



PROJECT *on* Middle East Democracy

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Fiscal Year 2010 Appropriations and Middle East Democracy

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On July 28, the Project on Middle East Democracy (POMED) and the Heinrich Böll Foundation released a new publication, *The Federal Budget and Appropriations for Fiscal Year 2010: Democracy, Governance, and Human Rights in the Middle East*, written by POMED's Director of Advocacy **Stephen McInerney**. McInerney presented the report's findings, launching a discussion with **Thomas Melia** of Freedom House and **Marina Ottaway** of the Carnegie Endowment for International Peace. **Andrew Albertson**, Executive Director of POMED, moderated.

Stephen McInerney began by arguing that the numbers in the FY2010 foreign operations budget indicate the priorities of the **Obama** administration. This assuaged prior fears that the administration would distance it self from democracy promotion to avoid any policy echoing the parlance of **President Bush**. McInerney highlighted the report's main conclusions:

- The budget request contains large increases for democracy and governance across the broader Middle East and North Africa. The proposed funding for the region (\$1.54 billion) is more than double the FY2009 request.
- Democracy and governance funding comprise 14 percent of total assistance for the region, the highest percentage yet.
- The most dramatic increases in funding for democracy and governance will be to Afghanistan and Pakistan, which includes a tenfold increase in aid to civil society groups. This signals that the administration's priorities in these countries are not limited to military operations, but will also focus on building government institutions and supporting independent civil society actors.
- Increases for civil society are seen in the Arab world, where funding for civil society is cut by 29 percent, and is cut most severely in Egypt and Jordan. This demonstrates that the administration, while committed to funding for democracy across the region as a whole, is shifting toward working directly with governments.
- The budget contains robust funds for the Middle East Partnership Initiative (MEPI) and the Millennium Challenge Corporation (MCC), both signature initiatives of the Bush Administration that have shown success after initial difficulties.
- In recent years, Congress has granted less than requested for MCC and MEPI. The appropriations process shows that this Congressional outlook has changed and that Congress is more amenable to granting funding under the Obama Administration.
- McInerney also examined the Near East Regional Democracy Fund (NERD), introduced in March. At the outset, NERD funds will be directed particularly toward Iran, but the program will enjoy a great deal of flexibility, allowing it to adapt readily to conditions on the ground and shift funds elsewhere as necessary.

Tom Melia reviewed his observations about the budget request, noting his hesitation in drawing large conclusions about policy from budget numbers. Nevertheless, he conceded that the request conveys to domestic and international audiences U.S. public diplomacy and foreign policy priorities.

Given the twin crises in Honduras and Iran, Melia asserted that President Obama's appreciation for democracy has "crystallized" a conclusion that elections by citizens matter, even if the victor is a party with a platform unaligned with U.S. interests. But he warned that well-intentioned civil society aid in the Middle East that is traced back to Washington can undermine the credibility of civil society actors the U.S. is trying to help.

Melia focused on the budget request's major funding for USAID initiatives, asking who at USAID—where there are many vacant political appointments—wrote the budget request. He questioned whether the request actually signals a shift in policy or if it is political inertia continuing from the previous administration.

In reference to the request's Governing Justly and Democratically category, Melia commented that major increases in the war zones in Afghanistan, Pakistan and Iraq amount to 47 percent of all global GJD spending. While this demonstrates a focus on democracy in important post-conflict countries, it also draws funding away from successful democracy promotion programs in other countries. The policies are counterintuitive, claimed Melia, as aid is going to war zones with bad democratic records rather than to key allies such as Jordan and Egypt.

Marina Ottaway questioned how effective the funds for democracy and governance allocated to the Middle East are, in light of the closing of political space across the region in recent years. Doubting whether outside funding could successfully trigger domestic reform, she emphasized the "closure" of any sort of the "Arab Spring" that was heralded five years ago.

Attempting to gauge U.S. policy in the Middle East under the Obama Administration, she argued, is much like "reading tea leaves." Ottaway nevertheless agreed with **McInerney's** description of **an emphasis in state-to-state relations**. When it comes to democracy promotion, however, the relationship of society to the state must also be taken into account. When we ask governments to make "confidence building" steps toward accountability and reform, which requires massive concessions from their perspective, the U.S. cannot then pressure them to simultaneously cooperate with the U.S. For example, in Egypt, the U.S. has dropped democracy promotion efforts to enhance its relations with the regime, she claimed.

"Closure" in the Middle East political landscape, in conjunction with a U.S. diplomatic track focusing on state-to-state relations, means that funding for democracy programs are unlikely to have much impact, she argued. Optimists will endorse democratic aid nonetheless, continuing to "wave the flag of democracy" in all weather, but pessimists, she said, think it is a waste of time.

Andrew Albertson asked the panelists what they hoped to see in the budget request for next year. **Melia** expressed hopes that the FY2010 funds will be praised as having been "spent well," while **Ottaway** insisted that a clearer statement of U.S. policy priorities for democracy beyond the request will be necessary. **McInerney** noted that he hopes to see further increases in democracy and governance spending accompanied by diplomatic and policy tools, as well as a reversal in cuts to democracy and governance funding in Egypt and Jordan and to independent civil society actors.