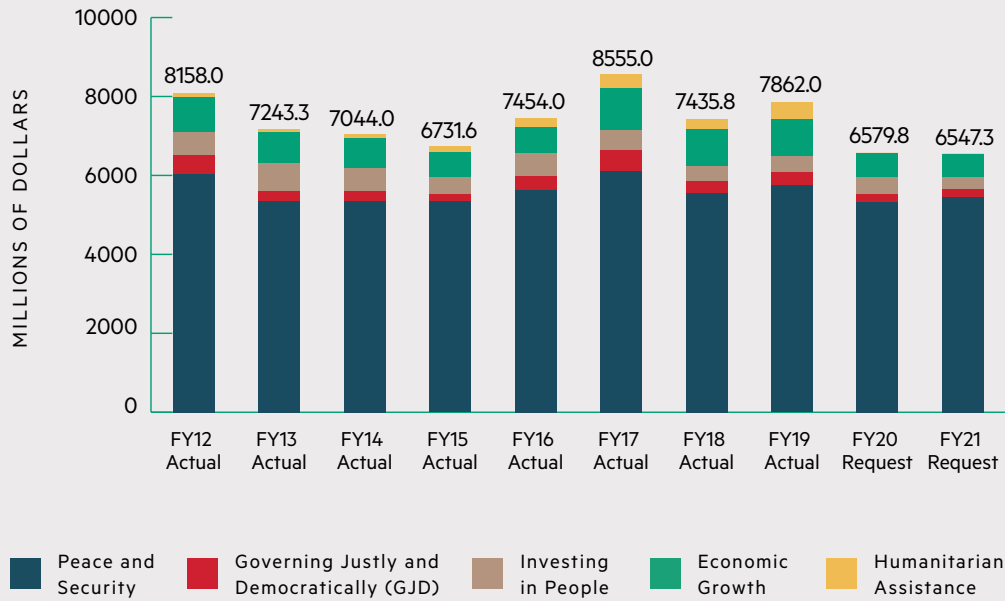
24. *Ibid.*

25. *Ibid.*

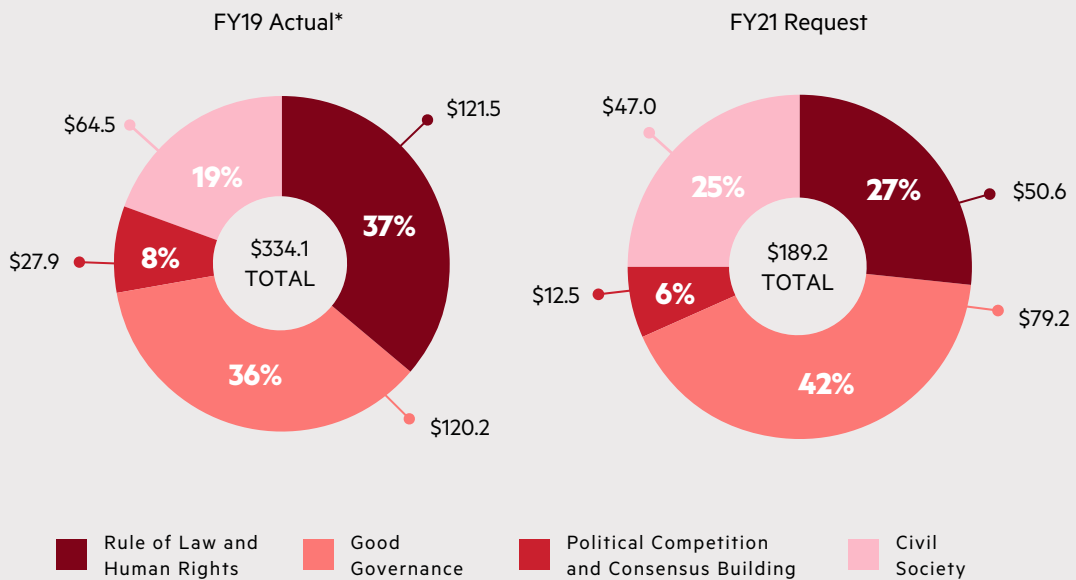
26. *Ibid.*

27. *Ibid.*

MENA TOTAL ASSISTANCE BY OBJECTIVE in millions of dollars

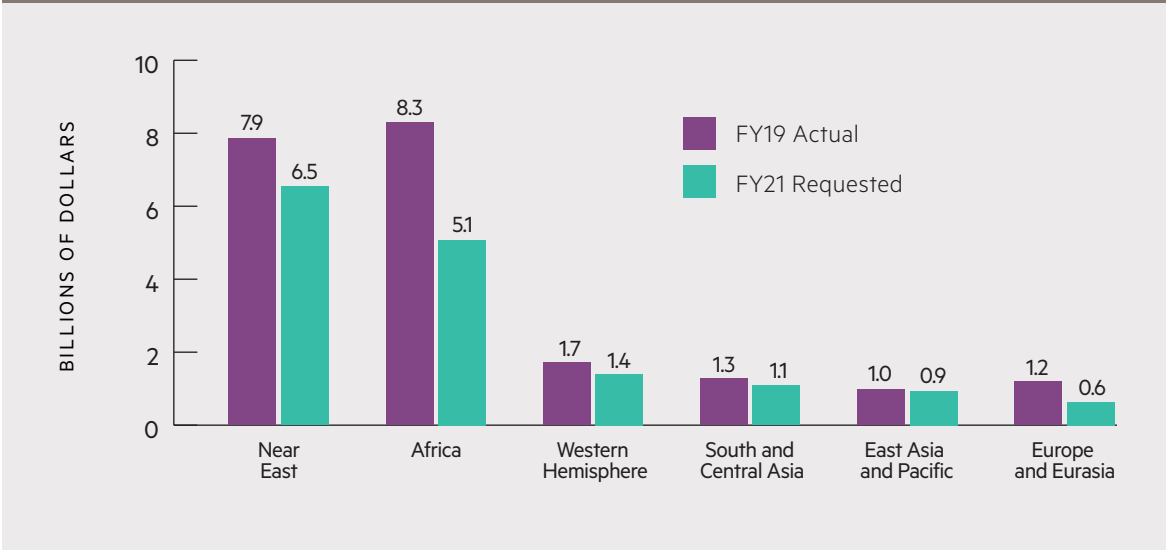


MENA GJD REQUEST BY SUB-OBJECTIVE in millions of dollars

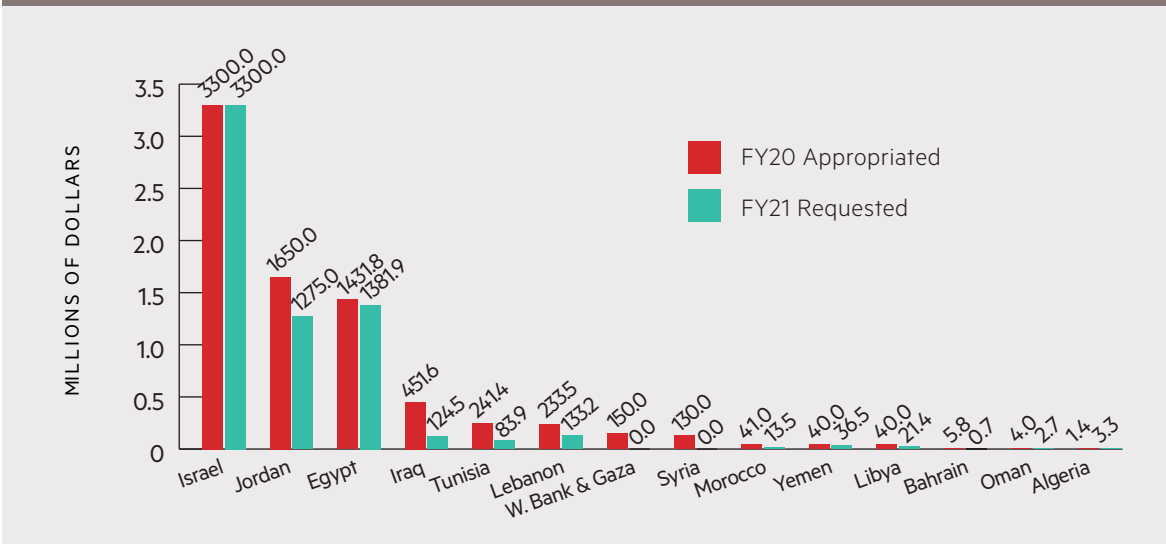


*Actual refers to the level of funding the administration obligated for that fiscal year.

TOTAL BILATERAL ASSISTANCE BY REGION in billions of dollars



TOTAL BILATERAL ASSISTANCE BY MENA COUNTRY in millions of dollars



have not disappeared from the region, the biggest challenges to the people and societies of MENA are in the governance, economic, and health sectors. Indeed, according to one USAID-supported study from 2018, MENA

governments had among the world's lowest levels of public expenditure on health.²⁸ Yet, the Trump administration has only provided \$114.1 million in emergency relief to the region since the outbreak of the pandemic.²⁹

28. Erin Collinson and Jocelyn Estes, "Cutting Aid is Still A Big Deal: Why We Should Pay Attention to the FY21 Budget Request," Center for Global Development, February 18, 2020, <https://www.cgdev.org/blog/cutting-aid-still-big-deal-why-we-should-pay-attention-fy21-budget-request>

29. "Update: The United States Is Continuing To Lead the Response to COVID-19," U.S. Department of State Office of The Spokesperson, May 1, 2020, <https://www.state.gov/update-the-united-states-is-continuing-to-lead-the-response-to-covid-19/>

The following sections describe a number of changes proposed in the Trump administration's FY21 request for MENA that could have a significant effect on U.S. assistance, including on military and democracy aid to the region.

ECONOMIC SUPPORT AND DEVELOPMENT FUND (ESDF)

For the fourth year in a row, the Trump administration has proposed consolidating the Economic Support Fund (ESF); Development Assistance (DA); Democracy Fund (DF); and Assistance for Europe, Eurasia, and Central Asia (AEECA) accounts into a single Economic Support and Development Fund (ESDF). According to the State Department's Congressional Budget Justification (CBJ), the proposed consolidation would help "[streamline] accounts and [prioritize] foreign assistance to better advance U.S. interests, target the challenges of a new era of great power competition, and support reliable strategic and diplomatic partners."³⁰ But, as in the three previous years, the effort to consolidate these accounts will almost certainly be rejected by appropriators. Members of Congress fear that, by combining distinct accounts into a single fund, they will be granting the administration more discretion to de-fund areas it deems less important but that Congress continues to prioritize, such as democracy and governance programming.³¹ This concern is heightened by the fact that the president's total request for ESDF in FY21—\$5.9 billion—is \$1.6 billion less

than the \$7.5 billion Congress appropriated for its constituent accounts in FY20.³²

FOREIGN MILITARY FINANCING LOANS VS. GRANTS

Although Congress has repeatedly rejected the proposal, the State Department has once again asked for a broad \$8 billion authority to provide loans to sell arms to foreign countries, reportedly in order to "make American-made defense systems more competitive."³³ This is a somewhat curious justification for the loan authority, given that the United States is already the world's largest arms exporter—with more than one-third of those arms going to countries in the Middle East and North Africa³⁴—and has actually increased its share of global arms exports by 23 percent over the last four years.³⁵

The FY21 CBJ mentions, for the second consecutive year, Tunisia's specific request for an FMF loan to finance the procurement of light-attack aircraft, though the request this time is for \$350 million, instead of \$500 million. Congress received an official Foreign Military Sale notification for this proposed purchase in February, shortly after the release of the CBJ.³⁶ However, the Department of State acknowledges it still has not identified any other additional partners that might be interested in the program.

As in the past two years but in contrast to its FY18 proposal, the administration is not seeking

30. "Congressional Budget Justification 2021."

31. Andrew Miller, Seth Binder, and Louisa Keeler, "President Trump's Third Foreign Affairs Budget: Democracy, Governance, and Human Rights In the Middle East and North Africa in FY20," POMED, June 2019, https://pomed.org/wp-content/uploads/2019/06/BudgetReport_FY20.pdf; and Andrew Miller and Todd Ruffner, "President Trump's Second Foreign Affairs Budget Democracy, Governance, and Human Rights In the Middle East and North Africa in FY19," POMED, June 2018, https://pomed.org/wp-content/uploads/2018/06/BudgetReportFY19_Digital.pdf

32. "Congressional Budget Justification 2021" and U.S. Congress, *Further Consolidated Appropriations Act, 2020*, HR1865, 116th Cong., 1st sess., introduced in House on January 3, 2019, <https://www.congress.gov/116/bills/hr1865/BILLS-116hr1865enr.pdf>

33. "Congressional Budget Justification Department of State, Fiscal Year 2021, Appendix 2," U.S. Department of State, <https://www.state.gov/wp-content/uploads/2020/04/FY21-CBJ-Appendix-2-FINAL-2.pdf>

34. "Arms Sales Pivot Table: Middle East and North Africa from 2015 to 2019," Security Assistance Monitor, accessed May 25, 2020, <http://securityassistance.org/data/country/arms/country/2015/2019//Middle%20East%20and%20North%20Africa//all>

35. Aude Fleurant, Pieter D. Wezeman, Siemon T. Wezeman, Diego Lopes Da Silva, Nan Tian, and Alexandra Kuimova, "Trends in International Arms Transfer 2019," Stockholm International Peace Research Institute, March 2020, https://www.sipri.org/sites/default/files/2020-03/fs_2003_at_2019_0.pdf

36. "Tunisia – AT-6 Light Attack Aircraft," Defense Security Cooperation Agency, February 26, 2020, <https://dscs.mil/major-arms-sales/tunisia-6-light-attack-aircraft>

to replace FMF grants with loans. Instead, it views FMF loans as complementary to the grant program. A congressional staffer interviewed for this report indicated that Congress is highly unlikely to grant the administration's request for at least three reasons.³⁷

First, notwithstanding the administration's claim that it does not view FMF loans as a replacement for grants, the FY21 request would cut FMF grants to the Middle East and North Africa (excluding Israel, Egypt, and Jordan) by 80 percent (\$367 million) compared to the FY20 appropriation, including eliminating Iraq's \$250 FMF package and reducing Tunisia's by more than half. Second, with the downturn in the global economy, appropriators worry that introducing FMF loans would burden countries with increased debt loads for military equipment that the U.S. government could otherwise finance through grant assistance. And finally, the administration has failed to provide a persuasive argument for how it would avoid the failures of the 1980s, when the loan program led to \$26.4 billion in outstanding payments for which the U.S. government ultimately assumed responsibility, in the process wrecking the credit ratings of the recipients.³⁸

DEPARTMENT OF DEFENSE

While this report focuses on the provision of assistance administered by the Department of State and USAID, the Department of Defense (DOD) continues to provide significant foreign aid funding for partner militaries. The administration's FY21 request for DOD aid accounts (\$7.6 billion)³⁹ includes—in addition

to smaller training programs—\$845 million alone for the Counter-Islamic State of Iraq and Syria Train and Equip Fund and the Section 333 program, the Pentagon's main train-and-equip authority.⁴⁰

Importantly, this year's request is a 17 percent reduction from the FY20 request (\$9.2 billion) and a 24 percent reduction from the FY19 request (\$10 billion). The FY21 request designates \$5.5 billion for the U.S. Central Command—73 percent of which is for Afghanistan's security forces—and \$22.7 million for U.S. Africa Command.⁴¹ According to officials interviewed for this report, proposed Section 333 funding for the Middle East and North Africa will continue to support Jordan's and Lebanon's border security; Bahrain's maritime security; Oman's border and maritime security; Morocco's border security and special operations forces; and Tunisia's intelligence, surveillance, and reconnaissance (ISR) and air-to-ground integration.⁴²

Unfortunately, the FY21 request, as in previous years, neither indicates which countries will be receiving assistance or how much they will be receiving, nor provides a narrative justification for DOD's proposal. In a new development, DOD's request also includes more than \$1 billion for a National Defense Strategy Implementation account that further obfuscates how the aid would be spent. In the absence of such detailed information, both congressional appropriators and civil society monitors of U.S. security assistance are left in the dark regarding the intent behind the administration's request. But, as has been the case for decades, Congress is still likely to approve the Pentagon's request.

37. POMED interview with congressional staffer, May 2020.

38. "Foreign Military Sales Debt Refinancing," United States General Accounting Office, August 16, 1989, <https://www.gao.gov/assets/220/211598.pdf>

39. "Fiscal Year (FY) 2021 President's Budget Justification for Security Cooperation Program and Activity Funding," Office of the Secretary of Defense, April 2020, https://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2021/fy2021_Security_Cooperation_Book_FINAL.pdf

40. "Justification for FY 2021 Overseas Contingency Operations (OCO) Counter Islamic State of Iraq and Syria (ISIS) and Train and Equip Fund (CTEF)," Secretary of Defense, February 2020, https://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2021/fy2021_CTEF_J-Book.pdf

41. The countries under the State Department's Near Eastern Affairs Bureau purview are divided between the Department of Defense's Central Command and Africa Command, which is why data for U.S. Africa Command have been included.

42. POMED interview with Department of Defense officials, May 2020.

MAJOR INITIATIVES: MULTI-COUNTRY ACCOUNTS AND PROGRAMS

RELIGIOUS AND ETHNIC MINORITIES

The Trump administration, led by Vice President Mike Pence, first elevated religious and ethnic minority (REM) programming as a major funding priority during the Ministerial to Advance Religious Freedom in July 2017. Since then, the administration has touted its provision of nearly \$373 million in funds for REM programs in just Iraq alone.⁴³ For FY21, the administration requested \$150 million in funding for such programming, half of which is for the Middle East and North Africa—including \$30 million from State’s NEA Regional account for “essential services...psychosocial support and other health needs, and promoting tolerance and community building,” and \$45 million from USAID’s Middle East Regional account “aimed at preventing or responding to persecution, repression, and/or discrimination.”⁴⁴

Congress has been relatively supportive of the administration’s attention to religious and ethnic minorities in MENA, although unwilling to earmark funds at the same level at which the administration has been allocating funding for REM programming. In the FY20 Further Consolidated Appropriations Act, for example, Congress earmarked at least \$10 million in ESF for religious and ethnic minorities in Iraq and Syria, along with another \$10 million from the Democracy Fund for international religious freedom programming.

Reports have indicated, however, that the vice president is politicizing REM programming. One former USAID official said that Pence’s office and political appointees at USAID had “a very ideological focus on Christians.” Indeed,

an internal USAID email warned colleagues that there was pressure from the administration to shift funding for REM programs towards Christian minorities, despite the existence of other vulnerable minorities in the region.⁴⁵ In interviews for this report, congressional staffers and representatives of democracy-promotion organizations raised concerns that the administration’s singular focus on the Christian community in the region was not only leading to underfunding for other groups, but also was making Christians a higher priority target for extremist groups.⁴⁶

While continuing REM programming is undoubtedly a worthwhile initiative, the administration’s apparent overemphasis on Christian minorities risks marginalizing other minorities who also need U.S. support, such as Sunni Iraqis who are trying to recover from the damage caused by Islamic State rule. If the administration is genuinely committed to minorities, it should refrain from picking favorites, whether for political or theological reasons.

WOMEN’S GLOBAL DEVELOPMENT AND PROSPERITY INITIATIVE

The Women’s Global Development and Prosperity (W-GDP) Initiative is a program created by Ivanka Trump, the president’s daughter and advisor, in 2019. Its *raison d’être* is “[to enhance] opportunities for women to participate meaningfully in the economy and advance both prosperity and national security.” The initiative—which has already allocated more than \$200 million for programming—is focused on three pillars: Women Prospering

43. “U.S. Agency for International Development Announcements for the 2019 Ministerial to Advance Religious Freedom Fact Sheet,” U.S. Agency for International Development, July 19, 2019, <https://www.usaid.gov/news-information/press-releases/jul-19-2019-usaid-announcements-2019-ministerial-advance-religious-freedom>

44. “Congressional Budget Justification Department of State, Fiscal Year 2021, Appendix 2,” U.S. Department of State, <https://www.state.gov/wp-content/uploads/2020/04/FY21-CBJ-Appendix-2-FINAL-2.pdf>

45. Yeganeh Torbati, “How Mike Pence’s Office Meddled in Foreign Aid to Reroute Money to Favored Christian Groups,” ProPublica, November 6, 2019, <https://www.propublica.org/article/how-mike-pences-office-meddled-in-foreign-aid-to-reroute-money-to-favored-christian-groups>

46. POMED interviews with congressional staffers and representatives of democracy-promotion organizations, March–April 2020.

in the Workforce; Women Succeeding as Entrepreneurs; and Women Enabled in the Economy. For FY21, the administration has requested \$200 million for W-GDP, double the amount earmarked in the FY20 Further Consolidated Appropriations Act.⁴⁷

According to one U.S. official, funding for the W-GDP Initiative in the MENA region has supported women and girls facing domestic violence in Egypt, and combating forced marriages in Morocco.⁴⁸ The U.S. government's International Development Finance Corporation also notes that W-GDP has supported a fund that invests in healthcare for women and girls in Egypt.⁴⁹

The initiative has received bipartisan support in Congress. In addition to the \$100 million earmarked for the initiative in FY20, Senators Lindsey Graham (R-SC) and Jeanne Shaheen

(D-NH) and Representatives Lois Frankel (D-FL) and Michael McCaul (R-TX) sponsored legislation earlier this year to establish the Women's Global Development and Prosperity Act that would "push women and women's issues to the forefront of U.S. foreign policy."⁵⁰ Among other things, the bill would earmark \$200 million for W-GDP programming for FY21 and each year thereafter through FY25.⁵¹

While the W-GDP program can and should continue to provide important assistance to women and girls in the region, the administration should also use this initiative as a way to push for important reforms on gender issues throughout the region, such as supporting women who are jailed for speaking out about sexual harassment⁵² or charged with "debauchery" for engaging in free expression.⁵³ After all, the program's stated goal is to advance national security through support for women.

47. "Congressional Budget Justification Department of State, Fiscal Year 2021, Appendix 2," U.S. Department of State, <https://www.state.gov/wp-content/uploads/2020/04/FY21-CBJ-Appendix-2-FINAL-2.pdf>

48. POMED interview with Department of State official, March 2020.

49. "W-GDP Initiative Reaches 12 Million Women During Inaugural Year," February 12, 2020, <https://www.dfc.gov/media/press-releases/w-gdp-initiative-reaches-12-million-women-during-inaugural-year>

50. "McCaul, Wagner, Houlahan, Frankel Introduce W-GDP Act to Empower Women Globally," Congressman Michael McCaul, March 9, 2020. <https://mccaul.house.gov/media-center/press-releases/mccaul-wagner-houlahan-frankel-introduce-w-gdp-act-to-empower-women>

51. U.S. Congress, *Women's Global Empowerment, Development and Prosperity Act of 2020*, S.3301, 116th Cong., 2nd sess., introduced in the Senate on February 13, 2020, <https://www.congress.gov/bill/116th-congress/senate-bill/3301/>

52. Siobhán O'Grady, "Woman who criticized Egypt's handling of sexual harassment jailed for spreading 'false news,'" *Washington Post*, September 29, 2018, <https://www.washingtonpost.com/world/2018/09/29/an-egyptian-woman-said-she-was-sexually-harassed-now-shes-been-sentenced-prison/>

53. Ban Barkawi, "Calls in Egypt for censored social media after arrests of TikTok star, belly dancer," Reuters, April 28, 2020, <https://www.reuters.com/article/us-egypt-women-social-media-trfn/calls-in-egypt-for-censored-social-media-after-arrests-of-tiktok-star-belly-dancer-idUSKCN22A2ZY>

MIDDLE EAST PARTNERSHIP INITIATIVE snapshot

FY21 REQUEST in thousands of dollars	
ACCOUNT	
ESDF	\$14,500
TOTAL	\$14,500

FY20 APPROPRIATION in thousands of dollars	
ACCOUNT	
ESF	\$50,000
<i>Earmark - scholarship programs</i>	\$20,000
TOTAL	\$50,000

MEPI FUNDS: REQUESTED VS. APPROPRIATED, FY12-21



WHAT IS MEPI?

- The Middle East Partnership Initiative (MEPI) is an ESF-funded State Department regional assistance program established in 2002 as part of the George W. Bush administration’s “Freedom Agenda.” The Bush administration envisioned MEPI as a forward-leaning, reform-oriented supplement to the more traditional, government-to-government development approach of USAID. It gave MEPI a policy mandate to build partnerships with citizens and to pursue edgier democracy-promotion projects, including support for independent civil society groups, even over the objections of regional governments.¹
- This mandate weakened during the later years of the Obama administration (and has basically disappeared during the Trump administration), leading MEPI to adopt a more cautious approach. Originally a stand-alone office in the Bureau of Near Eastern Affairs (NEA), in 2014 MEPI was subsumed into a new Office of Assistance Coordination (NEA/AC).
- Today, MEPI’s website describes its mission as “fostering partnerships among citizens, civil society, the private sector, and government institutions to generate shared solutions that promote stability and prosperity in the Middle East and North Africa.”²

MIDDLE EAST PARTNERSHIP INITIATIVE

- MEPI funds U.S. organizations to implement country-focused, multi-country, and regional programs and makes small grants to indigenous civil society initiatives. MEPI also manages three longstanding U.S. scholarship programs in MENA.³
- MEPI's work in MENA is distinctive from USAID in at least two main ways. First, unlike USAID, MEPI does not have country missions or operate through bilateral agreements with host governments. MEPI is active in countries without a USAID mission, such as Algeria and Kuwait. (MEPI also works in places with a USAID presence, such as Tunisia and Morocco.⁴) Second, MEPI works only on two core objectives: “participatory governance” and “economic opportunity.” It does not fund humanitarian relief, health, agriculture, basic education, or other traditional development programs.⁵
- Over the past 15 years, MEPI's annual congressional appropriation has averaged nearly \$58 million.⁶ According to the Congressional Research Service, Congress has allocated about \$1.1 billion to MEPI since its inception.⁷



POLICY CONTEXT

- Despite skepticism from some career State officials who saw it as an irritant, MEPI has supported envelope-pushing projects in democracy-building, education, and civil society, especially in the years leading up to the 2011 Arab uprisings. MEPI funded Egyptian democracy groups over the Mubarak regime's displeasure, engaged with democracy activists across the region, and was one of the few donors to work with independent Tunisian civil society organizations during the Zine el-Abidine Ben Ali dictatorship.
- As the United States has lost interest in Arab reform and has pulled back from MENA democracy promotion, however, executive branch support for MEPI has dissipated. To demonstrate its value in a Trump administration skeptical of most foreign assistance, MEPI emphasizes an evidence-based approach; “intellectual risk-taking” through experimental programs that USAID can scale up; public-private partnerships and private-sector involvement in governance; a unique ability to implement regional programs; and efficiency and flexibility.⁸
- In this challenging political environment in the United States and in MENA, MEPI has become more cautious. For example, whereas previously MEPI touted its support of “democratic reform” and “change,” its website today mentions “stability.” MEPI no longer implements governance or economic projects in Egypt, previously one of MEPI's priority countries, or funds any projects in the region with a primary focus on human rights.⁹
- Yet, some of MEPI's flagship activities have continued, albeit reportedly with less interest from State Department leadership. An employee of a U.S. democracy-promotion organization remarked to POMED that MEPI “feels much less significant these days.” But this person also described working with MEPI as “a refreshing change” from USAID, owing to its “focus on innovation, finding efficiencies, and learning.”¹⁰

MIDDLE EAST PARTNERSHIP INITIATIVE



FY21 REQUEST

- For FY21, the Trump administration has requested \$14.5 million in ESDF for MEPI, the same amount as in FY20 (which was the lowest request in MEPI's history). By comparison, the Obama administration's smallest request for MEPI was \$60 million, for FY17; the peak request was the Bush administration's FY05 request of \$150 million.
- Reflecting MEPI's greater emphasis on regime-led economic and governance initiatives, the FY21 Congressional Budget Justification (CBJ) states, "MEPI engagements will focus on regional initiatives that advance economic opportunities for women and youth in emerging markets and increase transparency in host government actions.... MEPI will encourage efforts by MENA governments to design and implement economic reforms that improve the investment climate and promote greater private sector opportunity and growth."¹¹
- For FY21, the administration has proposed placing MEPI, along with several other regional funds—the Near East Regional Democracy Program (NERD) and the Religious and Ethnic Minorities Fund (REM)—under a single "State NEA Regional" account, for which it has requested a total of \$84.5 million.¹² According to a State Department official, the purpose of creating this account is to align the operational management of NEA's regional assistance programs with how other regional bureaus manage their regional funds.¹³



FY20 APPROPRIATION

- In FY20, Congress rejected the administration's proposed cut, directing \$50 million for MEPI in the FY20 Further Consolidated Appropriations Act, the same level as in FY19.¹⁴ The \$50 million appropriation represented a 245 percent increase over the administration's FY20 request of \$14.5 million.
- As in past years, MEPI's FY20 appropriation was earmarked in the Committee report, not in the text of the FY20 Appropriations Act, signifying the program's relatively soft support in Congress. Also similar to past years, the report language included a \$20 million earmark for "the MEPI Scholarship Program."¹⁵



HOW AID IS SPENT

- Twenty million—40 percent—of MEPI's current appropriation is used for its scholarship/leadership programs.
- MEPI's other current activities include regional public opinion polling; projects to advance the Open Government Partnership (OGP), a global transparency initiative begun under the Obama administration; increasing the credibility of political parties; civil society professionalization; promoting women's participation in decision-making and other women's economic empowerment initiatives; and support for emerging markets that engage untapped beneficiaries and resources such as fintech.¹⁶
- MEPI's present geographic priorities include regional projects as well as Algeria and Tunisia (with a focus on participatory-governance projects).¹⁷

MIDDLE EAST PARTNERSHIP INITIATIVE



EXPECTATIONS FOR FY21 APPROPRIATION

- One congressional staffer interviewed for this report expressed some sympathy for MEPI, stating that “they are doing the best they can to keep the lights on” during the Trump administration. But this person also complained that “we don’t see MEPI as forward-leaning...it is unclear how it is distinct from USAID. It is not doing much in the governance space and we see little evidence of its claimed support for civil society.”¹⁸
- A staffer warned that some in Congress are “trying to kill MEPI, in particular the scholarships earmark.”¹⁹ Other staffers appeared more sanguine about MEPI’s funding prospects, with one predicting that congressional “inertia” will forestall major changes²⁰ and another commenting that at present “MEPI is not a major issue on the Hill.”²¹
- A different congressional source told POMED that the administration’s proposal for the NEA Regional Fund is a “nonstarter” because it would enable the administration to move funds among programs without congressional notification. This person expected Congress to continue to appropriate separate funding for MEPI, REM, and NERD.²²



POMED RECOMMENDATION

- We support continued MEPI funding at the FY20 level of \$50 million. MEPI’s scholarship/leadership programs, local grants program, and civil society and democracy-related initiatives are among the few remaining avenues for U.S. government engagement on reform issues outside Arab regime circles. In addition, MEPI’s focus on evaluation and learning may provide useful lessons for other aid programs.
- We recommend, however, that Congress direct MEPI to spend a certain amount annually on grassroots civil society and other citizen-based initiatives, to ensure that adequate funding is benefiting MENA citizens—as opposed to their governments.

1. On the inception of and original vision for MEPI, see Sarah E. Yerkes and Tamara Cofman Wittes, “The Middle East Partnership Initiative,” Middle East Memo, Brookings Institution, November 29, 2004, <https://www.brookings.edu/research/the-middle-east-partnership-initiative-progress-problems-and-prospects/>

2. “About MEPI: What We Do: Mission Statement,” Department of State, <https://mepi.state.gov/about-mepi/what-we-do/>

3. MEPI now refers to these programs as “leadership” programs because they include leadership development along with academic scholarships. The three programs are Student Leaders, Leaders for Democracy, and Tomorrow’s Leaders. For details, see MEPI website, “Leadership Programs,” <https://mepi.state.gov/education/>

4. “About MEPI: Where We Work,” Department of State, <https://mepi.state.gov/about-mepi/where-we-work/>

5. “About MEPI: What We Do,” Department of State, <https://mepi.state.gov/about-mepi/what-we-do/>

6. Calculated based on POMED data gathered from various appropriations documents.

7. Jeremy Sharp, Carla E. Humud, and Sarah R. Collins, “U.S. Foreign Assistance to the Middle East: Historical Background, Recent Trends, and the FY2021 Request,” Congressional Research Service, May 5, 2020, <https://crsreports.congress.gov/product/pdf/R/R46344>

8. POMED interviews with Department of State officials and with representatives of U.S. democracy-promotion organizations, May 2020.

9. POMED interviews with U.S. officials, May 2020. During the Obama administration, MEPI ceased implementing on-the-ground projects in Egypt, Oman, and the United Arab Emirates in response to opposition from those governments. During the Trump administration West Bank/Gaza, Iraq, and Syria were added to the list of places where MEPI does

not currently implement governance or economic projects. MEPI does continue to support leadership/scholarship programs in Egypt and Iraq, as well as for Syrians abroad.

10. POMED interview with a representative of a U.S. democracy promotion organization, May 2020.

11. “Congressional Budget Justification Department of State, Fiscal Year 2021, Appendix 2,” U.S. Department of State, <https://www.state.gov/wp-content/uploads/2020/04/FY21-CBJ-Appendix-2-FINAL-2.pdf>

12. “Congressional Budget Justification 2021” and “Congressional Budget Justification Department of State: Supplementary Tables,” U.S. Department of State, <https://www.state.gov/wp-content/uploads/2020/04/FY21-Supplementary-Tables-FINAL.pdf>

13. POMED interview with Department of State official, May 2020.

14. Based on POMED data gathered from various appropriations documents. MEPI’s largest appropriation was \$80 million, for FY11, and its smallest was \$31.6 million, in FY18.

15. U.S. Congress, House, Committee on Appropriations, *Further Consolidated Appropriations Act, 2020: Committee Print of the Committee on Appropriations on H.R. 1865*, 116th Cong., 1st Sess., 2019, <https://www.govinfo.gov/content/pkg/CPRT-116HPRT38679/pdf/CPRT-116HPRT38679.pdf>

16. POMED interview with Department of State officials, May 2020.

17. Ibid.

18. POMED interview with congressional staffers, May 2020.

19. Ibid.

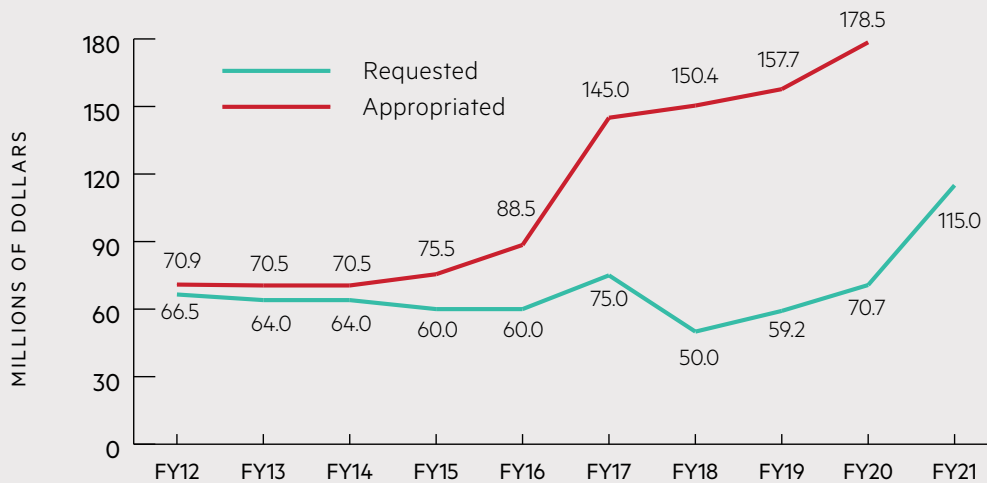
20. Ibid.

21. POMED interview with congressional staffers, March 2020.

22. Ibid.

DEMOCRACY, HUMAN RIGHTS, & LABOR snapshot

DRL FUNDS: REQUESTED VS. APPROPRIATED, FY12–21



WHAT IS DRL?

- The Bureau of Democracy, Human Rights, and Labor (DRL) leads the State Department's efforts to advance democratic institutions, human rights, and the rule of law. DRL is probably best known for its annual reports on human rights, child soldiers, labor, and international religious freedom practices.¹
- DRL also plays a critical role in implementing the Leahy Law—which prohibits the U.S. government from providing military assistance and training to foreign military and security units that commit gross violations of human rights—by conducting required vetting of potential recipients of U.S. security assistance.²
- Importantly, DRL also funds and manages a variety of aid programs around the world. While DRL works in MENA countries, it does not have a region-specific fund.
- DRL aid programs are focused on democracy and governance, including support for international religious freedom, independent civil society and media, internet freedom, and human rights.³



POLICY CONTEXT

- While DRL's advocacy for human rights normally faces pushback from regional bureaus more interested in preserving relations with authoritarian partners, its task has only become more difficult under a U.S. president who evinces little concern for rights and freedoms. One State Department official interviewed for this report noted that DRL still has good working relationships with the Bureau of Near Eastern Affairs—citing Assistant Secretary David Schenker's support for human rights—but also that DRL has struggled to influence the seventh floor leadership at State.⁴
- However, the same official indicated that DRL's standing has improved somewhat since Robert Destro became assistant secretary. According to this official, there is “no evidence”

DEMOCRACY, HUMAN RIGHTS, & LABOR

that Destro has sought to push some of his controversial policy views on issues such as Lesbian, Gay, Bisexual, and Transgender (LGBT) rights onto the bureau.⁵

- Likewise, the Commission on Unalienable Rights, which some observers feared the Trump administration created to marginalize DRL and to redefine what qualifies as a human right, has not interfered with DRL's work, according to several State Department officials. The commission is still expected to release a report later this year, but one State Department official called the new body nothing more than a "PR stunt."⁶



FY21 REQUEST

- For FY21, the Trump administration requested \$115 million for DRL assistance programs, which is 62.7 percent more than it sought in FY20 (\$70.7 million).⁷ One State Department official believes the substantial year-over-year increase indicates that the administration is "starting to reconfigure [its aid requests] to some extent" based on congressional funding levels.⁸
- However, the FY21 request of \$115 million is still 35.6 percent less than the FY20 congressional appropriation (\$178.5 million).⁹ If the Trump administration is beginning to adapt to congressional realities, it has yet to fully appreciate the level of support for DRL, and democracy promotion more generally, in Congress.



FY20 APPROPRIATION

- Congress sent an unmistakable message of support for DRL in FY20 by appropriating \$178.5 million for its aid programs, which is 13.1 percent more than it appropriated in FY19 (\$157.7 million).¹⁰ One State Department official interviewed for the report said this level of support shows that members of Congress "realize DRL still has a resource-driven role,"¹¹
- Of the total \$178.5 million, Congress earmarked specific funding levels for Syria and Yemen: \$11 million and \$3 million, respectively. The FY20 appropriation also earmarks \$11.5 million for the Human Rights Defenders Fund, which has become even more important as MENA governments increase repression.¹²
- The FY20 Further Consolidated Appropriations Act also instructs the State Department to make available another \$35.4 million in funding that "lapsed at the end of fiscal year 2019 due to apportionment and obligation delays."¹³ The delays refer to the Trump administration's attempt to submit a rescission of funding—the cancellation of funds appropriated by Congress—at the very end of FY19 in what members of Congress thought was a deliberate ploy to undermine congressional oversight.¹⁴



HOW AID IS SPENT

- Despite DRL's high levels of funding, the bureau continues to have difficulty securing policy support for assistance programming in the MENA region. A State Department official observed that, with the exceptions of Iran, Iraq, and Syria, there is a "high degree of nervousness" regarding DRL programs in MENA, with U.S. embassies and consulates opposed to antagonizing host governments.¹⁵
- Even with MENA countries—such as Iran—where DRL programming has senior-level support, this administration often views human rights programs as a tactic to weaken adversarial governments rather than ends in and of themselves. A State Department official

described some of the ideas for assistance related to Iran and Iraq as reckless, intimating that it can be challenging to rein in the overzealous in this climate.¹⁶

- DRL is increasingly seeking to cast its programs in terms of great power competition, one of the administration's core priorities, arguing that aid that helps the United States to "connect with societies" is integral to competing with China and Russia.¹⁷
- According to one State Department official, Destro has been persuaded of the value of DRL programs, and launched a strategic review this spring aimed at improving intra-bureau coordination between policy and programming offices.¹⁸ While Destro's support has been heartening to bureau officials, one representative of a democracy-promotion organization lamented that all proposals go through his desk, creating delays.¹⁹



EXPECTATIONS FOR FY21 APPROPRIATION

- One congressional staffer interviewed for this report said it was unlikely DRL would receive another bump-up in funding in FY21 due to the constraints of the September 2019 budget deal. This staffer indicated that Congress will likely fund DRL at around the same level as in FY20.²⁰
- According to a congressional staffer, there is an impression in Congress that DRL failed to advocate for itself to ensure it received the \$35 million in prior-year funding set aside for the bureau in the FY20 appropriations act.²¹ DRL not only lost this funding, but irritated key appropriators.



POMED RECOMMENDATION

- POMED believes that DRL should be funded at least at the FY20 level of \$178.5 million. Notwithstanding the State Department regional bureaus' discomfort, DRL's willingness to support human rights defenders and civil society actors, even when it displeases host governments, makes its programs uniquely valuable.

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NEAR EAST REGIONAL DEMOCRACY snapshot

FY21 REQUEST in thousands of dollars	
ACCOUNT	
ESDF	\$40,000
TOTAL	\$40,000

FY20 APPROPRIATION in thousands of dollars	
ACCOUNT	
ESF	\$55,000
TOTAL	\$55,000



WHAT IS NERD?

- The Near East Regional Democracy (NERD) program, funded through ESF and managed by the State Department, promotes democracy and human rights in Iran. NERD’s origins date to the George W. Bush administration, when Congress included in the FY04 appropriations law a \$1.5 million earmark for Iran human rights and democracy as part of an effort to increase pressure on the Iranian regime.¹ In FY06, Congress appropriated \$31.2 million to the State Department for an expanded initiative that the Bush administration championed and called the Iran Democracy Fund.²
- The Obama administration continued the program, but rebranded it as NERD to make it appear less hostile to the Iranian government. Although Congress has not legally restricted NERD funding to Iran democracy programs, it is broadly understood that funding for the account is provided for that purpose.
- A recent State Department document describes NERD’s “primary goal” as “to foster a vibrant civil society, increase the free flow of information, and promote the exercise of human rights” and states that “NERD programming produces circumvention tools to enhance internet access, develops voter education tools to improve accountability of elected officials, and trains investigative journalists to research and report on issues of concern to citizens.”³
- NERD-funded activities take place online and outside of Iran due to the security risks posed by the Iranian regime’s deep suspicions of Western-funded democracy promotion programs and of other civil society and academic initiatives that it claims are connected to nefarious Western plots.⁴ Even online and “offshore” programming, however, is highly sensitive and to some degree risky in light of the intense acrimony between Washington and Tehran and the Iranian regime’s opposition to external “interference.” For this reason, the U.S. government does not publicize NERD activities, grantees, or beneficiaries.
- Since FY04, Congress has appropriated more than \$515 million for State Department democracy programs for Iran, including for NERD and its predecessor initiatives during the Bush administration. Since FY10, NERD’s appropriation has averaged \$38.4 million annually.⁵



POLICY CONTEXT

- U.S. democracy and human rights funding for Iran has been controversial from the outset because of its close association with the policies of the Bush administration, which many Iranians suspected of supporting regime change, and the risks faced by grantees and beneficiaries.
- The Trump administration has adopted a hard-line Iran policy, describing the Iranian government as an “outlaw regime,” withdrawing from the 2015 nuclear deal, and pursuing a “maximum pressure” campaign against the regime.⁶ Frequent sharp criticism of Iranian

human rights abuses and high-profile engagement with exiled dissidents and human rights activists are prominent aspects of the administration's approach.⁷ Notably, though, the administration did not show much support for NERD initially. In the FY18 and FY19 foreign aid requests, it proposed cutting NERD's funding by more than 50 percent, to \$15 million a year.

- By the time that Michael Pompeo, an Iran hawk, became secretary of state in 2018, the administration had come to view NERD much more favorably. In FY20, NERD was one of the few foreign aid programs for which the Trump administration sought a funding increase. As a State Department official told POMED, "this administration loves NERD."⁸
- An administration official interviewed for this report observed that NERD receives an unusual degree of attention from senior officials and is "very well coordinated within State."⁹
- NERD also has enjoyed bipartisan support in Congress since the program's inception, with lawmakers steadily increasing its funding over the past decade. At present, backing for NERD is especially strong among key Senate Republicans.¹⁰



FY21 REQUEST

- For FY21, the Trump administration has requested \$40 million in ESDF for NERD, the same level as for FY20 and a 166.6 percent increase over its FY18 and FY19 requests of \$15 million—the lowest for NERD to date.¹¹
- The FY21 CBJ states, "Funding will meet urgent priorities resulting from recent political events, such as threats to the free flow of information, human rights abuses, and suppression of the freedoms of association and expression."¹² As in past years, Iran is not mentioned in the CBJ's language on NERD, but is understood to be the target of the proposed activities.
- For FY21, the administration has proposed placing NERD, the Middle East Partnership Initiative (MEPI), and the Religious and Ethnic Minorities Fund (REM) under a single "State NEA Regional" account, for which it has requested a total of \$84.5 million in ESDF.¹³ According to a State Department official interviewed for this report, the purpose of creating this account was to align the operational management of NEA's various regional assistance programs with that of other regional bureaus.¹⁴



FY20 APPROPRIATION

- For FY20, Congress appropriated \$55 million for NERD, \$15 million above the administration's FY20 request.¹⁵ The FY20 appropriation was the largest for Iran democracy and human rights initiatives since FY04.
- The FY20 appropriation includes a \$15 million earmark for DRL.¹⁶ This earmark is customary, as DRL is normally responsible for programming a portion of NERD funding.

NEAR EAST REGIONAL DEMOCRACY



HOW AID IS SPENT

- NERD is overseen by NEA with DRL managing a portion of the funds. (In the past, USAID also managed some NERD grants.)
- The CBJ describes NERD activities as including “training for civil society (online and through seminars conducted in third countries); development of media content; promotion of digital freedom; and award of grants and sub-grants to non-governmental organizations.”¹⁷ It is POMED’s understanding that NERD grants are awarded to NGOs working on democracy and human rights promotion globally and to those focused exclusively on Iran, but as noted, the U.S. government does not make NERD grantees or project details public.
- A representative of an NGO involved in Iran human rights promotion described NERD’s current style as “aggressive.”¹⁸ A representative of a different democracy-promotion organization echoed this impression, remarking, “We choose not to apply for NERD grants because we do not want to get pulled into [anything] crazy.”¹⁹
- One congressional staffer expressed concern to POMED that the Trump administration’s insufficient oversight of some NERD activities could lead to an overstepping of the program’s mandate.²⁰
- Some U.S. officials and experts with whom POMED spoke argued that despite the program’s controversial reputation, NERD is supporting some valuable projects including “genuine” civil society initiatives.²¹ One U.S. official remarked, “NERD has had some success recently.”²²



EXPECTATIONS FOR FY21 APPROPRIATION

- With strong bipartisan support in Congress, especially among key Senate Republican appropriators, POMED anticipates that for FY21 NERD is likely to receive more than the Trump administration’s request of \$40 million. We also expect another earmark for DRL.
- There is a degree of discomfort about NERD, however, among some Democratic congressional staffers to whom POMED spoke for this report. One person observed, “By and large, members of Congress want to support human rights in Iran; the partisan issue is regime change, which Democrats do not support. There is a reluctance to be too forward-leaning with NERD.”²³
- Another congressional staffer told POMED that subsuming NERD into the proposed Near East Regional Fund is a “nonstarter” because it would enable the administration to move funds around without congressional notification. This person expected Congress to continue to appropriate separate funding for NERD, MEPI, and REM.²⁴

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16. Ibid.
17. “Congressional Budget Justification 2021.”
18. POMED interview with NGO representative, May 2020.
19. POMED interview with representative of a democracy-promotion organization, March 2020.
20. POMED interview with congressional staffer, May 2020.
21. POMED interviews with State Department official, congressional staffers, and NGO representatives, May 2020.
22. POMED interview with State Department official, May 2020.
23. POMED interview with congressional staffer, May 2020.
24. Ibid.

NATIONAL ENDOWMENT FOR DEMOCRACY snapshot



WHAT IS THE NED?

- The National Endowment for Democracy (NED) is an independent, nongovernmental institution “dedicated to the growth and strengthening of democratic institutions around the world.”¹ It receives funding through Congress, where it has strong, consistent bipartisan support.
- The NED sub-grants a significant amount of its funding to four “core grantees,” which include the National Democratic Institute, the International Republican Institute, the Center for International Private Enterprise, and the American Center for International Labor Solidarity.²
- In total, the NED finances 1,700 grants every year in more than 90 countries to support NGOs working to advance democracy.³



POLICY CONTEXT

- The NED’s value lies in its independence from the executive branch and its policies. Although it receives substantial support from Congress, the NED makes granting decisions independent of political influence.
- This autonomy ensures that at least some democracy programming will continue, even when there is an administration that is deeply skeptical of the value of such work.
- It is precisely this aspect of NED’s identity and work that has led it to run afoul of the Trump administration. As previously reported, the State Department believes the four core institutes should compete for funding through USAID or DRL, instead of relying on support that bypasses the executive branch’s control.⁴



FY21 REQUEST

- For the third consecutive year, the Trump administration has requested \$67.3 million for the NED. The FY21 request is a glaring 77.6 percent less than what Congress appropriated in FY20 (\$300 million), reflecting the low priority the administration attaches to democracy programming, particularly the kind it cannot control directly.⁵
- The \$67.3 million FY21 request is also substantially less than what prior administrations sought for the NED, with their requests ranging from \$103 million to \$105 million. It is clear that the State Department continues to oppose the core institutes receiving aid directly from the NED, as the CBJ “anticipates that NED’s core institutes may also compete for Economic Support and Development Fund (ESDF) resources, rather than relying on a direct appropriation.⁶



FY20 APPROPRIATION

- Congress decisively rejected the Trump administration’s FY20 request for NED by appropriating an unprecedented \$300 million for the endowment. This level of funding is not just multiples larger than the administration’s paltry request, but is also 66.7 percent larger than the FY19 congressional appropriation of \$180 million.⁷
- Congress’s massive appropriation for the NED underscores that members of Congress have been unmoved by the administration’s arguments for downsizing the endowment’s budget. It appears that the appeal of supporting an independent democracy-promotion organization has only grown, as President Trump has sought to reduce U.S. investments in democracy abroad.

- The FY20 Further Consolidated Appropriations Act also earmarks \$195 million of the \$300 million appropriation to be “allocated in the traditional and customary manner, including for the core institutes,” ensuring that NED’s core institutes will continue to receive support from the endowment. As in FY19, Congress also instructs the administration to obligate all funding to the NED within 60 days, forestalling any attempt to delay disbursement.⁸



HOW AID IS SPENT

- The core institutes are using funding from the NED to offset the Trump administration’s de-funding of democracy programs throughout the MENA region. One representative of a democracy-promotion organization interviewed for this report said that NED funding has been directed to Syria and the West Bank and Gaza in response to President Trump’s decision to cut U.S. support to these places.⁹
- NED funding has also gone to countries where the U.S. chiefs of mission have obstructed democracy and governance programming, including Algeria and Morocco.¹⁰
- A representative of a democracy-promotion organization said that the NED is also beginning to focus on countering Chinese influence, both because the endowment views China’s efforts as antagonistic to democracy and also perhaps to demonstrate its value to the administration on one of its core priorities.¹¹



EXPECTATIONS FOR FY21 APPROPRIATION

- Congress will almost certainly reject the Trump administration’s proposal to cut drastically funding for the NED. While budgetary constraints militate against another substantial boost in funding for the NED in FY21, one Congressional staffer indicated that the endowment is likely to receive approximately \$300 million for the second consecutive year.¹²

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10. POMED interviews with representatives of democracy-promotion organizations, April 2020

11. POMED interview with a representative of a democracy-promotion organization, April 2020

12. POMED interview with congressional staffer, May 2020.

A CLOSER LOOK:
ASSISTANCE BY COUNTRY



ALGERIA.....	29	MOROCCO	55
EGYPT.....	33	SYRIA	59
IRAQ	39	TUNISIA.....	63
JORDAN.....	43	WEST BANK AND GAZA.....	67
LEBANON.....	47	YEMEN	72
LIBYA	51		

Most U.S. democracy and governance programs in the Middle East and North Africa (MENA) are funded through bilateral assistance accounts and are administered by USAID, which also oversees most bilateral aid to support economic development. USAID currently counts ten active programs in MENA: Egypt, Iraq, Jordan, Lebanon, Libya, Morocco, Syria, Tunisia, West Bank/Gaza, and Yemen.

The forthcoming sections describe U.S. assistance—including for GJD, economic reform and development, security assistance, and humanitarian aid—to these locations, along with assistance for Syria, which does not have a USAID presence. Syria has not traditionally been a recipient of U.S. assistance, but the United States now spends significant resources to address issues arising from the ongoing conflict in the country.

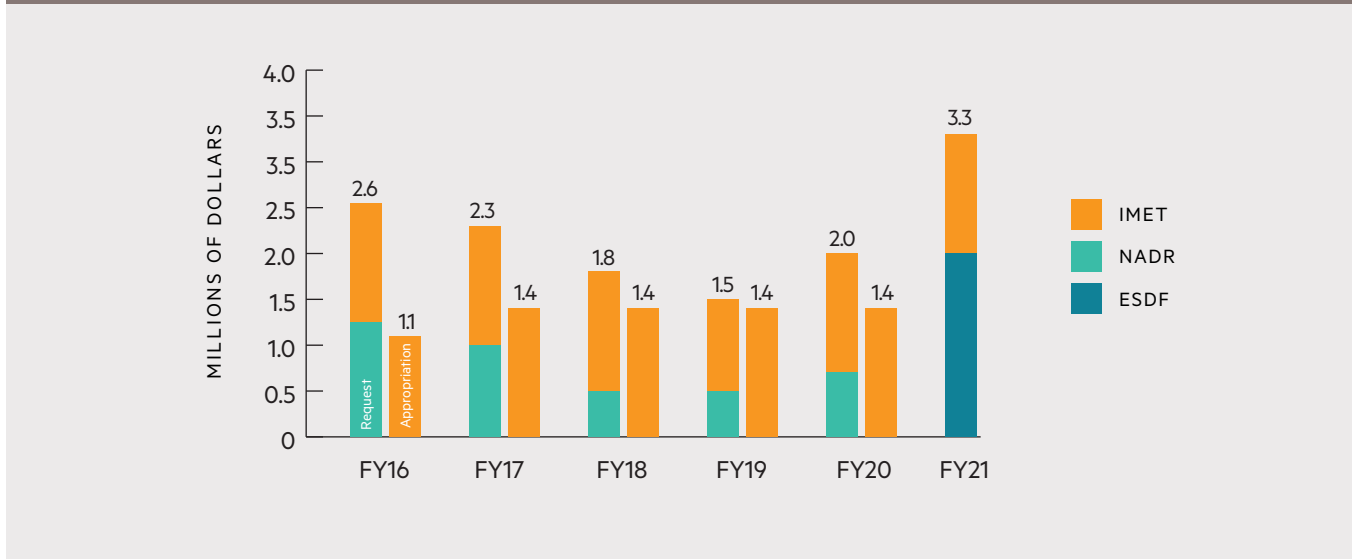
* Consistent with past reports, this edition does not include an Israel section because it only receives security assistance.



ALGERIA snapshot

FY21 REQUEST in thousands of dollars				FY20 APPROPRIATION	
ACCOUNTS		OBJECTIVES		ACCOUNTS	
ESDF	\$2,000	Peace and Security	\$1,300	ESF	\$0
IMET	\$1,300	Economic Growth	\$2,000	IMET	\$1,400
TOTAL			\$3,300	TOTAL	\$1,400

TOTAL BILATERAL ASSISTANCE, REQUEST VS. APPROPRIATION in millions of dollars



RECENT DEVELOPMENTS

- In February 2019, a peaceful protest movement known as “Hirak” emerged in Algeria after it was announced that Abdelaziz Bouteflika—who became president in 1999 and was so ill that he had not made a public appearance since 2013—would seek a controversial fifth term. The mass protests eventually led the Algerian military, the ruling power center, to force Bouteflika and other officials to step down, but the regime has since refused to implement genuine democratic reforms and respond to other Hirak demands.¹
- Abdelmadjid Tebboune, a former prime minister under Bouteflika, was elected president in a December 2019 vote boycotted by Hirak. Large protests continued every Friday and most Tuesdays through the early part of 2020. But the COVID-19 pandemic has since made mass gatherings impossible and, some argue, provided an opportunity for the regime to crack down on dissent.²



POLICY CONTEXT

- Due to Algeria’s staunchly independent foreign policy and strong sense of nationalism following independence from France, U.S.-Algerian relations have long been distant. In recent years, relations have expanded somewhat, especially in the realm of counterterrorism and other security cooperation.³ Some officials in the Trump administration view Algeria as a player in the great-power competition with Russia—from which Algeria procures most of its defense equipment—and China. Indeed, according to the Congressional Budget Justification (CBJ), U.S.-supported economic reform efforts in Algeria are intended to help “counter Chinese, Russian, and other malign economic influences.”⁴
- Based on interviews conducted with administration officials, it appears that the U.S. government, on the whole, is reluctant to use the political opening spurred by Hirak to expand engagement with Algeria, lest such a move raise concerns among Algerians of foreign interference.⁵ Some administration officials and members of Congress, however, have advocated for modest increases in U.S. democracy funding.
- Administration officials and congressional staffers interviewed for this report suggested that some tension exists between the State Department and USAID regarding aid for Algeria.⁶ While USAID has been more eager to explore new opportunities for U.S. assistance to the country, State Department officials believe that a very public drive to bolster the aid relationship could be counterproductive, given Algeria’s nationalist sensitivities.



BASICS OF U.S. AID

- Since FY18, Congress has earmarked a total of \$4.2 million in bilateral aid for Algeria, all of which has been IMET funding. Algeria, however, has also received U.S. assistance through other bilateral, regional, and multilateral accounts on top of this relatively meager earmark.
- From FY11 to FY19, Algeria received a total of \$47.7 million in U.S. assistance from both bilateral and multilateral accounts. Most of this assistance came in the form of humanitarian assistance—which comes from multilateral accounts—including aid for the Sahrawi refugee camps in southwest Algeria.
- Algeria remains a relatively closed environment for U.S. assistance. U.S. policymakers have tended to view large-scale assistance programs as unwelcome by the Algerian government, which helps to explain the small amount of aid provided to the country in past years.



FY21 REQUEST

- The FY21 request marks the first time in a decade that the administration has requested bilateral ESDF or ESF for Algeria, in the amount of \$2 million.⁷ According to administration officials interviewed for this report, this request reflects the perception of a modest opportunity for economic reform in Algeria.⁸
- Indeed, the CBJ says that U.S. assistance will “support Algeria’s efforts to undertake structural economic reforms, address increasing youth-driven demands for economic empowerment and civic engagement, and spur Algeria to greater economic diversity, openness and integration.”
- The FY21 request also repeats the FY20 request of \$1.3 million in IMET funding, but does not include NADR funds for Algeria, a change from previous years. This change is likely part of the administration’s efforts to reduce the global funding level for NADR, which has been a prime target for proposed aid cuts.



FY20 APPROPRIATION

- In the FY20 Further Consolidated Appropriations Act, Congress's only earmark for Algeria was \$1.4 million in IMET—\$100,000 more than the administration's request of \$1.3 million.
- This is identical to what was appropriated for Algeria in FY19 and FY18. (The absence of earmarked money, however, does not preclude the administration from providing assistance to Algeria using funds not earmarked for other countries.)



HOW AID IS SPENT

- As described above, the United States provides IMET funding to Algeria, in line with the congressional earmark in place since FY15. If Congress creates an earmark for the administration's \$2 million ESDF request, it would represent the first time since FY09 that it has appropriated economic assistance for Algeria.⁹
- The United States also implements aid programs in Algeria with funding from regional and global accounts. In addition to the NADR and humanitarian aid described above, the the Middle East Partnership Initiative (MEPI), a regional program funded by ESF, currently supports small grants in Algeria to promote participatory governance, economic reform, and youth employment¹⁰ and funds a portfolio of other economic-related initiatives.¹¹



EXPECTATIONS FOR FY21 APPROPRIATION

- One congressional staffer interviewed for this report said that, while Congress is unlikely to earmark the administration's request for \$2 million in economic assistance, Congress has no objection to the proposal and the administration would be free to use non-earmarked funds for this purpose.¹²
- Another congressional staffer indicated that some members of Congress are open to providing more assistance for Algeria, but that they respect the Trump administration's caution.¹³ In more general terms, there is no clear consensus among lawmakers on whether, or how assertively, the United States should use assistance to support political reform in Algeria.



POMED RECOMMENDATION

- We recommend that Congress earmark a small portion of democracy aid for Algeria to support democratic reforms. At the same time, we appreciate the risks of expanded U.S. programming in Algeria and encourage the State Department and USAID to operate with all due sensitivity.
- POMED also recommends that Congress appropriate the \$2 million in ESF requested by the administration. This aid could create an opening to strengthen cooperation with the Algerian people.



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13. POMED interviews with congressional staffers, April 2020.



EGYPT snapshot

FY21 REQUEST in thousands of dollars

ACCOUNTS

ESDF	\$75,000
FMF	\$1,300,000
INCLE	\$1,550
NADR	\$3,500
IMET	\$1,800

OBJECTIVES

Peace and Security	\$1,305,300
Gov. Justly & Democratically	\$20,550
Investing in People	\$35,000
Economic Growth	\$21,000
Humanitarian Assistance	\$0

TOTAL

\$1,381,850

FY20 APPROPRIATION

ACCOUNTS

ESF	\$125,000
FMF	\$1,300,000
INCLE	\$2,000
NADR	\$3,000
IMET	\$1,800

TOTAL

\$1,431,800

TOTAL BILATERAL ASSISTANCE, REQUEST VS. APPROPRIATION in millions of dollars



Note: ESDF requests for FY17-FY21 are labeled ESF to make comparisons easier. Nearly all ESDF requested for MENA would fall under the ESF account, which Congress still uses.



RECENT DEVELOPMENTS

- Repression has worsened in Egypt over the past year under President Abdel Fattah al-Sisi's regime. In response to the September 2019 anti-regime protests inspired by an exiled Egyptian businessman, al-Sisi initiated a new crackdown against real and perceived dissent, arresting more than 4,000 people, including prominent activists such as Alaa Abdel Fattah.¹
- Prior to the COVID-19 pandemic, Egypt's recent economic reforms had improved the country's macroeconomic situation somewhat, but living conditions deteriorated, with nearly one-third of the population below the poverty line.² Attacks by the Islamic State affiliate in the Sinai and terrorist attacks in the Egyptian mainland continue, if less frequently.³
- The Egyptian government has responded to the coronavirus with a mixture of repression—including the expulsion of a reporter for a British newspaper and the arrest of activists—and handouts to businesses and workers negatively affected by the shutdown.⁴ If the ultimate political effect of COVID-19 on Egypt remains uncertain, the coronavirus has already halted economic growth and forced the government to seek new support from the International Monetary Fund (IMF) to stabilize diminishing foreign currency reserves.⁵



POLICY CONTEXT

- Notwithstanding Egypt’s abysmal human rights record and continued frustration of U.S. regional objectives, President Trump remains supportive of al-Sisi, whom he has labeled his “favorite dictator.”⁶ Egypt withdrew from the administration’s Middle East Strategic Alliance and continued to deepen ties with Russia. And in January, wrongfully imprisoned Egyptian-American citizen Mustafa Kassem died from medical neglect after six years in custody—despite repeated U.S. pleas for his release.⁷
- In the aftermath of Kassem’s death and calls from U.S. lawmakers to release prisoners amid the COVID-19 pandemic, another American political prisoner, Reem Dessouky, was repatriated to the United States in May, though at least three more American prisoners remain wrongfully detained.⁸
- In September 2019, President al-Sisi ratified a new NGO law in response to U.S. criticism of an earlier version, but the replacement is just as restrictive, including for U.S. assistance programs.⁹



BASICS OF U.S. AID

- U.S. aid to Egypt, particularly military assistance, is widely viewed as a cornerstone of the bilateral relationship. Historically, Egypt is one of the largest recipients of U.S. assistance, receiving \$84 billion since 1946.¹⁰
- Egypt’s FMF package has been constant at \$1.3 billion annually since 1987. Economic aid, by contrast, has declined precipitously from \$1.3 billion in FY86 to \$125 million in FY20.¹¹



FY21 REQUEST

- Reflecting the Trump administration’s continued support for Egypt, the FY21 request is in total \$1.4 billion, nearly identical to the FY20 request. The only difference is that the FY21 request seeks \$450,000 less for the INCLE account than the FY20 request.¹²
- The FY21 request includes the traditional \$1.3 billion in FMF funding, which according to the Congressional Budget Justification (CBJ) will “support the procurement of U.S. defense articles, services, training, and sustainment focused on building Egypt’s border and maritime security capabilities, its ability to provide security in the Sinai, and its ability to counter terrorist threats.”¹³
- The administration is also requesting \$1.8 million in IMET funding and \$3.5 million in NADR funds to “provide training and equipment to Egypt’s Ministry of Interior to help improve its ability to counter and respond to ISIS and other terrorist activities.”¹⁴ The \$1.6 million request for INCLE funds is intended to “obliquely” address rule of law issues, according to a State Department official interviewed for this report.¹⁵
- The \$75 million ESDF request will primarily support economic growth and governance, education, and health, including family planning.¹⁶ U.S. officials described these initiatives to POMED as “small programs that are not transforming the country.”¹⁷
- Consistent with the administration’s downgrading of democracy and governance assistance, a mere 1.5 percent (\$20.5 million) of the FY21 request is to be dedicated to Governing Justly and Democratically (GJD) objectives. The small GJD request is part of the administration’s decision to do all programming “in partnership” with the Egyptian government, avoiding activities that ruffle the authoritarian regime’s feathers.



FY20 APPROPRIATION

- In contrast to the administration's views, congressional attitudes toward Egypt are far more critical. While the FY20 congressional appropriation of \$1.4 billion was 2.6 percent more than the administration requested that year, the FY20 Further Consolidated Appropriations Act both places conditions on military aid and uses reporting language to signal growing concerns about Egypt's human rights situation.
- Consistent with the last nine years, all funding for Egypt in FY20 is conditioned on the secretary of state certifying that Egypt is sustaining the strategic relationship with the United States and upholding its peace treaty with Israel. Of the \$1.3 billion in FMF funds appropriated for Egypt, \$300 million is conditioned on a variety of human rights-related conditions, including strengthening the rule of law, protecting freedom of expression, and prosecuting cases of extrajudicial killings and forced disappearances. However, as in past years, the secretary of state can waive these conditions if he deems it is "important to the national security interest of the United States."¹⁸
- The FY20 Further Consolidated Appropriations Act includes language instructing that the \$125 million in ESF funding earmarked for Egypt should be used to support both democracy and development in the Sinai—two long-standing concerns of Senator Patrick Leahy (D-VT), the ranking member on the Senate Appropriations Committee. It also earmarks \$40 million for higher education, and prohibits the provision of a cash transfer to Egypt absent the secretary of state certifying it "is taking consistent and effective steps to stabilize the economy and implement market-based economic reforms."¹⁹
- The FY20 appropriations law also requires a report (every 60 days) on whether April Corley,²⁰ an American citizen who was badly injured in an errant Egyptian airstrike on a tourist convoy in 2015, has received adequate medical compensation and a separate report on the new NGO law's "impact on Egyptian and foreign NGOs."²¹
- At one point, it appeared that Congress was poised to pass even more restrictive language after Rep. Nita Lowey (D-NY), chairwoman of the House Appropriations Committee, supported placing conditions on military aid to Egypt for the first time and even proposed a nonwaivable condition on \$13 million in FMF funds tied to adequate compensation for Corley.²² However, Senator Lindsey Graham (R-SC), who believed that Egypt should be rewarded for resolving the Egyptian government's unjust conviction of American and Egyptian NGO workers in 2013, reportedly protected Egypt from harsher provisions. (He also ensured that the Senate version of the bill recommended the full \$1.3 billion in FMF for Egypt, in contrast to the prior two years in which the Senate proposed \$1 billion).²³



HOW AID IS SPENT

- The Trump administration largely continues to abide by the Obama-era "four pillars" policy for FMF, which restricts Egypt to using U.S. military aid to purchase new equipment that supports counterterrorism, border security, maritime security, and "Sinai security" capabilities.²⁴ A State Department official interviewed for this report said that there was "no consideration" by the Trump administration of reinstating cash flow financing (CFF), the financial mechanism that allowed Egypt to buy equipment on the promise of future years' assistance.²⁵
- However, the U.S. policy that allows Egypt to use FMF funds to maintain and sustain all U.S.-origin equipment, including weapons systems that do not fall within the four pillars,

has impeded the modernization of Egypt's military arsenal. For instance, the Defense Department's proposal to transfer additional Oliver Hazard Perry-class frigates (which one State Department official likened to the naval equivalent of "hangar queens") to Egypt as excess defense articles—in order to get them off of the U.S. Navy's budget—would commit finite FMF funds to the sustainment of systems wholly inappropriate for Egypt's threat environment.²⁶

- Egypt's procurement priority appears to be additional AH-60 Apache helicopters,²⁷ and in early May the State Department notified Congress of a proposed \$2.3 billion agreement to refurbish 43 of these aircraft. Such sales could be complicated by Senator Leahy, who is currently holding \$105 million in FMF funds in part because of the Corley case, and by Rep. Lowey, who wrote a letter to al-Sisi saying she would not support the sale of additional Apaches—the weapon used in the strike that injured Corley—until she received restitution.²⁸
- Meanwhile, Secretary of State Michael Pompeo has until September 30 to waive human rights conditions on \$300 million in FY19 FMF funds that will expire at the end of this fiscal year. Pompeo reportedly is weighing a memo from the Bureau of Near Eastern Affairs recommending responses to the death of Kassem, including a suspension of \$300 million in military aid.²⁹
- Regarding economic aid, USAID has made some progress in expending the large "pipeline" of unspent funds that accumulated following the 2011 revolution. According to one State Department official, however, the figure still numbers in the hundreds of millions of dollars.³⁰
- Another State Department official described Egypt as a "fairly difficult environment" for USAID programs, with "very limited" space for democracy and governance funding in particular. This same official conceded that, while the total size of U.S. economic aid to Egypt is "pretty vast," the impact of U.S. programs is "small."³¹
- A USAID official interviewed for this report emphasized that U.S. programs were primarily intended to "give youth the tools to succeed," to promote women's rights, and to improve government efficiency and transparency. From the perspective of a State Department official, USAID sees its role as supporting Egypt's economic reform program.³²



EXPECTATIONS FOR FY21 APPROPRIATION

- U.S. military aid to Egypt in the FY21 appropriations bill is one of the issues that has yet to be determined in preliminary budget discussions in Congress. The outcome will likely reflect the interplay between growing opposition to Egypt in Congress and continued backing for al-Sisi's regime among some senior lawmakers.
- Several prominent senators, including Senator Leahy, have pushed for reducing or withholding \$300 million in FMF funding in response to Kassem's death in custody.³³ Separately, an April 10 letter to Secretary Pompeo led by Senators Chris Murphy (D-CT) and Marco Rubio (R-FL) urges him to press for the release of political prisoners amid the COVID-19 pandemic, highlighting the cases of several imprisoned Americans.³⁴
- Similarly, one congressional staffer interviewed for this report said that Rep. Lowey was enraged by the fact that the State Department's congressionally required report on April Corley was just a few sentences long. This staffer speculated that Lowey will be even more insistent on tough language regarding Corley's case.³⁵

- One congressional staffer said that the FY21 appropriation for Egypt was ultimately up to Senator Graham, who this person described as a “wild card.”³⁶ While Graham has on occasion been fairly tough on Egypt, he has in recent years placed more emphasis on preserving smooth relations with al-Sisi.
- Another congressional staffer indicated that Graham’s position would be heavily influenced by whether Secretary Pompeo imposes any penalties on Egypt for Kassem’s death.³⁷ If he does so, Graham will likely point to that step and to Dessouky’s release to justify protecting Egypt from harsher consequences; if Pompeo does not, stronger conditions and a reduced FMF appropriation are possible.



POMED RECOMMENDATION

- POMED continues to believe that Egypt’s descent into totalitarianism and willful disregard for U.S. interests requires a firm response. Egypt highly values U.S. military aid and changes to the level of—and conditions on—assistance could have an effect on the al-Sisi regime’s calculus.
- We support reducing Egypt’s FMF appropriation to \$1 billion, in part because—according to one congressional staffer—the State Department cannot justify another \$300 million for Egypt.³⁸ Such a reduction would also help to restore U.S. leverage over Egypt by making clear that U.S. support cannot be taken for granted.
- Congress also should include robust human rights conditions on another \$300 million in FMF funding, but in contrast to prior years, the secretary of state should not be granted the option of waiving these conditions. The last two U.S. administrations exercised the waiver each time it was available in the law, suggesting that unless Congress steps up, Egypt will not be held to account for its human rights violations.
- If it is not possible to eliminate the national security waiver for all conditioned funding, we would support Rep. Lowey’s proposal to withhold a smaller amount of funding on a non-waivable basis until April Corley receives restitution for her injuries. Similarly, Congress should also consider conditioning the appropriation of other smaller tranches of FMF funds on the release of each remaining American citizen wrongfully detained in Egypt.³⁹

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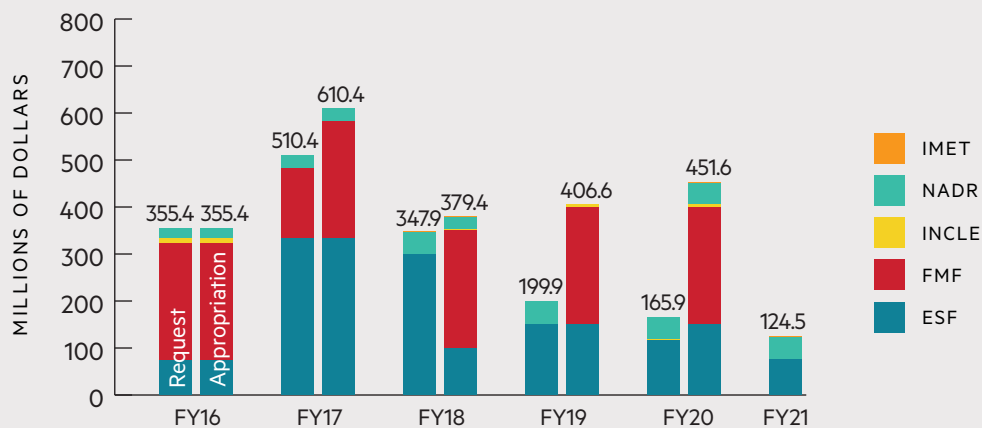
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IRAQ snapshot

FY21 REQUEST in thousands of dollars				FY20 APPROPRIATION	
ACCOUNTS		OBJECTIVES		ACCOUNTS	
ESDF	\$75,000	Peace and Security	\$79,300	ESF	\$150,000
FMF	\$0	Gov. Justly & Democratically	\$41,600	FMF	\$250,000
INCLE	\$1,000	Investing in People	\$3,400	INCLE	\$5,600
NADR	\$47,500	Economic Growth	\$200	NADR	\$45,000
IMET	\$1,000	Humanitarian Assistance	\$0	IMET	\$1,000
TOTAL			\$124,500	TOTAL	\$451,600

TOTAL BILATERAL ASSISTANCE, REQUEST VS. APPROPRIATION in millions of dollars



Note: ESDF requests for FY17-FY21 are labeled ESF to make comparisons easier. Nearly all ESDF requested for MENA would fall under the ESF account, which Congress still uses.



RECENT DEVELOPMENTS

- As Iraqis across the country demand meaningful political reforms from their government, the United States and Iran have continued their battle for influence in the country. An attack by an Iranian-affiliated militia that killed an American contractor at the end of 2019 set off a chain of events that included a breach of the American embassy compound in Baghdad by protesters¹ and the assassination of Islamic Revolutionary Guard Corps-Quds Force commander Qassem Soleimani in Baghdad.²
- Following Prime Minister Adil Abdul-Mahdi's November 2019 resignation amidst mass protests against government corruption and brutality, a succession of nominees failed to secure sufficient support from the parliament to form a government due in part to jockeying between U.S.- and Iranian-backed political factions. Mustafa al-Kadhimi, the former director of the Iraqi National Intelligence Service, was finally confirmed as prime minister in May 2020 and is widely viewed as acceptable to both Iran and the United States.



POLICY CONTEXT

- U.S. relations with the Iraqi government have been strained following American military strikes on Iraqi soil, which culminated in a non-binding vote from the Iraqi parliament to expel U.S. forces. Nevertheless, the Trump administration's continued statements about the importance of stabilizing and rebuilding Iraq post-Islamic State and keeping it out of Iran's sphere of influence are belied by a dramatic drawdown of U.S. personnel in the country that began in late 2019.³
- Analysts and observers are concerned that the Trump administration's penchant for viewing Iraq exclusively through the prism of Iran carries the danger of pushing the Iraqi government further into the arms of the Islamic Republic. The inconsistency between U.S. military actions, diplomatic efforts, and aid policy has raised questions about whether President Trump has a coherent policy for Iraq.



BASICS OF U.S. AID

- The United States has provided nearly \$34 billion of economic assistance and more than \$30 billion of security assistance to Iraq since its 2003 invasion of the country.⁴ In the aftermath of the fall of the Islamic State caliphate in Iraq, U.S. assistance to the country has focused on reconstruction and stabilization efforts, particularly at the local level.
- The bulk of the non-military assistance the United States provides to Iraq is humanitarian support, which comes from multilateral accounts that are not reflected in the bilateral top-line. Since 2014 alone, the United States has contributed more than \$2.7 billion in humanitarian aid to the country.⁵



FY21 REQUEST

- The Trump administration has requested \$124.5 million for Iraq in FY21, 25 percent less than the \$165.9 million requested last year. This proposal reflects the administration's lagging interest in the country post-Islamic State, as well as its reluctance to dedicate too much U.S. support to a country it often sees as overly cozy with Iran. Overall, the FY21 request would represent a 72 percent drop in funding for Iraq compared to what Congress appropriated in FY20 (\$451.6 million).
- The Trump administration says in the Congressional Budget Justification (CBJ) that it is dedicated to promoting stabilization, strengthening governance at both the federal and local level, and "defend[ing] Iraqi sovereignty against malign actors," particularly Iran.⁶ Yet, the administration has requested only \$75 million for the ESMF account, a sharp decline from the \$115 million requested last year and half of what Congress appropriated for ESMF funding in FY20.
- Despite the low amount of overall aid requested, in another reflection of the administration's somewhat inconsistent approach to Iraq, it has requested more Governing Justly and Democratically (GJD) funding for the country than any other in the region (\$41.6 million). According to the CBJ, this funding will help "strengthen inclusive governance, promote the rule of law, fundamental freedoms...and increase access to justice for all Iraqis, including marginalized populations."
- The administration also says that some of the \$135 million in total funding requested for the Relief and Recovery Fund, which is designed to help countries that came under attack from the Islamic State, would go to Iraq to "support stabilization and early recovery efforts, ensuring the enduring defeat of [the Islamic State] while continuing efforts to counter other terrorist or violent extremist organizations."⁷ Of the \$8.6 million requested for the Women, Peace, and Security account, the CBJ says that a portion of these funds may go to Iraq to "increase women's participation and leadership."⁸

- As in its previous requests, the administration has not requested any FMF funding for Iraq in FY21.



FY20 APPROPRIATION

- In FY20, Congress once again appropriated for Iraq considerably more than the administration requested, consistent with the high level of support for Iraq's recovery in Congress. The total appropriation (\$451.6 million) for Iraq was roughly consistent with the previous two years.⁹
- Congress rejected the administration's proposal to zero out FMF assistance to Iraq, appropriating \$250 million, as it had in previous years. The FY20 Further Consolidated Appropriations Act also requires the Secretary of State to submit a spending plan for this funding.
- The FY20 appropriation for Iraq included \$150 million in ESF funds. Congress specifically identified both the Kurdistan Regional Government (KRG) and religious and ethnic minorities as targets for U.S. foreign assistance, and instructed the administration to make funds available to the Marla Ruzicka Iraqi War Victims Fund, which provides assistance to accidental victims of U.S. military operations.
- Congress also directed that portions of the Relief and Recovery Fund for areas liberated from the Islamic State and for "programs to promote accountability for genocide, crimes against humanity, and war crimes" should be made available to Iraq.



HOW AID IS SPENT

- As mentioned above, Iraq receives humanitarian aid from multilateral accounts on top of bilateral economic and security assistance. In FY19 alone, USAID obligated \$261 million in humanitarian assistance to the country.¹⁰
- The Trump administration has focused much of its efforts in Iraq on supporting religious and ethnic minorities, a priority led by Vice President Mike Pence. USAID officials have reportedly cautioned, however, that diverting assistance to religious minorities—at the expense of other potential grant recipients—is likely to exacerbate sectarian tensions in Iraq and improperly frame U.S. foreign assistance to Iraqis as a political tool.¹¹
- In one instance in 2018, USAID renegotiated the terms of its contribution to the United Nations Development Program in Iraq so that \$55 million of a \$75 million payment went to vulnerable religious and ethnic minorities, who make up about 2 percent of Iraq's population.
- Toward the end of 2019, the Trump administration ordered a major withdrawal of U.S. government personnel from Iraq, leaving a "skeleton crew," as one lawmaker put it, of USAID staff that may not be sufficient to manage all the awards and programming planned for the country.¹² As Senator Chris Murphy (D-CT) said, "It may not be a coincidence that Iraq has unraveled since we started to draw down our presence at the embassy, and we need to find a way to reverse course—fast."¹³
- FMF assistance has recently gone toward maintaining U.S.-made military equipment and—though slightly less so in the past year—counterterrorism efforts. As part of ongoing efforts to professionalize the official Iraqi security forces, FMF aid is increasingly "focusing on leadership and institutional development."¹⁴



EXPECTATIONS FOR FY21 APPROPRIATION

- Congress is likely to maintain current assistance levels to Iraq in FY21, and retain previous earmarks on reconstruction, humanitarian efforts, and assistance to the KRG.
- Congress can be expected to continue providing FMF funding to Iraq at the same level it has in past years (\$250 million), particularly given that the new Iraqi government is unlikely to follow through on previous threats to kick U.S. forces out of the country.



POMED RECOMMENDATION

- We urge Congress to continue providing similar levels of assistance to Iraq, overriding the administration's proposed cuts. Given the administration's track record of undermining assistance efforts in Iraq, however, it would be prudent to earmark funds for specific priorities and follow up on implementation efforts to ensure they are being carried out appropriately.

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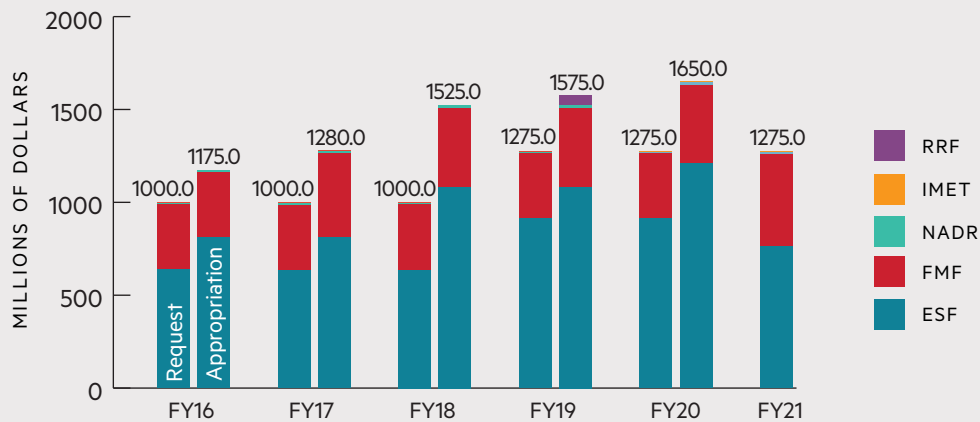
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JORDAN snapshot

FY21 REQUEST in thousands of dollars				FY20 APPROPRIATION	
ACCOUNTS		OBJECTIVES		ACCOUNTS	
ESDF	\$760,800	Peace and Security	\$514,200	ESF	\$1,207,400
FMF	\$500,000	Gov. Justly & Democratically	\$40,800	FMF	\$425,000
NADR	\$10,400	Investing in People	\$202,000	NADR	\$13,600
IMET	\$3,800	Economic Growth	\$518,000	IMET	\$4,000
TOTAL			\$1,275,000	TOTAL	\$1,650,000

TOTAL BILATERAL ASSISTANCE, REQUEST VS. APPROPRIATION in millions of dollars



Note: ESDF requests for FY17-FY21 are labeled ESF to make comparisons easier. Nearly all ESDF requested for MENA would fall under the ESF account, which Congress still uses.



RECENT DEVELOPMENTS

- Jordan, one of the closest U.S. partners in the MENA region, continues to battle economic problems that have the potential to destabilize the kingdom and that are likely to worsen due to the coronavirus pandemic.¹ Public debt in Jordan is an alarming 94 percent of GDP, unemployment has reached nearly 20 percent nationwide and close to 40 percent among the 15-24 year old demographic, and as much as two-thirds of the population depends on government employment.²
- In an attempt to quell public discontent in response to austerity measures mandated as part of a 2016 International Monetary Fund (IMF) loan, the government has conducted four cabinet reshuffles in just 17 months. Prime Minister Omar Razzaz has appointed 52 different ministers since June 2018 alone.³
- In practice, King Abdullah II ultimately maintains absolute power over the government and its policies. Jordan ranked 128th out of 180 countries in the press freedom index this year, and self-censorship remains widespread due to pervasive surveillance and intolerance for anything perceived to be political dissent.⁴



POLICY CONTEXT

- While the Trump administration has continued close cooperation with Jordan in line with past administrations, some of Trump’s policies, particularly regarding the Israeli-Palestinian conflict, have caused considerable alarm in Amman. In contrast to other U.S. partners in the region, who expressed varying degrees of rhetorical support for Trump’s Israeli-Palestinian “peace plan,” King Abdullah rejected the proposal, underscoring the importance of the fate of the Palestinians, who constitute well over half of Jordan’s population, to the kingdom’s stability.⁵
- The king has reportedly been lobbying the administration against recognizing Israel’s proposed annexation of the parts of the West Bank slated for Israel under President Trump’s plan. Jordan fears that such a move could lead to a new wave of Palestinian refugees⁶ or even leave Jordan as the de facto Palestinian state.⁷



BASICS OF U.S. AID

- Reflecting its traditional importance to U.S. policy, Jordan has received more than \$1 billion annually in bilateral economic and military assistance since FY14, including economic support consisting of loans, USAID programming, and direct budgetary support. Jordan is second only to Israel in the amount of bilateral foreign aid it receives from the United States.
- In 2018, the Trump administration signed a Memorandum of Understanding (MOU) with Jordan on a five-year \$6.4 billion aid package (\$1.3 billion annually), which marked a \$275 million annual increase over the two previous three-year MOU agreements. As part of this overall commitment, the administration pledged to provide Jordan a minimum of \$350 million in FMF funds each year.⁸



FY21 REQUEST

- The Trump administration’s \$1.3 billion FY21 request for Jordan honors the 2018 MOU and mirrors its last two budget proposals, with only slight variations to how the funding is distributed across the four major accounts. The primary changes are a \$150 million (16.5 percent) decrease in the ESDF request and a \$150 million (43 percent) increase in the request for FMF funding.
- According to the Congressional Budget Justification (CBJ), the \$760.8 million proposed for ESDF funding would help promote economic growth, strengthen the efficiency of government services, incentivize key policy and legal reforms, encourage the development of the private sector, and help mitigate the impacts of a large refugee population. Of the \$760.8 million, \$65 million would go toward increasing access to quality education and other productive opportunities for children and youth of all nationalities in Jordan.⁹
- The FY21 request includes \$40.8 million for Governing Justly and Democratically (GJD) programming, and a decrease of 9 percent over the FY20 request of \$45.8 million. This assistance would be used to support and strengthen the rule of law, enhance the government’s accountability to citizens within political processes, engage civil society and community leaders, increase transparency to combat corruption, support elected officials to better represent their constituents, support women’s organizations and networking, and promote transparent elections.¹⁰
- The administration also requests \$470.5 million in direct budget support for “non-military expenditures,” referring to the cash transfer that the United States typically provides. This figure is lower than the FY20 request of \$475 million but consumes more than half (62 percent) of the total ESDF request for Jordan.¹¹

- The proposal for an additional \$150 million in FMF funding over last year’s request was subsequently rescinded and redirected to ESDF funds, most likely indicating a change in priorities due to more pressing crises (COVID-19).¹² An administration official interviewed for this report indicated that the original rationale for the increased FMF aid was to support the modernization of Jordan’s F-16 fleet, a priority for the kingdom.¹³



FY20 APPROPRIATION

- Reflecting the depth and bipartisan nature of support for Jordan on the Hill, Congress in FY20 appropriated \$375 million more than the administration requested (for a total of \$1.7 billion).¹⁴ This is the third consecutive year Jordan has received more than \$1.5 billion in aid.
- The \$1.7 billion appropriation includes more than \$1 billion in ESF funding alone, making Jordan the single largest beneficiary of this account. Significantly, the vast majority of these ESF funds (\$845.1 million) comes as a direct cash transfer.
- As a part of the FY20 funding, Congress made \$125 million in prior-year ESF funds available to Jordan. Most of this tranche (\$100 million) will be provided to Jordan as budget support.
- The FY20 appropriation for FMF funding is \$425 million, \$75 million more than the administration requested. Jordan also received an additional \$13.6 million in NADR funds and \$4 million in IMET funding.



HOW AID IS SPENT

- Administration officials interviewed for this report said that priority areas for USAID programming include mitigating the refugee impact on Jordan by helping to support water, health care, education, and other basic services across the country; providing economic growth-focused assistance to encourage investment and strengthen the competitiveness of the private sector; promoting transparent elections; and strengthening local governance, the rule of law, and government accountability.¹⁵
- Of course, most of the economic funding Jordan receives goes straight to its budget. Administration officials report that USAID applies some conditions to its cash transfers, but these are not publicly available.¹⁶
- Democracy and governance programming is not a real priority, as only \$76 million was made available for the GJD objective in FY19, the last year for which such data is available. One representative of a democracy-promotion organization said the U.S government treats implementing organizations more like contractors in an effort to avoid friction with Jordan.¹⁷
- In response to the coronavirus pandemic, USAID announced on April 16, 2020, that it will provide Jordan with an additional \$8 million of economic assistance to help support its response.¹⁸ Since FY2012, the administration also has provided Jordan with another \$1.3 billion from multilateral accounts to support the approximately 655,000 Syrian refugees in Jordan.¹⁹



EXPECTATIONS FOR FY21 APPROPRIATION

- Congress will most likely once again appropriate \$1.5 billion in total funding for Jordan in FY21. Although Jordan enjoys widespread bipartisan support in Congress, one congressional staffer said it was unlikely that Congress will agree to appropriate any more than this figure, as some key members already consider this level excessive.²⁰
- According to one congressional staffer interviewed for this report, there was a high degree of skepticism in Congress regarding the administration's original request for additional funding (\$150 million in FMF funds) to support the modernization of Jordan's F-16 fleet, given the high level of funding Jordan receives.²¹



POMED RECOMMENDATION

- We recommend that Congress earmark a portion of ESF for Jordan for democracy and governance programs, in light of the importance of these issues to the kingdom's stability. Moreover, Congress should consider attaching its own conditions to the cash transfer for Jordan, which is an opportunity to press the Jordanian government to tackle widespread corruption in the country.
- We also urge Congress to earmark funding to support Jordan's large Syrian refugee population, especially given their increased vulnerability due to the COVID-19 pandemic. While the administration has so far supported this population, it is safer to earmark funds given its track record of cutting aid.

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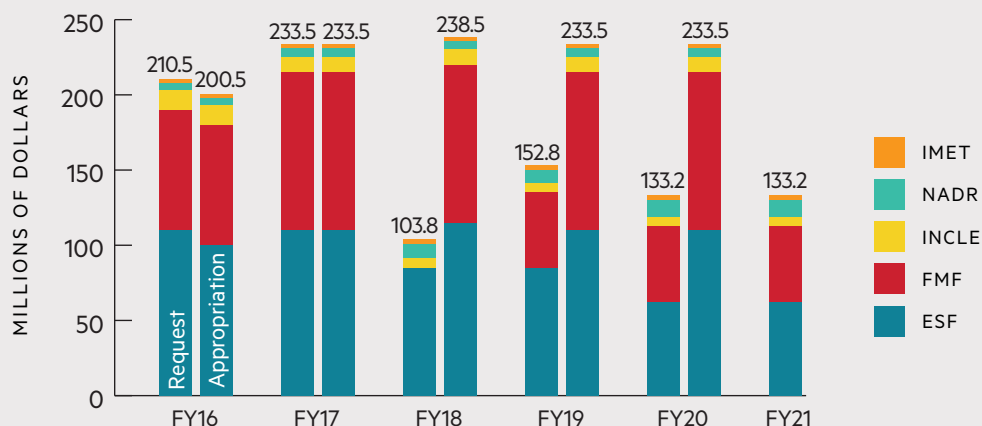
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LEBANON snapshot

FY21 REQUEST in thousands of dollars				FY20 APPROPRIATION	
ACCOUNTS		OBJECTIVES		ACCOUNTS	
ESDF	\$62,200	Peace and Security	\$69,960	ESF	\$110,000
FMF	\$50,000	Gov. Justly & Democratically	\$8,000	FMF	\$105,000
INCLE	\$6,200	Investing in People	\$42,000	INCLE	\$10,000
NADR	\$11,760	Economic Growth	\$13,200	NADR	\$5,760
IMET	\$3,000	Humanitarian Assistance	\$0	IMET	\$2,750
TOTAL			\$133,160	TOTAL	\$233,510

TOTAL BILATERAL ASSISTANCE, REQUEST VS. APPROPRIATION in millions of dollars



Note: ESDF requests for FY17-FY21 are labeled ESF to make comparisons easier. Nearly all ESDF requested for MENA would fall under the ESF account, which Congress still uses.



RECENT DEVELOPMENTS

- Lebanon is in the midst of widespread unrest, as its citizens demand political and economic reforms amid a crashing economy and rising poverty. Years of mismanagement and outright corruption by a government seen as out of touch and unresponsive to the needs of Lebanese citizens have shaken the country's political system to its core.
- The current government in Lebanon—led by Prime Minister Hassan Diab and formed in January after months of stalemate following Saad Hariri's resignation—is backed by Hezbollah and not particularly popular with either the Lebanese people or the U.S. administration.¹ While the coronavirus pandemic temporarily disrupted street activity, protests have since re-emerged, as the new government tries to balance public grievances with the demands of international financial institutions, from which Lebanon will have to seek support.



POLICY CONTEXT

- U.S. policy toward Lebanon is precariously balanced, given its geographic proximity to Israel and its complicated relationship with Iran vis-à-vis Hezbollah. Lebanon is considered an important U.S. partner, key to countering Iranian influence in the region and a target of the Islamic State and other Sunni militant groups.²
- The Trump administration has tried to apply heavy pressure on the Lebanese government to sideline Hezbollah by withholding support and assistance. In January, when the new government came to power, Secretary Pompeo refused to voice support for the Hezbollah-backed leadership, saying that the United States is “prepared to engage, provide support, but only to a government that’s committed to reform.”³



BASICS OF U.S. AID

- Since FY17, the United States has granted about \$452 million in total non-security assistance to Lebanon, or about \$113 million per year with no major changes year-to-year. In the same period, the United States has provided Lebanon with an annual average of \$120 million in FMF funding.
- Certification requirements on assistance to Lebanon designed to ensure that it does not end up in the hands of Hezbollah, however, limit which Lebanese government entities can receive U.S. aid. In this context, while the Lebanese Armed Forces (LAF) is described as a “pillar of support” by the State Department, its independence from Hezbollah is a frequently debated issue in Washington.
- In addition to the aid Lebanon receives from bilateral accounts, the U.S. government also provides substantial humanitarian assistance from multilateral accounts to help the Lebanese government absorb the estimated 1.5 million Syrian refugees it hosts.⁴



FY21 REQUEST

- For FY21, the Trump administration requested \$133.2 million in total aid for Lebanon, equal to its request last year. However, this figure is \$100 million (or 43 percent) less than what Congress appropriated in both FY20 and FY19.
- According to the Congressional Budget Justification (CBJ), this funding is intended to help counter Iran’s influence in the country by bolstering government service delivery (including at the local level) and strengthening the capabilities of the LAF. It would also help to address Lebanon’s “steep economic crisis,” mostly by boosting the private sector’s investment and employment opportunities.⁵
- For the ESRF account, the administration has requested \$62.2 million. A somewhat sizable chunk of that amount—\$17 million, or about 30 percent—would go toward higher education to provide scholarships for students in vulnerable communities and strengthen the capacity of higher education institutions “so that they will be able to better contribute to the social and economic development of the country.”⁶
- Despite the administration’s claim that one of its priorities in Lebanon is “improving local governance” and “challeng[ing] the false narrative advanced by Lebanese Hezbollah, and its sponsor Iran, that it represents a viable alternative” to the Lebanese government, the Governing Justly and Democratically (GJD) request for FY21 is a paltry \$8 million, less than half of what was enacted in FY19 (\$17.4 million).⁷

- The administration's FY21 request also includes \$50 million in FMF funding to support the LAF. While the CBJ says that "a strong and independent LAF is a key U.S. foreign policy objective," the proposed amount is less than half of what Congress appropriated in FMF funding for Lebanon last year (\$105 million).



FY20 APPROPRIATION

- In FY20, Congress appropriated a total of \$233.5 million, more than \$100 million more than the administration's request and largely consistent with FY19 (also \$233.5 million) and FY18 (\$238.5 million) appropriated levels.
- ESF funding in both FY19 and FY20 was \$110 million, down only slightly from the FY18 level of \$115 million. Appropriations for the INCLE (\$10 million), NADR (\$5.8 million), and IMET (\$2.8 million) accounts remained consistent across all three years.
- Congress once again appropriated \$105 million in FMF funds in FY20, but placed a number of strict conditions on that assistance to ensure that it does not end up in Hezbollah's hands.⁸ For instance, the secretary of state is required to submit a spending plan to Congress prior to disbursing aid to the LAF to ensure that assistance is used "only for intended purposes."
- Furthermore, Congress prohibited providing any assistance to either the LAF or Internal Security Forces (ISF) if either is "controlled by a foreign terrorist organization," underscoring how closely Hezbollah's influence in Lebanon is watched in Congress.



HOW AID IS SPENT

- USAID's work in Lebanon has continued to focus on education initiatives and service delivery, including water and sanitation services, long key challenges for the Lebanese government.⁹ This is partly due to the administration's unwillingness to work with certain parts of the government that have close ties to Hezbollah, which artificially limits the number of U.S. partners in Lebanon.
- FMF funding has been dedicated to helping professionalize the LAF through training and procurement of military equipment like drones and light attack helicopters.¹⁰
- However, in 2019, the Office of Management and Budget (OMB) delayed the delivery of \$105 million in FMF funds for the LAF and another \$114.5 million in ESF funds,¹¹ reportedly at the direction of USAID Deputy Administrator Bonnie Glick, a Trump political appointee who is reputedly close to the Israeli government.¹² Though all of this funding was subsequently released after Congress began asking questions, it is clear that a contingent in the administration is looking for opportunities to cut aid to Lebanon because of its perceived closeness to Iran.¹³
- As discussed above, Lebanon receives U.S. humanitarian aid from multilateral accounts, which comes on top of assistance from bilateral accounts. In FY20, the administration has so far obligated \$45 million in humanitarian assistance for Lebanon, while \$86 million was obligated for Lebanon from these same accounts in FY19.¹⁴



EXPECTATIONS FOR FY21 APPROPRIATION

- Based on interviews conducted for this report, Congress appears likely to reject the administration's proposed funding cuts, maintaining funding for Lebanon at existing levels.¹⁵ There is recognition in Congress, albeit not universal, that cutting aid to Lebanon would only advantage Hezbollah and Iran.
- However, those members of Congress who continue to question the independence of the LAF and the Lebanese government will continue to push for or even enhance conditions on aid, making it harder for the LAF in particular to receive assistance. In all likelihood, the conditions in the FY21 bill are likely to mirror those of the prior year.



POMED RECOMMENDATION

- We recommend that Congress maintain robust support for Lebanon, which will help to ensure that the United States retains some influence in the country. Given the level of popular disenchantment with the Lebanese political system, we also urge Congress to earmark funding for democracy and governance programs to help the Lebanese public advocate for their rights and needs.
- While it is not unreasonable to include conditions on assistance to Lebanon, Congress should be careful not to impose restrictions that would make it more difficult to support Lebanon. If the administration and Congress genuinely seek to make the LAF the "sole legitimate defender of Lebanon's security and sovereignty," it must be able to modernize and improve its capabilities.¹⁶

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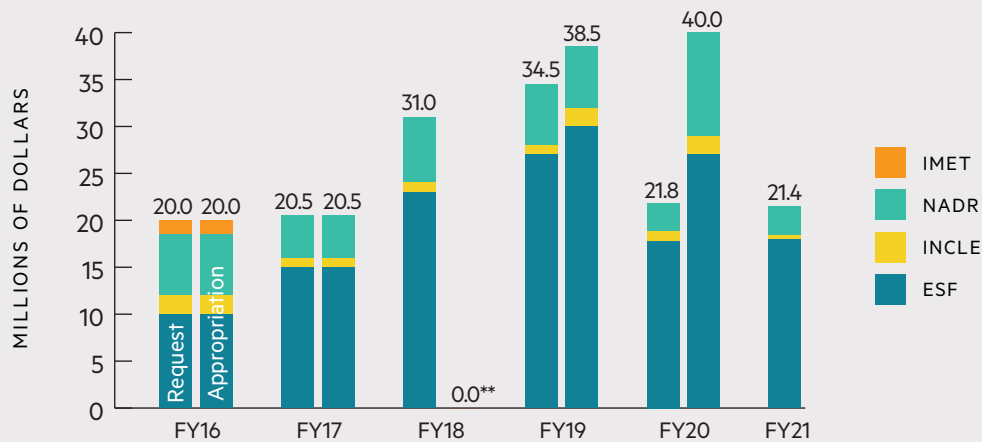
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LIBYA snapshot

FY21 REQUEST in thousands of dollars				FY20 APPROPRIATION	
ACCOUNTS		OBJECTIVES		ACCOUNTS	
ESDF	\$18,000	Peace and Security	\$9,335	ESF	\$27,000
INCLE	\$435	Gov. Justly & Democratically	\$6,700	INCLE	\$2,000
NADR	\$3,000	Economic Growth	\$5,400	NADR	\$11,000
TOTAL			\$21,435	TOTAL	\$40,000

TOTAL BILATERAL ASSISTANCE, REQUEST VS. APPROPRIATION in millions of dollars



Note: ESDF requests for FY17-FY21 are labeled ESF to make comparisons easier. Nearly all ESDF requested for MENA would fall under the ESF account, which Congress still uses.

** In FY18, Congress appropriated \$500 million in bilateral assistance for Libya, Syria, and Yemen from the Relief and Recovery Fund.



RECENT DEVELOPMENTS

- Despite several attempts by the United Nations to negotiate a settlement to the Libyan civil war over the past year, fighting continues between the internationally recognized Government of National Accord (GNA), led by Prime Minister Fayeze al-Sarraj, and the Libyan National Army (LNA) under the control of rebel leader Khalifa Haftar. The latter's assault on the capital of Tripoli, which he launched in April 2019, has wrought enormous civilian destruction.
- Repeated violations of the arms embargo and the introduction of troops by states backing opposing factions have intensified and perpetuated the conflict. The United Arab Emirates, Egypt, and Russia continue to support Haftar and his forces with military equipment, air support, and mercenaries; meanwhile, after initially only providing support in materiel, Turkey sent its own troops at the beginning of this year to support the GNA.
- Libya has not yet experienced a significant COVID-19 outbreak, but the country remains extraordinarily vulnerable to the pandemic due to years of war that have led to a dire humanitarian crisis. The country has nearly one million people, including 248,000 children, who are in need of healthcare and education, safe drinking water and sanitation, and food and other essential non-food items.¹



POLICY CONTEXT

- Officially, the United States recognizes the GNA as Libya's legitimate government and supports the efforts of the United Nations Support Mission in Libya (UNSMIL) to secure a cessation of hostilities through political negotiations. But as several senators made clear during a Foreign Relations Committee hearing in February 2020, U.S. policy remains muddled due to the administration's continued outreach to Haftar and the failure to hold his international backers—including close U.S. partners—accountable for violations of international law.²
- In practice, the United States has left political negotiations to other countries, many of which do not share U.S. interests. Meanwhile, the U.S. military, in coordination with the GNA, continues to carry out airstrikes against Islamic State targets inside Libya.³



BASICS OF U.S. AID

- U.S. development assistance, which has averaged \$35 million over the last three years, has emphasized three main target areas: improving governing institutions, increasing economic growth and opportunity, and addressing the drivers of instability and conflict.⁴ In total, the United States has provided more than \$262 million in aid since FY11, the year that the uprising against Muammar Qadhafi began.
- In addition, the administration has increased humanitarian assistance to Libya over the last few years (\$10 million since FY18) as the situation on the ground has deteriorated and the fighting has intensified, particularly following Haftar's assault on Tripoli.⁵



FY21 REQUEST

- For FY21, the administration requested for Libya a total of \$21.4 million—84 percent in ESRF funding.⁶ While the request is almost identical to the FY20 request, it would represent a 46.5 percent reduction from Congress's appropriation (\$40 million) in FY20.
- Under the FY21 request, more than 30 percent (\$6.7 million) of the total funding would go to assistance for Governing Justly and Democratically (GJD) programming, but that would still be a 40 percent reduction compared to the FY20 request for GJD (\$10.7 million).



FY20 APPROPRIATION

- In FY20, Congress earmarked \$40 million from the Relief and Recovery Fund to provide stabilization assistance to Libya, indicating that a portion of this assistance should support UNSMIL and border security, similar to the FY19 appropriation.⁷
- The Senate Appropriations Committee report also directed that \$3 million from the Human Rights and Democracy Fund—DRL's flagship program that allows the bureau to respond rapidly to changing dynamics on the ground—should be allocated to Libya, which demonstrates continued congressional support for democracy and governance programming in the country.⁸



HOW AID IS SPENT

- USAID has initiated several multi-year programs in Libya focused on democracy and governance, economic growth, and stabilization, including a \$106 million program to address “pressing community grievances and restore basic services, support civilian institutions, and strengthen moderate actors in civil society and local government.”⁹
- However, while the State Department and USAID have indicated that U.S. efforts are focused on local capacity building and community reconciliation, several implementers and congressional staff interviewed for this report indicated that the administration’s policy is “extremely fluid” with frequent requests to reorient programming.¹⁰ One democracy implementer interviewed for the report noted that the administration—likely coming from Vice President Pence’s office—was pushing programming to focus on ethnic minorities.
- One analyst also noted that donor fatigue is an increasing concern due to the difficult operating environment, inability to carry out oversight on programming, and challenge in producing any lasting results amid the ongoing conflict.¹¹ For the United States, these challenges are heightened, in part, because U.S. government personnel and their implementation partners operate from neighboring Tunisia due to security concerns.



EXPECTATIONS FOR FY21 APPROPRIATION

- Despite these challenges, Congress shows no signs of shifting its priorities in Libya and will likely continue appropriating stabilization assistance that supports conflict mitigation and local governance, while allowing State and USAID the flexibility to adjust to dynamics on the ground.



POMED RECOMMENDATION

- We encourage Congress to continue to pressure the administration to execute a consistent policy in Libya that maintains support for UNSMIL, while opposing Haftar’s anti-democratic and destabilizing efforts. It must also speak out against continuing violations of the arms embargo, and consider blocking arms transfers to those U.S. partners violating international law in Libya.
- At the same time, Congress should continue appropriating assistance at current levels to support local actors trying to create the groundwork for stability in a post-conflict Libya. Such aid, moreover, gives the United States an opportunity to influence political actors driving the conflict on the ground.

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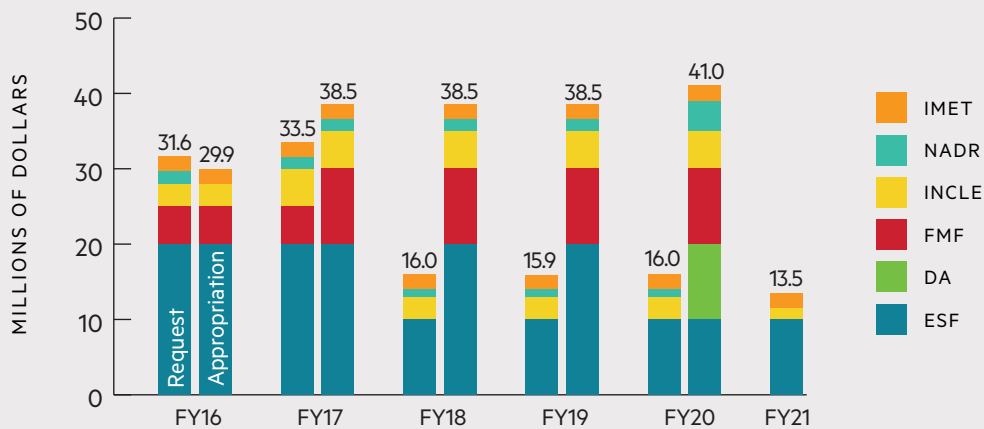


MOROCCO snapshot

FY21 REQUEST in thousands of dollars			
ACCOUNTS		OBJECTIVES	
ESDF	\$10,000	Peace and Security	\$6,100
FMF	\$0	Gov. Justly & Democratically	\$4,400
INCLE	\$1,500	Investing in People	\$3,000
NADR	\$0	Economic Growth	\$0
IMET	\$2,000	Humanitarian Assistance	\$0
TOTAL			\$13,500

FY20 APPROPRIATION	
ACCOUNTS	
ESF	\$10,000
FMF	\$10,000
INCLE	\$5,000
NADR	\$4,000
IMET	\$2,000
DA	\$10,000
TOTAL	\$41,000

TOTAL BILATERAL ASSISTANCE, REQUEST VS. APPROPRIATION in millions of dollars



Note: ESDF requests for FY17-FY21 are labeled ESF to make comparisons easier. Nearly all ESDF requested for MENA would fall under the ESF account, which Congress still uses.



RECENT DEVELOPMENTS

- Morocco has experienced sustained protests since 2016 over a lack of economic opportunities and systemic corruption, to which the government has responded by cracking down on activists and increasingly restricting Moroccans' freedom of expression. Although the kingdom reformed press laws to eliminate prison terms in 2016, the government continues to use the penal code to arrest journalists, students, and social media influencers for speech that allegedly disrespects the king or insults public officials or institutions.¹
- The kingdom has been implementing economic reforms for decades, which helps explain Morocco's ranking of third in the region in the World Bank's 2020 Doing Business Index, behind only Bahrain and the United Arab Emirates.² Despite the seemingly welcome business environment, economic growth has remained stagnant and the kingdom's UN Human Development Index is only marginally better than war-torn Syria and Yemen, largely the result of corruption and other governance pathologies.³



POLICY CONTEXT

- The United States continues to view Morocco as an important security partner in the region, particularly in combating terrorism. According to the State Department, the two countries “share common concerns and consult closely on...economic issues and sustainable development.”⁴
- However, the predilections of influential senior officials in the Trump administration have led to conflicting U.S. policies toward the kingdom. For instance, former National Security Advisor John Bolton lobbied to reduce the renewal period for the UN peacekeeping mission, the United Nations Mission for the Referendum in Western Sahara, from one year to six months in order to pressure the Moroccan government to address Sahrawis’ desire for independence.⁵ At the same time, Senior Advisor to the President Jared Kushner was reportedly spearheading an effort whereby Morocco would normalize relations with Israel in return for U.S. recognition of the kingdom’s sovereignty over Western Sahara.⁶



BASICS OF U.S. AID

- According to the Department of State, U.S. foreign assistance is intended to enhance the Moroccan government’s “capacity to promote security and prevent acts of terrorism while addressing core drivers of instability, such as political and social marginalization.”⁷
- While U.S. bilateral aid (approximately \$37 million per year since FY12) remains modest compared to other countries in the region and the kingdom’s needs, the Millennium Challenge Corporation is implementing its second compact with Morocco to address employability and land productivity, a facility valued at \$450 million.⁸



FY21 REQUEST

- The administration’s FY21 request for Morocco (a total of \$13.5 million) is similar to past years and would reduce assistance by 67 percent from the FY20 appropriation (\$41 million). The proposed cuts would come from eliminating FMF assistance and making steep cuts to economic assistance.
- According to the Congressional Budget Justification (CBJ), the requested economic assistance would continue to support both Moroccans vulnerable to radicalization and “excluded populations.”⁹ As part of this approach, the U.S. government would try to improve economic and educational development in traditionally marginalized regions.
- The FY21 request would also cut assistance for the Governing Justly and Democratically (GJD) objectives by 65 percent, similar to the proposed cut for such programming for the region as a whole.



FY20 APPROPRIATION

- Despite the administration’s repeated attempts to reduce assistance to Morocco dramatically, Congress again appropriated \$20 million in economic assistance and \$10 million in FMF in the FY20 Further Consolidated Appropriations Act, the same as it has done since FY17. The FY20 appropriation also included \$5 million in INCLE, \$4 million in NADR, and \$2 million in IMET.¹⁰
- While the House Appropriations Committee in its FY20 committee report expressed support for the UN’s efforts to resolve the conflict in Western Sahara “in an equitable, peaceful, and diplomatic manner,” appropriators sidestepped specific policy recommendations in the final committee report.¹¹ However, they continued to require some assistance funds for Morocco be made available for the Western Sahara.



HOW AID IS SPENT

- According to USAID, U.S. assistance focuses on “youth employability, citizen participation in governance, and educational attainment at the primary school level”; government officials interviewed for this report indicated that MEPI is similarly focused on women and youth programming, whereas DRL has tried to implement programs to address concerns over freedom of expression and assembly.¹²
- Morocco is using its modest FMF assistance to sustain and modernize its current equipment, particularly the kingdom’s air mobility, air defense, and cyber capabilities.¹³
- U.S. government officials regularly claim that the Moroccan government is cooperative in implementing programs. Representatives of democracy-promotion organizations, however, decry the Moroccan government’s disinterest in democracy and governance assistance, which has reportedly led to a “lack of creativity in programming.”¹⁴
- Additionally, while the Department of State does not seek explicit approval for programs from the Moroccan government, some U.S. government officials interviewed for this report indicated that there are clear red lines for programming, which is reflected in the clear shift in recent years away from support for civil society and political competition.¹⁵ One representative of a democracy-promotion organization indicated that the U.S. ambassador to Morocco is focused on economic development and job creation to the detriment of democracy and governance issues.¹⁶



EXPECTATIONS FOR FY21 APPROPRIATION

- Since FY18, Congress has ignored the administration’s requests to slash aid to Morocco. Based on interviews with congressional staffers, trends will not change in FY21 and Morocco will likely receive close to the same level it did in FY20.¹⁷



POMED RECOMMENDATION

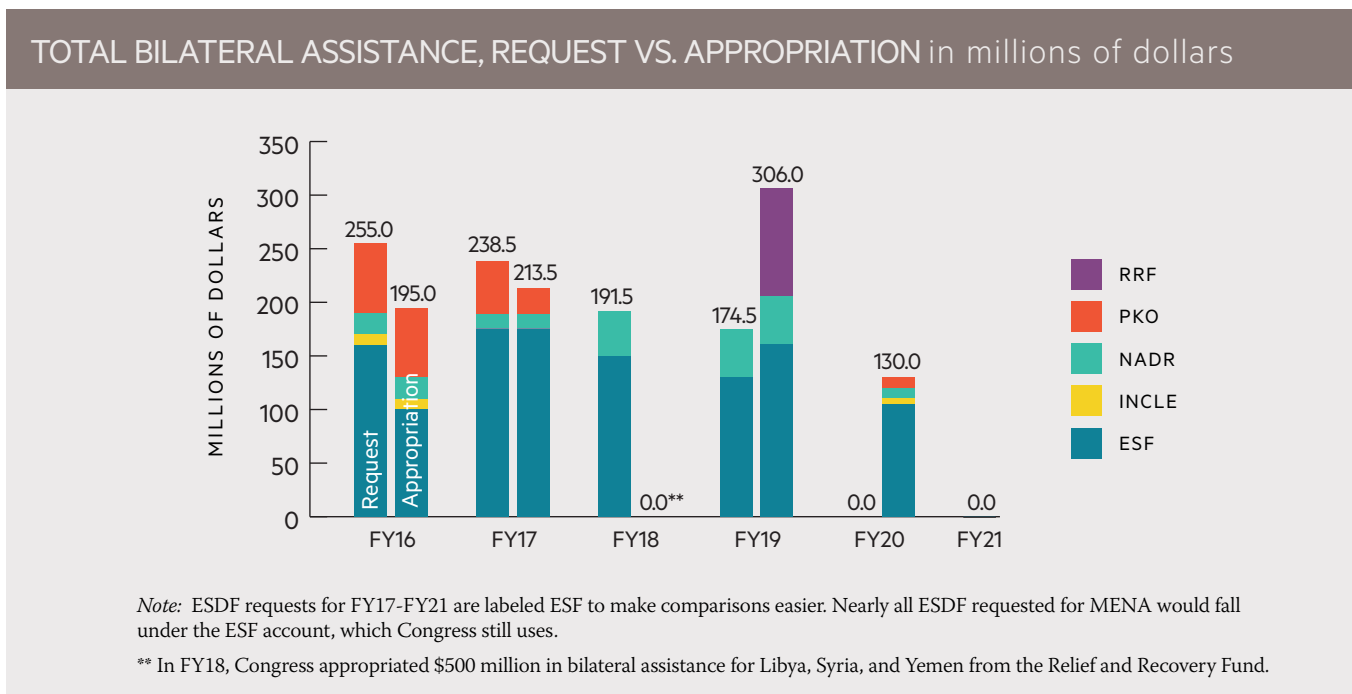
- While Morocco shows improvements in some economic indicators, the Moroccan people will continue to feel that the system does not work for them until the government begins to address the increasingly acute, systemic political and economic challenges facing the kingdom.
- Current U.S. support may help alleviate some short-term tensions, but unless the administration is willing to condition U.S. assistance to address the country’s rampant corruption and run up against some of the king’s “red lines” in both policy and assistance, U.S. aid is unlikely to have more than a marginal impact on Morocco’s development.

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SYRIA snapshot

FY21 REQUEST in thousands of dollars				FY20 APPROPRIATION	
ACCOUNTS		OBJECTIVES		ACCOUNTS	
ESDF	\$0	Peace and Security	\$0	ESF	\$105,000
INCLE	\$0	Gov. Justly & Democratically	\$0	INCLE	\$5,000
NADR	\$0	Investing in People	\$0	NADR	\$10,000
PKO	\$0	Economic Growth	\$0	PKO	\$10,000
		Humanitarian Assistance	\$0		
TOTAL			\$0	TOTAL	\$130,000



RECENT DEVELOPMENTS

- Fighting continued in Syria over the past year as the country's civil war entered its ninth year. Combat between the regime and the opposition Free Syrian Army (FSA) in the northern Idlib province—the last major rebel stronghold in the country—displaced one million people in the first three months of 2020.¹ At the same time, the value of the country's currency is plummeting, causing prices for staple goods to skyrocket and risking widespread famine.²
- Russia and Turkey have numerous observation posts in Idlib, where Russian and Turkish soldiers conduct joint patrols.³ While the two countries agreed to a ceasefire in March 2020, clashes between the regime and Turkish-backed rebel forces continue. Turkey also launched an invasion in October 2019 into border towns in northeast Syria, which were under the control of U.S.-backed Kurdish forces.⁴

- Syria remains divided into three parts. One-third of the country's territory in the northeast is under the semi-autonomous administration of the Kurdish-led Syrian Democratic Forces (SDF). In the northwest, the provinces of Idlib, Afrin, and Jarabulus are occupied by Turkish forces and their Syrian proxies. President Bashar al-Assad continues to control the rest of the country's territory.
- While the Islamic State lost its last remaining territory in Syria to the SDF in March 2019, the group continues to operate as an insurgency in several parts of the country.⁵ Meanwhile the COVID-19 pandemic has raised fears of a resurgence as the terror group has exploited this distraction to step up its attacks.⁶



POLICY CONTEXT

- The Trump administration's objectives in Syria are somewhat incoherent, with different officials interpreting U.S. policy in varying ways. While there is consensus regarding the importance of ensuring the enduring defeat of the Islamic State, the priority accorded to containing or reducing the Iranian presence in Syria or supporting a political process is ambiguous, at best.
- Notwithstanding the administration's commitment to defeating the Islamic State, its actions often seem at cross purposes with this goal. President Trump's ordered withdrawal of U.S. troops from northeastern Syria, though partially reversed, has raised concerns about the rebirth of the Islamic State, as has the administration's unwillingness to fund reconstruction and development. The administration's acceptance of a Turkish invasion into Kurdish-dominated territory has further frayed U.S. ties with the SDF.



BASICS OF U.S. AID

- While the United States has spent hundreds of millions in bilateral aid on Syria since 2012, in the last two years the Trump administration has ceased providing assistance through bilateral accounts. President Trump believes that other countries should bear the costs of reconstructing Syria, including those areas liberated from the Islamic State.
- There is no civilian U.S. presence in Syria, which complicates the ability of the administration to implement aid projects on the ground. This is especially true in northwestern Syria, which the administration left in October 2019, and in northeastern Syria after aid workers were withdrawn following the troop drawdown.
- However, the Trump administration has continued to provide humanitarian aid to Syria, which comes out of multilateral accounts. Since 2012, the United States spent more than \$10 billion on humanitarian aid for Syrians,⁷ nearly half of which was spent on efforts within Syria itself.⁸



FY21 REQUEST

- Consistent with its view that other countries should fund reconstruction, the administration did not request assistance for Syria for FY21—the second consecutive year. The Congressional Budget Justification (CBJ) says that, instead, it seeks to use \$160 million from the Relief and Recovery Fund (RRF) to assist areas liberated from the Islamic State.⁹
- The last time the Trump administration requested bilateral aid for Syria was for FY19, when it proposed \$174.5 million for the country. In that year, the administration ended up spending only \$40 million in ESF funding, \$15 million of which went to good governance and human rights programs.

- While administration officials interviewed for this report indicated that Syria would continue to receive humanitarian funds, it is not the practice for administrations to make country-specific requests for the multilateral accounts from which such funds are drawn.



FY20 APPROPRIATION

- Congress rejected the administration’s proposal to zero out bilateral funding for Syria in FY20 and appropriated \$130 million.¹⁰ This reflects a clear disagreement between Congress and the administration regarding how to realize U.S. objectives in Syria.
- Yet, the FY20 appropriation represents a 36.9 percent decrease from what Congress appropriated for Syria in FY19 (\$206 million).¹¹ In FY18, Congress notably did not earmark any bilateral aid specifically for Syria¹²—following the administration’s abrupt decision that year to freeze \$230 million in FY17 reconstruction funds for Syria.¹³
- Of the \$130 million in total funding allocated to Syria from the ESF, INCLE, and PKO accounts, at least \$40 million was earmarked for “non-lethal stabilization assistance,” of which \$7 million must be reserved for emergency medical and rescue response and chemical weapons use investigations.¹⁴ The FY20 Further Consolidated Appropriations Act also earmarked an additional \$5 million to support accountability measures for human rights abuses in Syria and Iraq, and recommended that \$100 million appropriated for the RRF be allocated for Syria.



HOW AID IS SPENT

- The Trump administration continues to believe that it can achieve its objectives in Syria by relying on a combination of humanitarian assistance through USAID and contributions from partner countries. However, analysts interviewed for this report indicated that many donor countries have not fulfilled their pledges, leading to funding shortfalls.¹⁵
- The FY21 CBJ indicates that the administration spent more than \$500 million in FY19 on humanitarian assistance in Syria from the International Disaster Assistance account, \$249.9 million in Foreign Disaster Assistance funds, and \$278.4 million in Food for Peace funding.¹⁶ The ongoing International Disaster Assistance programs are the main channel through which the United States provides assistance to Syria.
- USAID is using humanitarian funds and donor contributions to ensure the provision of essential services in northeast Syria, even though it has no ground presence. Outside of Syria, USAID supports initiatives based out of Europe such as the White Helmets and the Syria Recovery Trust Fund.
- The State Department has three main programs in Syria: strengthening local governance and community building in the Jazira region controlled by local U.S. partners; supporting internal security forces in the Raqqa and Deir Ezzour regions liberated from the Islamic State; and a program to strengthen independent media throughout the country.
- In addition, DRL continues to work with civil society organizations on truth and justice reconciliation, tracking the regime’s humanitarian crimes, and submitting them to the International Criminal Court in support of the UN’s International Impartial and Independent Mechanism. Other U.S. programming for Syria is conducted through pro-democracy organizations, which work with civil society to expose the Syrian government’s human rights abuses.



EXPECTATIONS FOR FY21 APPROPRIATION

- Both the House and Senate are once again likely to reject the administration's proposal to zero out bilateral aid for Syria. Congressional leaders remain deeply concerned about Syria's stability, and are prepared to provide stabilization assistance on programs that support targeted early-recovery activities, strengthening local administration in territories controlled by U.S. military partners in Syria, and extending non-lethal assistance to civilian community security providers.¹⁷



POMED RECOMMENDATION

- We urge Congress to reject President Trump's proposal and continue appropriating bilateral funds for Syria. While funding for humanitarian agencies should continue, bilateral stabilization assistance is the only way to accomplish the broader U.S. objective of ensuring the enduring defeat of the Islamic State.

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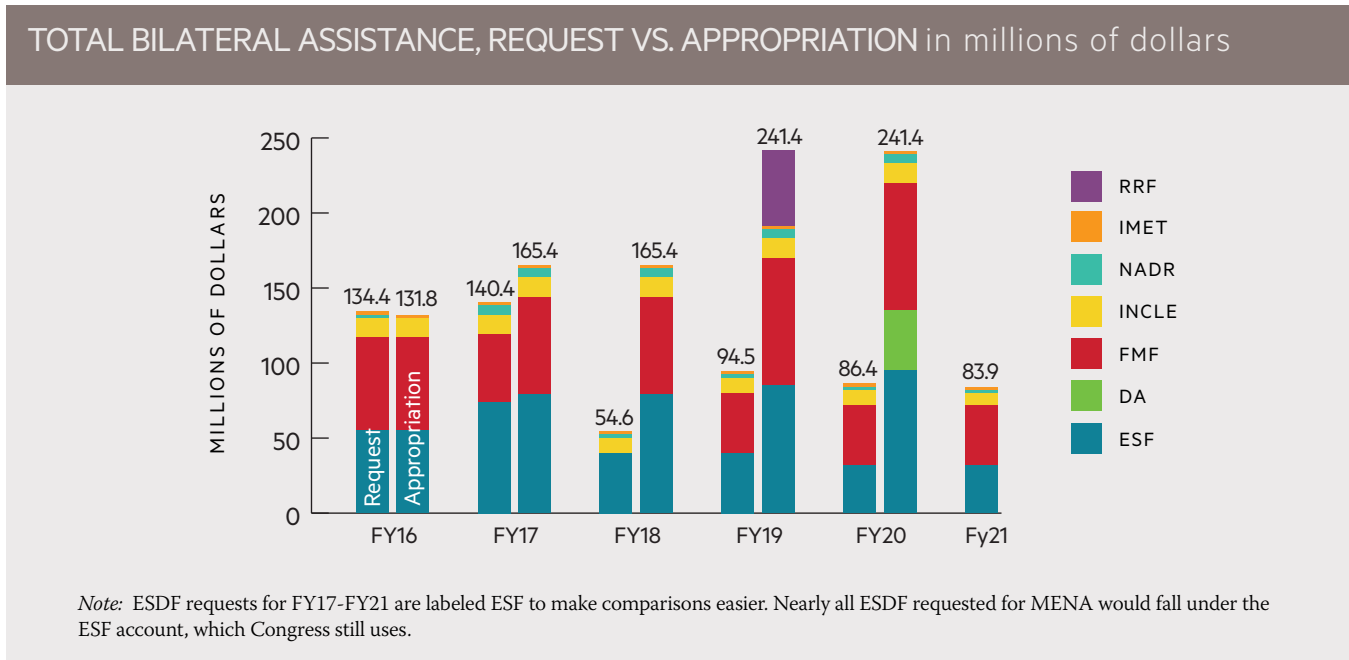
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TUNISIA snapshot

FY21 REQUEST in thousands of dollars				FY20 APPROPRIATION	
ACCOUNTS		OBJECTIVES		ACCOUNTS	
ESDF	\$31,500	Peace and Security	\$49,653	ESF	\$95,000
FMF	\$40,000	Gov. Justly & Democratically	\$17,697	FMF	\$85,000
INCLE	\$8,050	Investing in People	\$0	INCLE	\$13,000
NADR	\$2,000	Economic Growth	\$16,500	NADR	\$6,100
IMET	\$2,300	Humanitarian Assistance	\$0	IMET	\$2,300
TOTAL			\$83,850	TOTAL	\$241,400



RECENT DEVELOPMENTS

- President Beji Caïd Essebsi’s July 2019 death not only expedited the timeline for an already planned presidential election last fall but also ushered in a new period in Tunisia’s democratic transition. Essebsi, a staple of Tunisian politics for decades, was replaced by Kais Saïed, a first-time politician and former constitutional law professor, who was elected in a landslide with 73 percent of the vote in the October 2019 runoff election.¹
- In the October 2019 parliamentary elections, Ennahda earned a slim plurality of seats and nominated longtime party figure Rached Ghannouchi as Speaker of Parliament. After months of negotiations, the party’s nominee for prime minister failed to earn enough votes.
- Saïed ultimately nominated former Minister of Finance Elyès Fakhfakh to the position, who succeeded in forming a coalition government but has his work cut out for him.² The biggest challenge to the country’s ongoing democratic transition is a sputtering economy that has faced a number of setbacks over the years—from terrorist attacks to the coronavirus pandemic.



POLICY CONTEXT

- Despite Tunisia’s status as the only democracy to emerge from the Arab uprisings, the Trump administration has paid very little attention to the country, even amidst the transition that followed Essebsi’s sudden death. To the extent that the U.S. government has focused on Tunisia, it has primarily concentrated on security interests and counterterrorism efforts.³
- Congress, on the other hand, has been quite supportive of Tunisia’s democratic transition. Tunisia’s parliament is a partner legislature of the United States through the House Democracy Partnership, and Senators Chris Murphy (D-CT) and Lindsey Graham (R-SC) recently introduced a resolution calling on the administration to negotiate a free trade agreement (FTA) with Tunisia.⁴



BASICS OF U.S. AID

- Since 2011, the United States has provided Tunisia with more than \$1.2 billion in bilateral assistance. Since FY18, assistance has been balanced more or less equally between security and non-security accounts.⁵
- U.S. assistance to Tunisia targets three priority areas: democracy and governance (elections, political party training, and accountable political leadership at both the national and municipal level); economic support (assisting with economic growth and economic reforms); and counterterrorism efforts (focused on community resilience and helping security forces sustain their progress and development).
- In 2019, USAID upgraded its operations in Tunisia to full mission status, better enabling it to carry out the range of projects it works on there.⁶ Tunisia is consistently a constructive partner when it comes to assistance implementation.



FY21 REQUEST

- For the fourth consecutive year, the Trump administration is proposing major cuts in assistance to Tunisia. While the FY21 request of \$83.9 million is only slightly lower than the FY20 request of \$86.4 million, it would represent a cut of 65 percent (or \$157.5 million) over the FY20 appropriation.
- Indeed, the total amount requested for FY21 is less than just the amount of ESF funds Tunisia received in FY19 (\$95 million). Officials interviewed for this report said that this paltry request is less a reflection of the administration’s stance toward Tunisia than of its fixation on reducing foreign aid spending writ large.⁷
- Nearly 60 percent (\$49.7 million) of requested funding for FY21 is intended to support the Peace and Security objective, most of which (\$40 million) would come out of the FMF account. In addition to the FMF grant request, the FY21 Congressional Budget Justification (CBJ) also includes a “specific request from the Government of Tunisia” for a \$350 million FMF loan to help Tunisia procure U.S.-manufactured light attack aircraft.⁸
- The administration is seeking \$31.5 million in ESDF funds for Tunisia in FY21, which is identical to its request last year. According to the CBJ, this funding would support economic growth, particularly for the private sector and small and medium-sized enterprises (SMEs).
- While the \$17.7 million requested for Governing Justly and Democratically (GJD) funding in FY21 is higher than what the administration requests for many other countries in the region, it is a fraction of the more than \$40 million spent on governance and democracy support in FY19. The CBJ notes that of the requested GJD funding, the lion’s share (\$15

million) is intended to “support initiatives that improve the quality of Tunisia’s governance to increase national and local level responsiveness and transparency, advance key administrative reforms and anti-corruption efforts, increase social inclusion, and reduce regional disparities.”⁹



FY20 APPROPRIATION

- Reflecting its ongoing commitment to Tunisia’s democratic transition, Congress appropriated \$155 million more than the administration requested in FY20: \$191.4 million plus an additional \$50 million of unspent prior-year funds for a total of \$241.4 million. This funding level is identical to what Congress provided in FY19, though the additional \$50 million that year came from the Relief and Recovery Fund—and a significant increase from FY18, when it appropriated \$165.4 million.¹⁰
- Congress earmarked roughly equal amounts of security (\$85 million in FMF funds) and non-security assistance (\$45 million in ESF funds and \$40 million DA funds) in FY20, plus the additional \$50 million of prior-year funds for ESF. The FY20 appropriations law also states that ESF funds for Tunisia may be used for loan guarantees.
- Reflecting ongoing congressional support for Tunisia and its partnership with the United States, the House Appropriations Committee report stated, “The Committee notes that a stable and viable democratic Tunisia is critical to regional security” and that it “supports the government of Tunisia’s efforts to continue improving the security situation in the country, democratic governance, and economic reform.”¹¹



HOW AID IS SPENT

- Due to the elections held last year, a considerable amount of assistance in Tunisia was dedicated to supporting party development and mobilization, get-out-the-vote efforts, and election training and monitoring. Following the elections, U.S. programming has shifted to focus on working with political parties on developing party platforms and expansion at the local level.¹²
- Economic assistance to Tunisia is geared toward supporting SMEs and private sector employment. In particular, programming is focused on job training and work with regional chambers of commerce to support development in the interior. Two industries receiving increasing attention are renewable energy and agribusiness.¹³
- Administration officials interviewed for this report indicate that, despite the significant increases in assistance over the last few years, there is no absorption issue in Tunisia; the U.S. government continues to find productive ways to spend additional funding and the Tunisian government remains a cooperative partner.¹⁴
- However, due to limited space at U.S. diplomatic facilities in Tunisia, USAID has been unable to increase substantially the number of officers in-country to administer programs. This is partly due to the State Department Diplomatic Security Service’s evaluation of Tunisia as a high threat environment, which makes it more difficult for the U.S. government to procure additional living and work space for American personnel.
- At the end of March 2020, USAID also began working with municipal leadership on COVID-19 prevention efforts.¹⁵ In April, the United States provided an additional \$25 million in ESF funds specifically to support COVID-19 response and relief efforts,¹⁶ and in May, the State Department announced that another \$600,000 “will help [Tunisia] prepare laboratory systems, activate case-finding and event-based surveillance, support technical experts for response and preparedness, bolster risk communication, and more.”¹⁷



EXPECTATIONS FOR FY21 APPROPRIATION

- Tunisia continues to enjoy bipartisan and bicameral support in Congress, where the country’s democratic transition is recognized as important to U.S. interests. Congressional staffers interviewed for this report expect the FY21 appropriations bill to maintain current levels of assistance for Tunisia, but budgetary constraints militate against an increase.¹⁸
- One congressional staffer indicated that appropriators are likely to once again reject the State Department’s request for an FMF loan to Tunisia to finance light attack aircraft.¹⁹ This staffer said that administration officials have failed to make a persuasive case for the request, and indicated that if the purchase really is a priority, Tunisia should be able to find sufficient funds from the grant assistance it has been receiving.



POMED RECOMMENDATION

- We strongly recommend that Congress continue to support Tunisia at or above the FY20 level, with a roughly equal balance between security and non-security aid. Tunisia’s democratic transition demands U.S. support, and high levels of aid not only send an appropriate message of support, but also make a direct contribution to the country’s progress.
- We also recommend that Congress build the \$50 million in additional aid Tunisia has received the last two years into the top-line request, which would help to establish the current level as a new baseline. Similarly, Congress should consider offering extra assistance on the condition that Tunisia make strides in furthering its democratic transition, such as by establishing the long-delayed Constitutional Court or publishing the full report of the Truth and Dignity Commission, which was established after the 2011 revolution to investigate human rights abuses committed by the Tunisian state from 1955 through 2013.

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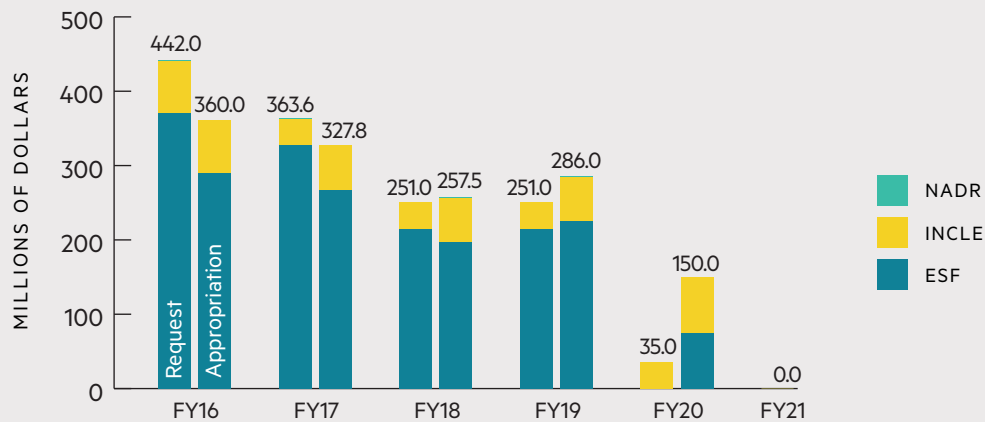
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WEST BANK & GAZA snapshot

FY21 REQUEST in thousands of dollars				FY20 APPROPRIATION	
ACCOUNTS		OBJECTIVES		ACCOUNTS	
EDSF	\$0	Peace and Security	\$0	ESF	\$75,000
INCLE	\$0	Gov. Justly & Democratically	\$0	INCLE	\$75,000
		Investing in People	\$0		
		Economic Growth	\$0		
		Humanitarian Assistance	\$0		
TOTAL			\$0	TOTAL	\$150,000

TOTAL BILATERAL ASSISTANCE, REQUEST VS. APPROPRIATION in millions of dollars



Note: EDSF requests for FY17-FY21 are labeled ESF to make comparisons easier. Nearly all EDSF requested for MENA would fall under the ESF account, which Congress still uses.



RECENT DEVELOPMENTS

- The two-state solution hangs in the balance, as Israeli Prime Minister Benjamin Netanyahu's new "unity government" is set to annex parts of the West Bank as early as July 1¹. The Palestinian Authority (PA) has already suspended security coordination with Israel in response to the prospect of annexation, and it is possible it will take further steps, including even dissolving itself.
- Humanitarian conditions in Gaza remain deeply troubling and, while calm has largely prevailed over the past year, there are occasional military exchanges between Israel and Hamas or other Gaza-based militant groups.² Health and humanitarian organizations fear that a COVID-19 outbreak could decimate Gaza's dilapidated health system, but so far Palestinians there have been spared a severe outbreak.³
- National elections have not taken place since 2006, due in part to the political split between the West Bank and Gaza, and 84-year old PA President Mahmoud Abbas is reportedly in frail health. Both the PA and Hamas have been accused of human rights abuses in the territories they control.⁴



POLICY CONTEXT

- On January 28, President Trump unveiled his proposal for resolving the Israeli-Palestinian conflict, entitled “Peace to Prosperity: A Vision to Improve the Lives of the Palestinian and Israeli People.”⁵ The plan envisions a highly conditioned and constrained Palestinian state that would lack contiguity, contain sovereign Israeli enclaves, and ultimately be subject to Israeli security control. It, moreover, does not provide for a Palestinian capital within the municipal boundaries of Jerusalem.
- The Palestinian leadership has rejected Trump’s plan out of hand, but the administration has intermittently signaled to Israel that it can proceed with annexing the approximately 30 percent of the West Bank reserved for Israel under the proposal.⁶ PA officials have not met with the Trump administration outside of limited security channels since the United States recognized Jerusalem as the capital of Israel in December of 2017.
- The Trump administration believes it can pressure the Palestinians into negotiating on the basis of its “peace plan,” and has taken a number of punitive measures it hopes will compel the PA leadership to negotiate.⁷ So far, however, the Palestinians have been unmoved.



BASICS OF U.S. AID

- U.S. aid to the Palestinians has historically served a number of development, humanitarian, and security functions. U.S. bilateral aid to the Palestinians since 1994 has surpassed \$5 billion, including \$919.6 million in INCLE funds to support Palestinian security coordination with Israel between FY08 and FY19.
- However, since January 2018, nearly all assistance to the Palestinians has been held by the administration on policy grounds.⁸ In August of that year, President Trump discontinued U.S. contributions to the United Nations Relief and Works Agency (UNRWA), which provides aid to 5.5 million Palestinian refugees in the West Bank, Gaza, and neighboring countries.⁹
- In addition to the administration’s policy hold on aid to the Palestinians, Congress has erected a number of barriers restricting how much assistance can be provided, to whom, and under what conditions. Indeed, Lara Friedman of the Foundation for Middle East Peace calls “US aid to the Palestinians, dollar-for-dollar, the most limited/conditioned/restricted/etc aid the US gives in the region, if not the world.”¹⁰
- The most important laws regarding aid to the Palestinians are the Taylor Force Act, which prohibits ESF funding that “directly benefits the Palestinian Authority” until the PA ceases payments to families of Palestinians who were detained for or died during a terrorist act, which Israel and many members of Congress view as a reward for terrorism;¹¹ and the Anti-Terrorism Clarification Act (ATCA), under which—by accepting U.S. aid from certain accounts—the PA is consenting to personal jurisdiction in U.S. federal courts.¹²
- The PA renounced all U.S. aid in response to the ATCA, which could have made it liable for hundreds of millions of dollars in damages granted to victims of terrorism in Israel and the Occupied Territories. The ATCA was subsequently amended, which is described below.¹³



FY21 REQUEST

- Consistent with the Trump's administration's hold on aid to the Palestinians, the Congressional Budget Justification (CBJ) does not request any funding for the West Bank and Gaza. Nor does the FY21 request seek any funding for UNRWA.
- This is the first time in decades that a U.S. administration has not requested funding for the West Bank and Gaza. By contrast, President Trump's budget sought \$35 million for INCLE funding in FY20.
- In lieu of requesting funding for the Palestinians, the Trump administration is asking Congress to fund a Diplomatic Progress Fund (DPF) that would "allow the State Department and USAID to respond to new opportunities arising from progress in diplomatic and peace efforts around the world," including Middle East peace.¹⁴ The appeal of the DPF to the administration is that it facilitates its ability to reward or punish the Palestinians by granting or taking away aid with minimal oversight from Congress.
- The administration also requested funding for a DPF in FY20. The difference between the FY20 and FY21 requests is that the latter seeks more funding (\$200 million vs \$175 million) and subsumes the INCLE request, which was listed as a separate bilateral item last year.



FY20 APPROPRIATION

- Congress ignored the administration's request for a DPF in FY20 and appropriated \$150 million in total funding for the West Bank and Gaza. This includes \$75 million in ESF funds and another \$75 million in INCLE funds.¹⁵
- The \$150 million appropriation, while over four times more than what President Trump requested, is nevertheless 47.6 percent less than what was appropriated in FY19 (\$286 million). Congress also attached a bewildering array of conditions to this funding that, among other things, prohibits support to the PA unless extensive conditions are met and instructs the administration to deduct from ESF available to the West Bank and Gaza the amount equivalent to what the PA spent on the families of Palestinians who were convicted and imprisoned for or died during a terrorist act.
- In contrast to ESF and INCLE funding, Congress did not earmark any funds for UNRWA, though it does not explicitly prohibit support to the organization. Should the administration choose to provide funding to UNRWA, the FY20 Further Consolidated Appropriations Act requires the secretary of state to first submit a report to Congress on how the organization will ensure such funds are spent properly.¹⁶
- The FY20 appropriations law also modified the ATCA to allow the PA to accept certain types of funding, including INCLE assistance, without consenting to jurisdiction in U.S. courts. While this "fix," which is known as the Promoting Security and Justice for Victims of Terrorism Act (PSJVTA), does decouple aid from jurisdiction, it substitutes two new triggers for jurisdiction: making payments to the Martyrs' Fund and conducting official diplomatic business in the United States, including re-establishing the Palestine Liberation Organization (PLO) Office in Washington.¹⁷
- Two advocates for Middle East peace interviewed for this report explained that the West Bank and Gaza language represented a compromise in which Senate Democrats got hard earmarks for aid while Senate Republicans secured a "fix" to ATCA that could still allow plaintiffs to sue the PA and PLO in U.S. courts.¹⁸



HOW AID IS SPENT

- The Trump administration has continued withholding the vast majority of U.S. aid Congress has appropriated for the Palestinians, to the frustration of many members of Congress who worked on modifying the ATCA. Administration officials are reportedly waiting on the PA to send a letter confirming that it will accept assistance with the passage of the PSJVTA.¹⁹
- One Middle East peace advocate interviewed for this report indicated that the PA was reluctant to comply with this request as it could violate the Taylor Force Act's prohibition on aid that benefits the PA.²⁰ Regardless of the Taylor Force Act, it may be difficult politically for the PA to accept any U.S. funding to the extent that it would signal their acceptance of the PSJVTA, which treats the popular payments to families of people who died in the conflict with Israel as a criminal activity.
- Congressional anger at the Trump administration's unwillingness to provide aid to the Palestinians is growing amid the coronavirus pandemic. Two member letters have been sent to Secretary Pompeo urging him to release the funding that Congress has appropriated for the West Bank and Gaza.²¹
- In response to this pressure, the Trump administration announced on April 16 that it was releasing \$5 million to help the Palestinians fight the COVID-19 pandemic.²² While this was a welcome step, this is only a small fraction of the funding that Congress made available and a USAID official clarified that none of this support would go to Gaza due to Hamas's control there.²³



EXPECTATIONS FOR FY21 APPROPRIATION

- While the Trump administration's posture toward West Bank and Gaza aid has alienated many members of Congress—especially Democrats—it is unclear what more Congress can do to force the President to spend appropriated funding. Congress, moreover, should not be expected to do anything radical on Palestinian aid in an election year.
- One congressional staffer interviewed for this report indicated that Congress would likely include hard earmarks in the FY21 appropriations bill. This staffer also indicated there is little appetite in Congress for funding the DPF, which is widely seen as a “slush fund” among appropriators.²⁴
- Another congressional staffer thought it was extremely unlikely that Senator Lindsey Graham (R-SC) would agree to a hard earmark for UNRWA, particularly in an election year.²⁵
- As funding for the West Bank and Gaza is two-year funding, it appears that decisions over what to do with both FY20 aid and whatever is appropriated in FY21 will fall to the winner of the November presidential election.

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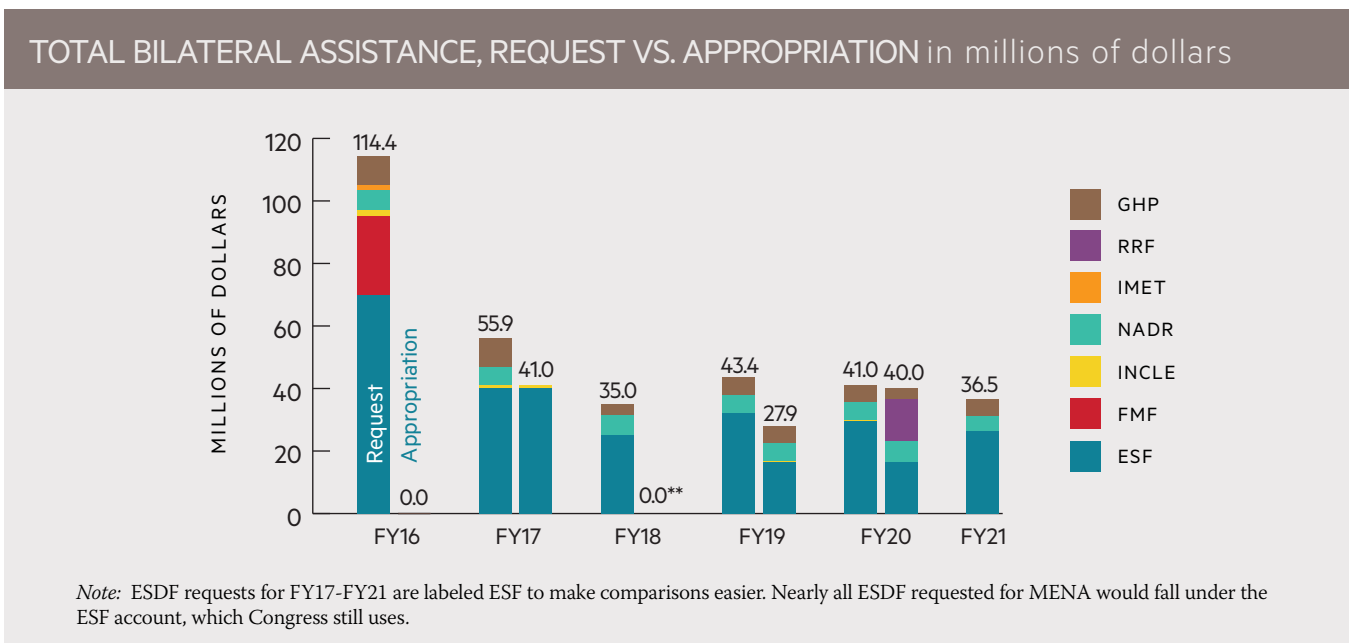
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YEMEN snapshot

FY21 REQUEST in thousands of dollars				FY20 APPROPRIATION	
ACCOUNTS		OBJECTIVES		ACCOUNTS	
ESDF	\$26,350	Peace and Security	\$7,350	ESF	\$16,500
NADR	\$4,600	Gov. Justly & Democratically	\$2,500	NADR	\$6,500
GHP	\$5,500	Investing in People	\$17,900	GHP	\$3,500
RRF	\$0	Economic Growth	\$8,700	RRF	\$13,500
		Humanitarian Assistance	\$0		
TOTAL			\$36,450	TOTAL	\$40,000



RECENT DEVELOPMENTS

- Now in its sixth year of war, Yemen continues to suffer through the world’s largest humanitarian crisis, in which 80 percent of Yemenis are in need of some form of humanitarian assistance, half the country is nearing starvation, and two-thirds lack adequate access to clean water and sanitation.¹ Making matters worse, the arrival of the coronavirus pandemic in Yemen is already adding further strain on a depleted healthcare system that is operating at 50 percent capacity.
- Despite some optimism that Saudi Arabia was trying to find a way out of the conflict—including a unilateral ceasefire announcement at the onset of the pandemic—the war rages on. The United Arab Emirates (UAE) ended its active military participation in the conflict in July 2019, but the UAE-supported Southern Transitional Council has repeatedly taken up arms against the internationally recognized government, exacerbating coalition in-fighting, prolonging the conflict, and further destabilizing the country.²



POLICY
CONTEXT

- The Trump administration, while giving nominal support for UN efforts to negotiate a settlement, has continued to view the conflict through the prism of the “maximum pressure” campaign against Iran. In spite of fierce congressional opposition, the U.S. government continues to provide the Saudi-led coalition with intelligence, targeting support, and U.S. arms.
- The United States continues to be one of the leading providers of humanitarian assistance to Yemen, but the administration has begun to politicize the aid by suspending provision to Houthi controlled areas—where the majority of Yemenis live—as a part of its anti-Iran efforts. Trump’s suspension of financial contributions to the World Health Organization (WHO), which is one of the major implementers in Yemen, over his disapproval of its handling of the global pandemic is only adding to the misery.



BASICS OF
U.S. AID

- In total, the United States has provided more than \$1.5 billion in aid to Yemen since FY12, most of it focused on alleviating the humanitarian crisis. In FY19 alone, USAID and the Department of State provided \$746 million in humanitarian assistance: \$102 million through USAID’s Office of Foreign Disaster Assistance; \$596 million from the Food for Peace program; and \$50 million through the State Department’s Bureau of Population, Refugees, and Migration.³
- In addition to the humanitarian assistance provided, the United States has provided \$35-\$40 million per year in development assistance since 2017 with the goal of “[strengthening] the ability of Yemeni institutions to meet citizens (sic) needs and build a stronger foundation for durable peace and prosperity.”⁴



FY21 REQUEST

- The administration’s FY21 request (\$36.5 million) for bilateral assistance to Yemen includes \$26 million in ESMF funds for “training and small grants to build local organizations’ and community leaders’ capacities,” improving access to education, supporting small and medium-sized enterprises, and increasing household purchasing power. The request would be a 9 percent reduction compared to the FY20 appropriation (\$40 million).⁵
- The request also includes \$3.5 million in Global Health Programs (GHP) funding for medical equipment, technical assistance, and rehabilitation of health facilities, and \$2.6 million in NADR funds to “build and train civilian law enforcement units capable of securing borders, apprehending terrorism suspects, investigating terrorist crimes, and prosecuting terrorism cases.”⁶



FY20
APPROPRIATION

- Yemen is somewhat of a regional exception, in that Congress has not sought to provide substantially more bilateral assistance than the administration has been requesting. In FY20, for instance, Congress earmarked \$40 million for stabilization assistance (similar to the FY20 request and \$12.1 million more than the FY19 appropriation) and required that some of the funds go toward supporting UN stabilization and governance facilities and vulnerable populations like women and girls.⁷
- The Senate Appropriations Committee report recommended that of the \$40 million in total aid, \$16.5 million should come from the ESF account, \$5 million of which should go to

the UN governance facility and \$3 million for DRL; \$6.5 million should come from NADR; \$13.5 million from the Relief and Recovery Fund, \$10 million of which should go to the UN stabilization facility; and \$3.5M from GHP.⁸



HOW AID IS SPENT

- In addition to bilateral funding, the United States has provided Yemen with significant humanitarian assistance (more than \$2 billion) since FY15.⁹ But in March 2020, in response to Houthi interference with aid projects, the administration suspended \$73 million in humanitarian assistance to Houthi-controlled areas of Yemen with limited exceptions for “life saving aid.”¹⁰
- In May 2020, the administration announced that it would provide an additional \$225 million in humanitarian assistance focused primarily on the provision of food through the World Food Program, but refused to include any assistance for the WHO program in Yemen.¹¹
- One humanitarian advocate interviewed for this report described the timing of the suspension—which came as the global economy ground to a halt due to the coronavirus, the first cases of COVID-19 were discovered in the country, the tempo of attacks increased, and the administration cut funding for the WHO—as a “perfect storm” with lethal ramifications for Yemeni civilians. According to one congressional staffer, humanitarian assistance was already operating at a reduced capacity even prior to the suspension due to interference by the Houthis and the internationally recognized government.¹²



EXPECTATIONS FOR FY21 APPROPRIATION

- Based on interviews conducted for this report, congressional appropriators are likely to continue to ensure that the State Department and USAID have the necessary resources to provide Yemen with life-saving humanitarian assistance and at least minimal support for stabilization efforts.¹³
- In addition, members of Congress will likely continue to pressure the administration publicly and privately to ensure that it delivers the humanitarian support it is appropriating and uses its leverage to push the warring parties to end the fighting.



POMED RECOMMENDATION

- We encourage the administration to continue providing substantial humanitarian aid in FY21, especially as growing evidence seems to indicate a widespread outbreak of the coronavirus. President Trump should, moreover, end all aid suspensions so that Yemenis in need do not experience further delays.
- Meanwhile, Congress should continue appropriating stabilization assistance at current levels to help rebuild local communities and improve access to education. At the same time, we encourage members of Congress to pursue new legislative vehicles to maintain pressure on the Saudi-led coalition to end its involvement in the war.



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TABLE 1: TOTAL ASSISTANCE BY STRATEGIC OBJECTIVE, FY12-FY21 (IN MILLIONS OF DOLLARS)

Near East Total	FY12 Actual	%	FY13 Actual	%	FY14 Actual	%	FY15 Actual	%	FY16 Actual	%	FY17 Actual	%	FY18 Actual	%	FY19 Actual	%	FY20 Request	%	FY21 Request	%
Peace and Security	6032.8	73.9	5347.1	73.8	5346.7	75.9	5344.2	79.4	5627.1	75.5	6109.1	71.4	5558.3	74.8	5740.4	73.0	5325.1	80.9	5457.4	83.4
Governing Justly, Democratically (GJD)	473.6	5.8	254.9	3.5	250.0	3.5	180.4	2.7	350.8	4.7	522.5	6.1	287.7	3.9	334.1	4.2	196.2	3.0	189.2	2.9
Investing in People	580.0	7.1	700.7	9.7	580.1	8.2	430.7	6.4	574.8	7.7	529.4	6.2	388.0	5.2	412.7	5.2	426.2	6.5	305.4	4.7
Economic Growth	896.9	11.0	803.2	11.1	777.3	11.0	642.5	9.5	661.3	8.9	1053.1	12.3	932.2	12.5	937.7	11.9	632.3	9.6	595.3	9.1
Humanitarian Assistance	101.8	1.2	71.8	1.0	89.8	1.3	133.8	2.0	240.0	3.2	340.5	4.0	269.6	3.6	437.1	5.6	0.0	0.0	0.0	0.0
TOTAL	8158.0		7243.3		7044.0		6731.6		7454.0		8554.6		7435.8		7862.0		6579.8		6547.3	

TABLE 2: GJD FUNDS BY PROGRAM AREA, FY12-FY21 (IN MILLIONS OF DOLLARS)

Near East Total	FY12 Actual	%	FY13 Actual	%	FY14 Actual	%	FY15 Actual	%	FY16 Actual	%	FY17 Actual	%	FY18 Actual	%	FY19 Actual	%	FY20 Request	%	FY21 Request	%
Rule of Law and Human Rights	132.2	28.2	82.3	32.3	74.6	29.8	50.6	28.0	72.0	20.5	94.9	18.2	97.2	33.8	121.5	36.4	48.8	24.9	50.6	26.7
Good Governance	93.3	19.9	31.5	12.4	51.5	20.6	44.3	24.6	140.3	40.0	245.9	47.1	106.7	37.1	120.2	36.0	86.7	44.2	79.2	41.8
Political Competition, Consensus Building	56.0	12.0	42.9	16.8	31.8	12.7	24.5	13.6	40.4	11.5	36.3	6.9	32.6	11.3	27.9	8.3	14.7	7.5	12.5	6.6
Civil Society	186.8	39.9	98.2	38.5	92.2	36.9	61.1	33.8	98.1	28.0	145.4	27.8	51.2	17.8	64.5	19.3	46.0	23.4	47.0	24.8
GJD Total	468.3		254.9		250.1		180.4		350.8		522.5		287.7		334.1		196.2		189.2	

There may be variance in numbers used throughout this report due to rounding.

TABLE 3 - BILATERAL FOREIGN ASSISTANCE BY COUNTRY AND BY STRATEGIC OBJECTIVE, FY12-FY21 (MILLIONS USD)

Algeria	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Request	FY21 Request
Peace and Security	2.2	2.5	2.6	2.7	2.6	1.8	2.1	1.5	2.0	1.3
Governing Justly, Democratically (GJD)	0.0	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	0.0
Economic Growth	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0
Humanitarian Assistance	8.7	6.6	4.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Bilateral Assistance	10.9	9.1	7.2	2.7	2.6	1.8	2.1	1.5	2.0	3.3
Egypt	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Request	FY21 Request
Peace and Security	1308.5	1244.2	1304.7	1305.4	1304.3	1239.0	1306.2	1305.8	1305.5	1305.3
Governing Justly, Democratically (GJD)	14.3	19.9	21.7	6.4	12.5	7.8	14.2	22.6	14.8	20.6
Investing in People	52.1	135.4	77.3	56.7	62.0	40.0	58.1	60.0	40.0	35.0
Economic Growth	181.6	84.8	102.2	87.3	70.2	66.6	35.2	30.9	22.0	21.0
Humanitarian Assistance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Bilateral Assistance	1556.5	1484.2	1505.9	1455.8	1449.0	1353.5	1413.7	1419.3	1382.3	1381.9
Iraq	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Request	FY21 Request
Peace and Security	990.3	516.5	330.3	190.1	302.4	497.8	349.3	355.5	115.9	79.3
Governing Justly, Democratically (GJD)	176.0	46.2	37.3	28.7	49.5	66.0	41.5	66.0	41.6	41.6
Investing in People	46.4	6.2	0.0	9.5	3.0	8.0	2.5	10.0	3.4	3.4
Economic Growth	57.5	20.5	0.0	1.5	0.5	285.5	10.0	20.0	5.0	0.2
Humanitarian Assistance	0.0	0.0	0.0	0.0	50.0	4.0	0.0	0.0	0.0	0.0
Total Bilateral Assistance	1270.3	589.4	367.6	229.8	405.4	861.3	403.3	451.5	165.9	124.5
Jordan	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Request	FY21 Request
Peace and Security	315.9	296.4	310.3	396.0	462.6	487.5	442.6	442.6	364.2	514.2
Governing Justly, Democratically (GJD)	28.0	25.0	28.4	35.0	60.0	62.7	76.4	76.0	45.8	40.8
Investing in People	93.0	98.0	126.6	132.5	243.5	249.8	217.8	224.0	322.0	202.0
Economic Growth	339.0	441.4	545.0	447.5	508.9	519.9	788.2	782.4	543.0	518.0
Humanitarian Assistance	0.0	0.5	0.0	0.0	0.0	0.0*	0.0	0.0	0.0	0.0
Total Bilateral Assistance	775.9	861.4	1010.3	1011.0	1274.9	1319.8	1525.0	1525.0	1275.0	1275.0

There may be variance in numbers used throughout this report due to rounding.

TABLE 3 - (CONTINUED)
(MILLIONS USD)

Lebanon	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Request	FY21 Request
Peace and Security	106.4	104.8	98.0	103.1	107.0	96.4	126.9	127.8	70.0	70.0
Governing Justly, Democratically (GJD)	21.0	9.8	9.0	9.4	16.5	16.0	27.0	17.4	9.0	8.0
Investing in People	49.0	46.2	44.8	40.2	72.0	54.9	61.0	63.0	41.0	42.0
Economic Growth	14.7	15.2	14.1	13.6	18.0	41.1	31.0	34.1	13.2	13.2
Humanitarian Assistance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Bilateral Assistance	191.1	176.0	166.0	166.3	213.5	208.4	245.9	242.3	133.2	133.2
Libya	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Request	FY21 Request
Peace and Security	5.4	8.5	5.4	4.2	8.5	92.4	9.0	12.5	7.0	9.3
Governing Justly, Democratically (GJD)	0.0	9.0	0.5	0.4	10.0	38.6	14.5	8.5	10.7	6.7
Investing in People	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Economic Growth	0.0	5.0	0.0	0.0	0.0	8.2	9.6	12.0	4.2	5.4
Humanitarian Assistance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Bilateral Assistance	5.4	22.5	5.9	4.5	18.5	139.2	33.0	33.0	21.8	21.4
Morocco	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Request	FY21 Request
Peace and Security	21.6	13.1	13.3	18.5	16.7	18.1	22.7	16.9	8.1	6.1
Governing Justly, Democratically (GJD)	8.6	7.5	5.9	7.2	6.0	9.0	6.5	12.6	3.8	4.4
Investing in People	4.5	6.2	9.9	6.4	4.5	8.0	4.5	6.0	2.7	3.0
Economic Growth	6.5	4.4	5.1	6.4	4.5	3.5	4.9	3.0	1.5	0.0
Humanitarian Assistance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Bilateral Assistance	41.2	31.1	34.2	38.5	31.7	38.6	38.6	38.5	16.0	13.5
Syria	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Request	FY21 Request
Peace and Security	3.0	43.5	2.8	45.0	136.0	249.2	0.0	18.0	0.0	0.0
Governing Justly, Democratically (GJD)	52.5	15.9	5.5	0.0	40.6	160.5	0.0	15.0	0.0	0.0
Investing in People	0.0	0.0	0.0	0.0	0.5	13.0	0.0	7.0	0.0	0.0
Economic Growth	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Humanitarian Assistance	0.0	18.3	0.0	1.9	0.0	0.0	0.0	0.0	0.0	0.0
Total Bilateral Assistance	55.5	77.7	8.3	46.9	177.1	422.7	0.0	40.0	0.0	0.0

TABLE 3 - (CONTINUED)
(MILLIONS USD)

Tunisia	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Request	FY21 Request
Peace and Security	54.3	29.7	31.5	40.9	76.0	112.5	83.5	101.2	51.8	49.7
Governing Justly, Democratically (GJD)	1.6	3.0	1.3	0.5	20.9	41.0	44.2	46.1	18.1	17.7
Investing in People	11.6	10.0	4.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Economic Growth	21.8	4.5	20.3	20.0	45.0	51.7	37.6	44.0	16.5	16.5
Humanitarian Assistance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Bilateral Assistance	89.3	47.2	57.8	61.4	141.9	205.2	165.3	191.3	86.4	83.9
West Bank and Gaza	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Request	FY21 Request
Peace and Security	60.4	49.3	49.3	59.9	38.8	43.5	43.5	0.0	29.6	0.0
Governing Justly, Democratically (GJD)	56.9	21.2	35.9	31.1	31.5	45.0	17.5	0.6	5.5	0.0
Investing in People	294.0	366.7	276.3	152.0	158.3	112.9	0.0	0.0	0.0	0.0
Economic Growth	62.6	0.0	55.7	47.1	3.0	49.4	0.0	0.0	0.0	0.0
Humanitarian Assistance	36.3	0.0	32.5	76.9	29.7	40.3	0.0	0.0	0.0	0.0
Total Bilateral Assistance	510.3	437.2	449.7	367.0	261.3	291.1	61.0	0.6	35.0	0.0
Yemen	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Request	FY21 Request
Peace and Security	31.8	29.0	27.0	12.5	6.5	31.6	23.2	8.5	9.3	7.4
Governing Justly, Democratically (GJD)	23.0	14.0	1.0	0.0	20.5	21.5	2.1	5.3	0.2	2.5
Investing in People	16.0	20.4	16.5	15.8	11.8	21.4	19.1	20.0	15.0	17.9
Economic Growth	7.6	5.0	5.5	6.3	4.3	0.0	1.5	3.5	16.6	8.7
Humanitarian Assistance	56.8	46.4	52.8	55.0	160.3	296.1	269.6	437.1	0.0	0.0
Total Bilateral Assistance	135.2	114.8	102.8	89.6	203.4	370.6	315.5	474.4	41.0	36.5

TABLE 4 - GOVERNING JUSTLY AND DEMOCRATICALLY (GJD) FUNDING BY COUNTRY, PROGRAM AREA, FY12-FY21 (MILLIONS USD)

Egypt	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Request	FY21 Request
Rule of Law and Human Rights	0.8	8.1	11.6	2.5	3.5	7.8	5.8	15.9	7.1	13.6
Good Governance	5.9	7.2	4.2	2.4	6.9	0.0	8.4	6.7	7.7	7.0
Political Competition, Consensus Building	1.4	3.0	1.3	1.5	1.6	0.0	0.0	0.0	0.0	0.0
Civil Society	6.2	1.5	4.7	0.0	0.5	0.0	0.0	0.0	0.0	0.0
GJD Total	14.3	19.9	21.7	6.4	12.5	7.8	14.2	22.6	14.8	20.6
Iraq	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Request	FY21 Request
Rule of Law and Human Rights	68.8	27.3	24.8	7.0	0.0	18.0	12.0	9.0	5.6	5.6
Good Governance	44.5	4.5	4.0	15.7	39.5	45.0	26.5	54.0	35.0	35.0
Political Competition, Consensus Building	14.5	3.3	2.0	6.0	4.0	3.0	3.0	3.0	1.0	1.0
Civil Society	48.2	11.1	6.5	0.0	6.0	0.0	0.0	0.0	0.0	0.0
GJD Total	176.0	46.2	37.3	28.7	49.5	66.0	41.5	66.0	41.6	41.6
Jordan	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Request	FY21 Request
Rule of Law and Human Rights	6.0	6.0	2.5	7.0	15.0	15.4	31.3	41.5	13.0	13.0
Good Governance	4.0	0.0	8.0	7.0	34.7	36.9	23.4	11.0	19.8	14.8
Political Competition, Consensus Building	10.0	5.5	5.0	6.0	0.0	4.0	20.2	11.2	7.0	7.0
Civil Society	8.0	13.5	12.9	15.0	10.3	6.4	1.5	12.3	6.0	6.0
GJD Total	28.0	25.0	28.4	35.0	60.0	62.7	76.4	76.0	45.8	40.8
Lebanon	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Request	FY21 Request
Rule of Law and Human Rights	10.0	0.0	0.0	1.1	3.5	2.0	12.0	2.0	1.0	1.0
Good Governance	5.1	5.0	6.1	3.5	8.2	10.2	11.7	10.3	4.0	3.0
Political Competition, Consensus Building	1.3	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0	0.0
Civil Society	4.6	4.7	2.9	4.8	4.8	3.8	2.3	5.1	4.0	4.0
GJD Total	21.0	9.8	9.0	9.4	16.5	16.0	27.0	17.4	9.0	8.0
Libya	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Request	FY21 Request
Rule of Law and Human Rights	0.0	0.0	0.5	0.4	0.0	6.2	0.0	3.0	0.0	1.0
Good Governance	0.0	0.0	0.0	0.0	6.4	21.2	9.3	3.5	5.6	4.4
Political Competition, Consensus Building	0.0	9.0	0.0	0.0	2.8	10.8	3.0	0.0	2.7	0.5
Civil Society	0.0	0.0	0.0	0.0	0.9	0.5	2.2	2.0	2.4	0.8
GJD Total	0.0	9.0	0.5	0.4	10.0	38.6	14.5	8.5	10.7	6.7

There may be variance in numbers used throughout this report due to rounding.

TABLE 4 (CONTINUED)
(MILLIONS USD)

Morocco	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Request	FY21 Request
Rule of Law and Human Rights	0.6	0.3	0.0	0.0	0.0	0.5	0.5	1.6	1.0	0.5
Good Governance	5.5	0.0	0.0	0.0	0.0	0.0	6.0	6.5	2.8	3.9
Political Competition, Consensus Building	1.0	2.2	2.2	2.0	1.7	0.0	0.0	0.0	0.0	0.0
Civil Society	1.5	5.0	3.7	5.2	4.4	8.5	0.0	4.6	0.0	0.0
GJD Total	8.6	7.5	5.9	7.2	6.0	9.0	6.5	12.6	3.8	4.4
Syria	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Request	FY21 Request
Rule of Law and Human Rights	3.5	5.4	0.0	0.0	0.0	3.5	0.0	15.0	0.0	0.0
Good Governance	0.0	0.0	1.8	0.0	19.0	93.0	0.0	0.0	0.0	0.0
Political Competition, Consensus Building	0.0	0.0	0.6	0.0	1.2	5.0	0.0	0.0	0.0	0.0
Civil Society	49.0	10.5	3.1	0.0	20.4	59.0	0.0	0.0	0.0	0.0
GJD Total	52.5	15.9	5.5	0.0	40.6	160.5	0.0	15.0	0.0	0.0
Tunisia	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Request	FY21 Request
Rule of Law and Human Rights	0.4	3.0	1.3	0.5	10.9	7.2	4.8	11.7	4.1	3.7
Good Governance	0.5	0.0	0.0	0.0	7.5	12.1	17.6	20.0	10.0	10.0
Political Competition, Consensus Building	0.4	0.0	0.0	0.0	0.0	9.0	5.4	11.0	2.0	2.0
Civil Society	0.5	0.0	0.0	0.0	2.5	12.7	16.4	3.4	2.0	2.0
GJD Total	1.6	3.0	1.3	0.5	20.9	41.0	44.2	46.1	18.1	17.7
West Bank and Gaza	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Request	FY21 Request
Rule of Law and Human Rights	30.8	18.3	19.5	20.3	19.7	23.3	16.7	0.6	4.7	0.0
Good Governance	19.3	2.9	15.6	10.0	10.1	12.2	0.8	0.0	0.8	0.0
Political Competition, Consensus Building	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Civil Society	6.9	0.0	0.8	0.8	1.7	9.5	0.0	0.0	0.0	0.0
GJD Total	56.9	21.2	35.9	31.1	31.5	45.0	17.5	0.6	5.5	0.0
Yemen	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Request	FY21 Request
Rule of Law and Human Rights	5.0	2.5	1.0	0.0	0.5	0.0	0.0	1.8	0.2	0.0
Good Governance	4.0	5.0	0.0	0.0	5.0	12.7	2.1	2.0	0.0	0.0
Political Competition, Consensus Building	12.0	5.0	0.0	0.0	10.0	2.3	0.0	0.0	0.0	0.0
Civil Society	2.0	1.5	0.0	0.0	5.0	6.5	0.0	1.5	0.0	2.5
GJD Total	23.0	14.0	1.0	0.0	20.5	21.5	2.1	5.3	0.2	2.5

