

RELATED PROGRAMS

RELATED PROGRAMS

Resource Summary

(\$ in thousands)

	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Increase / Decrease
The Asia Foundation	16,000	19,000	15,690	(3,310)
Center for Middle Eastern-Western Dialogue	875	875	840	(35)
Eisenhower Exchange Fellowship Program	500	500	500	0
Israeli Arab Scholarship Program	177	375	375	0
East-West Center	21,000	23,000	11,400	(11,600)
National Endowment for Democracy	115,000	118,000	105,000	(13,000)

Proposed Appropriation Language

THE ASIA FOUNDATION

For a grant to The Asia Foundation, as authorized by The Asia Foundation Act (22 U.S.C. 4402), [~~\$19,000,000~~]*\$15,690,000*, to remain available until expended, as authorized. (*Department of State, Foreign Operations, and Related Programs Appropriations Act, 2010.*)

THE ASIA FOUNDATION

Resource Summary

(\$ in thousands)

Appropriations	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Increase / Decrease
Funds	16,000	19,000	15,690	(3,310)

Program Description

The Asia Foundation (TAF) is a private, nongovernmental organization (NGO) that advances U.S. interests in the Asia-Pacific region. For 55 years, working through its network of 18 offices in Asia, TAF has been a well-recognized American organization, with programs grounded in Asia, helping to solve local problems in cooperation with Asian partners. TAF has local credibility, a nuanced understanding of the issues facing each country, and extensive access--to and relationships with--government, nongovernmental groups and the private sector. TAF programs and grants help develop institutions of democratic governance; support civil society development and peaceful conflict resolution; expand economic opportunity, including for women; and promote better understanding between the United States and countries of Asia. TAF operates throughout Asia, including in key countries, such as Afghanistan, Pakistan, Indonesia, and China. Under the Asia Foundation Act of 1983, appropriated funds are the Foundation's single most important funding source, enabling it to maintain its strategic presence in key countries in the region.

TAF's program priorities are developed in consultation with the Department of State and are closely aligned with U.S. foreign policy priorities and goals in Asia. Within the strategic goals of the Department, TAF focuses at the country and regional level to build democratic institutions, the rule of law, and a strong and vibrant civil society; prevent extremism; support the policies and institutions required for open markets, trade and investment; increase opportunities for women's participation and protect women's basic rights; and encourage stability and cooperative relations among nations in the Asia-Pacific region.

Democratic Institutions, the Rule of Law, and Civil Society

TAF's programs strengthen democratic institutions, governance and parliamentary processes, support democratic elections, foster accountability within governments, promote the rule of law, legal reform, and free and fair elections, and encourage a vibrant, tolerant civil society, including Muslim organizations working toward effective citizen participation in a democracy, developing strategies for conflict management and protecting human rights. TAF support extends beyond the formal structures of institutions by focusing on improving their performance and ability to deliver services.

Open Markets, Trade and Environmental Protection

TAF supports reform efforts that create more competitive markets, foster entrepreneurship, enhance the use of domestic capital, and attract vital foreign investment to Asian countries to bolster economic growth and create jobs. TAF's programs focus on removing barriers to economic growth through policy reform and expansion of the private sector.

Women's Political Participation

TAF has consistently advanced the role of women in Asian societies by increasing women's effective participation in political, economic and social life. Foundation programs build the capacity of women's organizations to increase access to education, combat trafficking through public awareness and help victims, reduce violence against women, protect women's basic rights, and help local civil

THE ASIA FOUNDATION

society organizations and government to develop effective policies and strategies to protect women's rights.

Stable and Cooperative Relations among Nations in the Asia-Pacific Region

TAF contributes to regional stability by helping develop a more skilled and well-informed diplomatic corps, and through informal U.S.-Asian dialogue on issues such as democratization, development, human rights, civil society, and regional economic policy.

In addition, TAF expanded the ongoing efforts of Books for Asia, the Foundation's most well known English language book donation program, which provided over 900,000 volumes each year in total, over 45 million since 1954, to academic institutions, government agencies, and nongovernmental organizations. The Books for Asia program represents in-kind contributions. In FY 2009, TAF received more donated books and educational materials. As a result, the contributions expanded in value from \$38 million to \$40 million. TAF expects further expansion in contribution value to \$41 million in FY 2010.

Justification of Request

The Department's FY 2011 request of \$15.690 million results in a reduction of \$3.310 million below the FY 2010 Enacted Budget of \$19 million. This includes \$1.793 million for the Negotiated Indirect Cost Rate Agreement (NICRA), which covers certain operational costs for organizations that receive assistance from the Federal government.

With these funds, TAF will continue shipments of books to Asian countries to improve educational opportunity for thousands of Asia's youth, bolster technical capacity, and build libraries across Asia. In addition, the Foundation will build up programs in India, to encourage the country to play a positive regional role in South Asia, where relationships with its neighbors are contentious and complex. While many organizations support activities on U.S. - India relations, The Asia Foundation has a prominent role because of its presence in all of India's neighboring countries in South Asia, as well as the trust of the Foundation's partners, both governmental and non-governmental.

TAF will undertake activities in cooperation with Singapore to leverage resources for exchanges and training programs, particularly for Afghans through the Foundation's projects to support government employees from the Office of the President, Ministries of Foreign Affairs, Education, Agriculture and other departments of the government through other USG funded projects. Singapore is well known throughout the world for its excellent training facilities and efficient government administration and has an excellent reputation for all forms of mediation and arbitration. The Foundation plans to use facilities in Singapore for activities related to Pakistan, Nepal, and Afghanistan, such as training for decentralization in Nepal, Pakistan and Sri Lanka and for counter-corruption in Vietnam, Mongolia and Nepal. The Foundation has worked with the Government of Singapore and Singaporean institutions to provide co-funding for such programs. A Foundation presence and program will ensure counterpart funding and support for such programs from Singapore and other donors, by leveraging the Foundation's investment of U.S. dollars and enhancing the impact of these high-priority training programs.

TAF will continue its programs without interruption. Field operations cost more than maintaining offices in the United States. Increased operation and security costs have taken a toll on TAF, considering its staff and offices in Asia. Yet, despite increased costs, TAF's program-to-operating-cost ratio has declined and TAF's negotiated indirect cost rate of 12.9 percent continues to be low, compared to other organizations.

THE ASIA FOUNDATION

Funds by Program Activity

(\$ in thousands)

Activities	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Increase / Decrease
Asia Foundation Operation	16,000	19,000	15,690	(3,310)
Total	16,000	19,000	15,690	(3,310)

Funds by Object Class

(\$ in thousands)

	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Increase / Decrease
4100 Grants, Subsidies & Contrb	16,000	19,000	15,690	(3,310)
Total	16,000	19,000	15,690	(3,310)

Proposed Appropriation Language

CENTER FOR MIDDLE EASTERN-WESTERN DIALOGUE TRUST FUND

For necessary expenses of the Center for Middle Eastern-Western Dialogue Trust Fund, the total amount of the interest and earnings accruing to such Fund on or before September 30, [2010]2011, to remain available until expended. (*Department of State, Foreign Operations, and Related Programs Appropriations Act, 2010.*)

CENTER FOR MIDDLE EASTERN-WESTERN DIALOGUE

Resource Summary

(\$ in thousands)

Appropriations	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Increase / Decrease
Funds	875	875	840	(35)

Program Description

The FY 2004 Consolidated Appropriations Act (P.L. 108-199) created the Center for Middle Eastern-Western Dialogue Trust Fund to support the operations of the Center. The Council of American Overseas Research Centers (CAORC), in collaboration with the State Department, was designated to oversee the Center's development and establishment.

The Center's mission is to promote dialogue between the United States and the nations of the Middle East, Turkey, North Africa, and Central, Southwest, and Southeast Asia, as well as other countries with predominantly Muslim populations in order to open channels of communication, deepen cross-cultural understanding, expand people-to-people contacts, generate new thinking on important international issues, and identify solutions.

Under the leadership of CAORC, the Center has organized conferences focused on universities and higher education through special colloquia on independent universities. It has also focused on U.S. study abroad in the Middle East, and quality assurance in higher education.

A two-part "Next generation" dialogue is bringing together emerging political, cultural, business and community leaders under age 40 from the United States and Egypt; the Caspian Sea and its neighbors; unity and diversity in Iraq; and the future of Afghanistan. The Center will actively serve as a bridge between Iranian and U.S. scholars and experts by including Iranian citizens in all of its conferences.

The Center's Board of Directors continues to identify potential partners in the United States and in the broader Middle East and North Africa region. The Board also makes recommendations for program activities and institutional management of the Center. CAORC will continue to report annually to the Congress on the Center's conferences and other activities. The Center will continue to develop programs of cooperative study, training, and research for students and scholars to exchange views and ideas.

The Center has conducted program activities in Istanbul while planning for a permanent office there. During FY 2008, the Center hired an in-country office director who is working toward the formal registration of the Center as an officially-recognized foreign organization operating in Turkey and will establish a permanent office in Istanbul.

Justification of Request

The FY 2011 budget seeks appropriation authority to spend \$840,000 in estimated earnings of the Center for Middle Eastern-Western Dialogue Trust Fund. These funds will be used for operations of the Center.

CENTER FOR MIDDLE EASTERN-WESTERN DIALOGUE

Funds by Object Class
(\$ in thousands)

	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Increase / Decrease
4100 Grants, Subsidies & Contrib	875	875	840	(35)
Total	875	875	840	(35)

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Proposed Appropriation Language

EISENHOWER EXCHANGE FELLOWSHIP PROGRAM

For necessary expenses of Eisenhower Exchange Fellowships, Incorporated, as authorized by sections 4 and 5 of the Eisenhower Exchange Fellowship Act of 1990 (20 U.S.C. 5204-5205), all interest and earnings accruing to the Eisenhower Exchange Fellowship Program Trust Fund on or before September 30, [2009] 2010, to remain available until expended: *Provided*, That none of the funds appropriated herein shall be used to pay any salary or other compensation, or to enter into any contract providing for the payment thereof, in excess of the rate authorized by 5 U.S.C. 5376; or for purposes which are not in accordance with OMB Circulars A-110 (Uniform Administrative Requirements) and A-122 (Cost Principles for Non-profit Organizations), including the restrictions on compensation for personal services.

EISENHOWER EXCHANGE FELLOWSHIP PROGRAM

Resource Summary (\$ in thousands)

Appropriations	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Increase / Decrease
Funds	500	500	500	0

Program Description

The Eisenhower Exchange Fellowship Program (EEF) was created in 1953 to honor President Eisenhower. The Eisenhower Exchange Fellowship Act of 1990 (P.L. 101-454) authorized a permanent endowment and trust fund for the program.

The 1992 Department of State and Related Agencies Appropriations Act provided \$5 million to establish the permanent endowment and authorized the interest and earnings to Eisenhower Exchanges Fellowships, Inc. The FY 1995 Department of State and Related Agencies Appropriations Act made an additional payment of \$2.5 million to the endowment.

The program brings outstanding professionals who are rising leaders in their countries to the United States and sends American counterparts abroad with a custom-designed program for each participant. EEF consists of these major components:

- Multi-Nation Program – Provides two-month U.S. fellowships for an Eisenhower Fellow from up to 27 countries;
- Single Region or Common Interest Program – Provides two-month U.S. fellowships for 20 to 25 fellows representing a range of professions from a single geographic region or profession;
- USA Program – Sends 10 to 15 Americans abroad, for one to two months, to countries where their fields can be enriched by persons, organizations, and institutions encountered; and
- Eisenhower Fellowships Network – Links alumni Fellows worldwide, enabling fellows to collaborate on projects, extend and strengthen relationships, and develop international links. Approximately 1,700 men and women from over 100 countries have joined the ranks of Eisenhower Fellows since 1953, a significant percentage of whom remain actively engaged in the Eisenhower Fellowships Network.

EEF strengthens democratic development, opens markets, and increases global understanding by creating opportunities for emerging U.S. and foreign leaders to experience each other's societies and cultures directly and to work together on an ongoing basis in the interests of a more prosperous, just, and peaceful world.

Justification of Request

The FY 2011 request seeks appropriation authority to spend \$500,000 in estimated interest earnings of the Eisenhower Exchange Fellowship Program Trust Fund. The funding will be applied to:

- Providing learning and networking opportunities for mid-career international and U.S. leaders in preparation for increasingly senior positions in government, business, and NGOs;

EISENHOWER EXCHANGE FELLOWSHIP PROGRAM

- Exposing these emerging leaders to best practices in building democratic institutions and free markets; and
- Advancing peace through the increased international dialogue, understanding, and collaboration that result from the fellowships and from an active global alumni leadership network.

Funds by Object Class (\$ in thousands)

	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Increase / Decrease
4100 Grants, Subsidies & Contrb	500	500	500	0
Total	500	500	500	0

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Proposed Appropriation Language

ISRAELI ARAB SCHOLARSHIP PROGRAM

For necessary expenses of the Israeli Arab Scholarship Program as authorized by section 214 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (22 U.S.C. 2452), all interest and earnings accruing to the Israeli Arab Scholarship Fund on or before September 30, [2009] 2010, to remain available until expended. (*Department of State, Foreign Operations and Related Programs Appropriations Act, 2009.*)

ISRAELI ARAB SCHOLARSHIP PROGRAM

Resource Summary (\$ in thousands)

Appropriations	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Increase / Decrease
Funds	177	375	375	0

Program Description

The Israeli Arab Scholarship Program (IASP) funds scholarships for Israeli Arabs to attend institutions of higher education in the United States. This program was authorized by Section 214 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (P.L. 102-138). A permanent endowment of \$4,978,500 was established in 1992 with funds made available under Section 556(b) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act of 1990 (as amended by Section 551 of the Foreign Operations, Export Financing, and Related Programs Appropriation Act, 1991).

IASP funds are invested only in interest-bearing obligations of the United States or in obligations guaranteed by the United States Government as to both principal and interest. The interest from such investments is credited to the fund and made available subject to annual appropriations to carry out the scholarship program.

Justification of Request

The FY 2011 request seeks authority to spend \$375,000 in estimated interest earnings of the Israeli Arab Scholarship Fund. The funding will be applied to provide educational opportunities for Israeli Arab students to study and conduct research in the United States and to advance peace through international understanding.

Funds by Object Class (\$ in thousands)

	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Increase / Decrease
4100 Grants, Subsidies & Contrb	177	375	375	0
Total	177	375	375	0

Proposed Appropriation Language

EAST-WEST CENTER

To enable the Secretary of State to provide for carrying out the provisions of the Center for Cultural and Technical Interchange Between East and West Act of 1960, by grant to the Center for Cultural and Technical Interchange Between East and West in the State of Hawaii,
[~~\$23,000,000~~]*\$11,400,000: Provided, That none of the funds appropriated herein shall be used to pay any salary, or enter into any contract providing for the payment thereof, in excess of the rate authorized by 5 U.S.C. 5376. (Department of State, Foreign Operations, and Related Programs Appropriations Act, 2010.)*

EAST-WEST CENTER

Resource Summary

(\$ in thousands)

Appropriations	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Increase / Decrease
Funds	21,000	23,000	11,400	(11,600)

Program Description

Congress established the East-West Center (EWC) as a national educational and research organization to promote U.S.-Asia Pacific understanding and relations through cooperative study, training and research. During its 50 years, the Center has been a premier U.S. public diplomacy activity, well-known throughout Asia and the Pacific, and with more than 55,000 individuals involved in its programs. These programs, which are typically multinational and interactive, bring Americans and counterparts from the region for policy-oriented study, research and exchange on critical issues of mutual importance, including regional security, terrorism, good governance, economic development, family and social issues, health, education, rule of law, environmental protection, and resource needs. Complementing the Department's own directly administered programs, the Center gives special attention to "communicators" who shape public and governmental views in their respective countries—politicians and policymakers, journalists, educators, and younger leaders. In the post-September 11 era, the Center has placed greater emphasis on the issues of homeland security, internal conflict in Asia, terrorism, educational policy, and outreach to Muslim populations.

The Center also works to prepare Americans for an era of deeper engagement with the Asia Pacific region through the development of Asian studies in over 500 U.S. colleges, including community colleges and minority serving institutions. The Center's professional alumni network extends its outreach through approximately 50 alumni chapters. Once almost entirely government-funded, the Center continues to develop competitive, self-funded, private sector oriented activities consistent with its public mission.

Research Program

East-West Center research activities are multinational and collaborative in nature, involving experts and institutions from the United States and throughout the Asia Pacific region. The Center recognizes that the most urgent regional problems are also global challenges and seeks to address U.S.-Asia Pacific partnerships in a global context. The Research Program is organized into four broad study areas: politics, governance and security; economics; environmental change, vulnerability and governance; and population and health. Themes explored by resident and visiting fellows change depending on research and policy needs.

East-West Center in Washington

East-West Center in Washington supports the Center's overall mission through direct work with U.S. policymakers and opinion leaders in the nation's capital. It facilitates understanding of the U.S. policy process by Asia Pacific participants through direct interaction with U.S. policymakers. Research and seminar activities address U.S. national interests by focusing on internal conflict and conflict resolution in East, Southeast, and South Asia, areas where internal conflict can spill over into international terrorism. An important contribution has been a project (Asia Matters to America) demonstrating how Asia Pacific matters to U.S. communities by collecting data on trade, employment, census and other data at the community level. This is now being complemented by research showing how America matters to major Asian economies. The U.S. Asia Pacific Council promotes active U.S. participation in the leading academic and business networks in the Asia Pacific region and provides a key support base for the Asia Pacific Economic Cooperation (APEC) processes.

EAST-WEST CENTER

Pacific Islands Development Program

The Pacific Islands Development Program (PIDP) is a unique partnership between the East-West Center and the Pacific Island governments, organized to provide policy analysis and research information to the Pacific Island Leaders in their collective efforts to achieve the desired development goals. The heads of state/government play a direct role in shaping the PIDP agenda through regular meetings of the Pacific Island Conference of Leaders (PICL) organized by the East-West Center. Two PICL meetings have included participation by the U.S. President.

Education

The Center offers educational opportunities for future leaders in the Asia Pacific region and the U.S. in an era of increased social, economic and technological interdependence. Graduate degree scholarships and certificate programs prepare students and professionals to address the challenges and complexities of the world's most dynamic region. Undergraduate degree scholarships build and strengthen the base of future leaders in East Timor and the South Pacific. In FY 2008, 508 students from multiple countries across the Asia Pacific region and U.S., as well as Canada, Latin America, Central Asia, Europe, Africa and the Middle East, took part in EWC education programs. The Education Program is extremely successful in leveraging appropriated dollars with other federal and non-federal dollars in carrying out its activities. For every appropriated dollar allocated to this Program, an additional \$0.90 is raised supporting student scholarships and educational professional development activities.

Seminars

Seminar programs provide short-term educational experiences for policymakers, professionals and scholars from Asia, the Pacific and the United States seeking greater understanding of the issues and challenges facing the region. The EWC provides a meeting place where professionals, specialists and emerging leaders discuss regional issues and build relationships with their counterparts. By facilitating peer-to-peer engagement in a collegial setting, the Center is a catalyst for regional cooperation. The Center has expanded its journalist programs substantially, including recent additions of a program involving U.S. journalists and journalists from Asian Muslim nations, a North Pacific program (journalists from U.S., Japan, China, and Korea), and a biannual Asia-Pacific Journalist Conference of more than 200 professional journalists.

External Affairs

The External Affairs Office is broadly responsible for the Center's outreach effort. The Center has a vigorous national and regional outreach program to support its effort to become one of the leading catalysts for Asia Pacific community building. Activities include organizing public programs on freedom of the press and the importance of responsible media in the development of democracies; government, legislative and diplomatic relations; official visitor programming and briefings; arts programming; and an alumni office. Many alumni remain committed to the Center's mission and are now in leadership positions in government, business and education. The international alumni conferences occur every two years, with more than 500 alumni coming to each of the past two meetings in Vietnam (2006) and Indonesia (2008).

Program Direction, Administration and Overall Mission Support

Under this heading are grouped the activities and functions of the Board of Governors; the International Advisory Panel, which provides external guidance and evaluation of Center programs; the Office of the President, which provides the overall planning, coordination, and direction of the Center's programs, including fund-raising; and the Office of Administration, which provides personnel, fiscal, budget, computer systems and facilities management services for the Center.

EAST-WEST CENTER

Justification of Request

The FY 2011 request of \$11,730,000 funds the Center for Cultural and Technical Interchange Between East and West.

In FY 2011, the East-West Center will continue to address the U.S. public purposes for which it was established and leverage support from other Federal sources, the private sector and foundations. At these funding levels, the Center expects to generate \$8 million in FY 2010 and \$5 million in FY 2011 from other sources. The Center projects that it will engage 1,720 participants in its activities in FY 2011.

Funds by Program Activity (\$ in thousands)

	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Increase / Decrease
Public Diplomacy	21,000	23,000	11,400	(11,600)
Total	21,000	23,000	11,400	(11,600)

Funds by Object Class (\$ in thousands)

	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Increase / Decrease
4100 Grants, Subsidies & Contrb	21,000	23,000	11,400	(11,600)
Total	21,000	23,000	11,400	(11,600)

Proposed Appropriation Language

NATIONAL ENDOWMENT FOR DEMOCRACY

For grants made by the Department of State to the National Endowment for Democracy, as authorized by the National Endowment for Democracy Act, [~~\$118,000,000~~]*\$105,000,000*, to remain available until expended[, of which \$100,000,000 shall be allocated in the traditional and customary manner, including for the core institutes, and \$18,000,000 shall be for democracy, human rights, and rule of law programs]: *Provided*, That the President of the National Endowment for Democracy shall provide to the Committees on Appropriations not later than 45 days after the date of enactment of this Act a report on the proposed uses of funds under this heading on a regional and country basis. (*Department of State, Foreign Operations, and Related Programs Appropriations Act, 2010.*)

NATIONAL ENDOWMENT FOR DEMOCRACY

Resource Summary (\$ in thousands)

Appropriations	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Increase / Decrease
Funds	115,000	118,000	105,000	(13,000)

Program Description

The National Endowment for Democracy (NED) is a non-profit organization, created in 1983 to strengthen democratic institutions around the world. Through its worldwide grants program, NED assists those abroad who are working to build democratic institutions and spread democratic values. The four institutes embedded in the core of NED’s work – the American Center for International Labor Solidarity (ACILS), the Center for International Private Enterprise (CIPE), the International Republican Institute (IRI), and the National Democratic Institute (NDI) – represent public American institutions that work abroad in sectors that are critical to the development of democracy. In addition, NED support helps develop and fund key initiatives of nongovernmental organizations (NGOs) that foster independent media, human rights, and other essential democratic institutions, values and processes.

NED does not administer programs directly, but rather provides funding for numerous private groups and organizations. A bi-partisan Board of Directors makes funding decisions based on established criteria. NED functions with 137 staff members, who are responsible for program development and evaluation, grant management, financial oversight, research and outreach. Currently, NED operates under a provisional Negotiated Indirect Cost Recovery Agreement (NICRA) of 13 percent.

The Endowment’s grants program, which funds programs in nearly 100 countries, is bolstered by the International Forum for Democratic Studies, a democracy research center that publishes the Journal of Democracy and administers the Reagan-Fascell Fellows Program, the World Movement for Democracy, a global hub for democracy networking and solidarity, and the Center for International Media Assistance, which strengthens media assistance abroad.

NED’s program areas are:

Freedom of Information	Rule of Law	NGO Strengthening
Political Processes	Civic Education	Freedom of Association
Democratic Ideas and Values	Strengthen Political Institutions	Develop Market Economy
Human Rights	Accountability	Conflict Resolution

NED’s program is guided by a strategy document which is revised every three to five years. The Endowment’s current strategy document prioritizes five conceptual and operational categories incorporating the enormous regional, cultural and political diversity of the nearly 100 countries where NED is working: opening political space in authoritarian countries; aiding democrats and democratic processes in semi-authoritarian countries; helping new democracies succeed; building democracy after conflict; aiding democracy in the Muslim world.

NATIONAL ENDOWMENT FOR DEMOCRACY

NED also conducts extensive monitoring and evaluation, which ensures that project objectives are being met, grant regulations are being followed, and the support is helping to build the institutional capacity of grantees.

Justification of Request

The \$105 million funding request for FY 2011 reflects a \$5 million increase over President Obama's FY 2010 request of \$100 million. The FY 2011 funding request will allow NED to continue and in some cases expand the strong grants program in priority countries, such as in China, Thailand, Pakistan, Afghanistan, Egypt, Somalia, Somaliland, Ethiopia, Uganda, and Central America, where democracy faces serious challenges.

In East Asia, NED will continue to focus primarily on China, including Tibet, Hong Kong, and North Korea. In South Asia, NED will continue to prioritize programming in Pakistan, and look to expand its efforts in Sri Lanka. In Southeast Asia, NED will continue a large Burma program but will also increase support for democracy in Thailand and the Philippines, and possibly Indonesia.

In Georgia, Kyrgyzstan, and Ukraine, NED will continue to help consolidate democracy by promoting human rights, freedom of information, and freedom of assembly while helping to prevent backsliding in these breakthrough countries. In Russia and Central Asia, NED will continue its efforts to guarantee the viability of civil society organizations, even in the face of increasing oppression. NED will maintain or reduce its modest program in the Balkans. Critical sectors will be human rights, interethnic reconciliation, historical understanding, freedom of information, NGO strengthening, political processes, accountability and rule of law.

In Latin America, NED priorities include Cuba, the Andean Region, Mexico and Central America. The 2011 elections in Peru and Nicaragua will likely require attention from many grantees, especially those working on civic education. In Cuba, NED will focus on the free flow of information and strengthening the capacity of civil society organizations and activists such as independent workers, journalists, educators, and Afro-Cubans. In the Andean Region, NED will focus on accountability, transparency and citizen participation. In Mexico and Central America, NED's priority will be good governance and defending freedom of expression.

In Africa, NED will continue substantial program activity in the priority countries of Democratic Republic of Congo, Sudan, and Nigeria, with a major focus on Somalia, Somaliland, Ethiopia, and Uganda. Funding will continue at a more modest level in Guinea, Chad, Kenya, and Sierra Leone. The NED Africa program will focus on the critical sectors of human rights monitoring, free flow of information, conflict resolution and good governance. Elections will occur in Liberia and Nigeria in 2011, and NED grants will include programs supporting free and fair elections, women's and youth political empowerment, political participation and civil rights.

In the Middle East and North Africa region, the most significant increases will be provided to grantees in Egypt and Afghanistan. In authoritarian countries such as Iran, Libya, Syria, Tunisia, Bahrain and Saudi Arabia, NED will assist activists in working in the available political space, and try to strengthen their institutional capacity. In Jordan, Morocco, Yemen, Turkey and Egypt, NED will increase its support to civic groups to enhance nascent political processes at the local and national levels, and help engage parliamentary committees and members of parliament with concerned civic groups. In war-torn countries such as Iraq, Afghanistan, Algeria, Lebanon, and

NATIONAL ENDOWMENT FOR DEMOCRACY

Palestine, NED will focus on civic education, human rights, capacity building, conflict resolution, and participation of women and youth.

Through networks, trainings, and exchanges, NED-supported multiregional and global programs will engage a broad range of groups, including grassroots activists, political parties, women, youth, entrepreneurs, and journalists. Projects will provide opportunities for these diverse groups not only to develop their skills, but also to share knowledge, experiences, and best practices with their peers, as well as to collaborate with one another to increase the reach and impact of their work. Many projects also will take advantage of the innovations in information communication technologies (ICTs) by utilizing these tools in advocacy campaigns, outreach efforts, and networking activities, enabling project participants to amplify their voices and remain engaged with other democracy activists and practitioners throughout the world.

Africa

(\$ in thousands)

	Positions		Total Funds	Increase/ Decrease
	American	FSN		
FY 2011 Request	0	0	16,055	400

The increase over FY 2009 and FY 2010 levels in Africa will be targeted to Somalia, Somaliland, Ethiopia, and Uganda.

Somalia and **Somaliland** will be a major focus of discretionary assistance. The continuing turmoil in Somalia is threatening the very survival of nearly half the population of the country, and independent journalists and human rights activists have become regular targets of threats and assassination. Despite the poor security environment and apparent hopelessness of the situation, courageous democrats continue the struggle to preserve some alternative vision for Somalia, and it is clearly central to NED’s mission to support such efforts. Pockets of relative stability have emerged in areas such as Puntland, and conflict resolution and governance efforts at the local level could have some resonance nationally. Consolidation and expansion of these gains is also likely to make up a part of NED’s Somali program. Somaliland, by contrast, has established a stable, functioning democratic government that could contribute to the resolution of the crisis in the south, but remains fragile, and the lack of independent radio remains a concern. Support for strengthening Somaliland’s democratic institutions, free elections, and independent media will therefore be a NED priority.

Ethiopia poses a grave challenge to Africa’s democratic development. New legislation is likely to reduce the political space for civil society organizations and the media. Opposition political parties have been crushed, and human rights violations are rampant, although rarely reported due to the government’s tight control of the media. NED will work with its Ethiopian partners to reverse this trend, and Ethiopia should grow as a NED priority.

Uganda’s government also has taken on an increasingly authoritarian trend, despite the restoration of a multi-party political system, and NED will continue support to some strategic Ugandan partners to expand political space, as well as to the National Democratic Institute for International Affairs’ (NDI) and the International Republican Institute’s (IRI) work with political parties and the legislature.

NATIONAL ENDOWMENT FOR DEMOCRACY

Asia

(\$ in thousands)

	Positions		Total Funds	Increase/ Decrease
	American	FSN		
FY 2011 Request	0	0	19,397	2,850

The increase over FY 2009 and FY 2010 requested levels in Asia will be targeted to Greater China, Thailand, and Pakistan.

In **China**, support for human-rights projects and independent media will remain necessary to expand political space. Support for the free flow of information will require NED to fund projects based outside China's "Great Firewall," working to circulate content created inside China. At the same time, NED will seek, despite the considerable logistical and political obstacles, to shift more of its resources into projects that address governance, transparency, accountability, and public participation issues from inside China. In the face of shrinking political space for independent NGOs and increasing government efforts to co-opt and control the NGO sector, NED will also focus on support for NGO strengthening. NED will maintain a focus on China's very challenging ethnic rights tensions, supporting human-rights documentation, public-policy discussion forums, and other projects opening space for political participation of Uyghurs, Mongols, and Tibetans.

NED will look to expand its efforts in **Thailand** in the areas of democracy and civic education, political party development, the protection of civil and political rights and the rule of law, and the strengthening of democratic institutions.

In **Pakistan**, with the view that expanding the space for democratic values, institutions, and processes is the only long term solution to combating extremism and intolerance and preventing the return of military rule, NED will look to support civil society efforts to engage the public, especially women, undereducated youth, and the poor about civic participation, fair election processes, and democratic norms. NED will also continue to provide assistance to human rights groups, including those focusing on labor and women's rights, civic education for disenfranchised groups, political party development, business associations and free-market advocacy, grassroots empowerment, civic associations, and independent media. NED will also look to expand the reach of its programs in the rural areas, where over 70 percent of Pakistanis live.

Middle East

(\$ in thousands)

	Positions		Total Funds	Increase/ Decrease
	American	FSN		
FY 2011 Request	0	0	16,720	1,300

The increase over FY 2009 and FY 2010 requested levels in the Middle East will be targeted to Afghanistan and Egypt.

In **Afghanistan**, NED will support programs designed to keep Afghans proactively engaged in political and civic processes; enhance civil society organizations' ability to organize and advocate; raise awareness through media and community organizations of the rights and obligations citizens have under the country's laws; and develop their appreciation for pluralism, equality, and peaceful dispute resolution. NED will pursue balanced levels of programmatic

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activity throughout Afghanistan, ensuring equitable proportion both geographically and ethnically.

In Egypt, NED will focus its support on promoting citizen political participation, particularly on programs where beneficiaries can have a more direct impact such as at the local government or community level, or within specific professional sectors, or among youth who through familiarity with new technologies are capable of reaching out to greater numbers of citizens to promote democratic values.

Central & Eastern Europe

(\$ in thousands)

	Positions		Total Funds	Increase/ Decrease
	American	FSN		
FY 2011 Request	0	0	5,486	-

Funding in this region will be targeted to Serbia, Kosovo, Bosnia and crossborder initiatives.

In Serbia and Kosovo, the focus will be on assisting NGOs active in encouraging more young people to become involved in democratic processes and promoting interethnic cooperation and historic reconciliation; independent media providing objective information, and watchdog organizations working to temper corruption. NED continues to consider Bosnia a priority and will support programs fostering civic activism, respect for human rights, good governance, and the transparency and accountability of government institutions. NDI will continue a program promoting civil society advocacy and political party reform efforts. Utilizing the skills of long-time partners based in the graduated countries of Bulgaria, Croatia, Romania and Montenegro, NED will also support regional and crossborder programs in the fields of coalition building, anticorruption, transparency, youth participation, civic-political dialogue and NGO strengthening.

Independent States of the Former Soviet Union

(\$ in thousands)

	Positions		Total Funds	Increase/ Decrease
	American	FSN		
FY 2011 Request	0	0	11,511	-

The FY 2011 request level for Eurasia is consistent with funding levels in FY 2009 and FY 2010.

Latin America/Caribbean

(\$ in thousands)

	Positions		Total Funds	Increase/ Decrease
	American	FSN		
FY 2011 Request	0	0	15,426	450

The increase over FY 2009 and FY 2010 funding levels in Latin America/Caribbean will be targeted to Central America.

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In **Guatemala**, NED will seek to improve the rule of law and citizen security, promote political participation for all sectors of the population, and help the government respond adeptly to the most pressing concerns of Guatemala's citizens.

In **Nicaragua**, NED supported programs will continue to support civic engagement in an increasingly divisive environment, and contribute to fostering open exchange of ideas and dialogue at the national and local levels.

Finally, in **El Salvador**, NED is planning to explore possibilities of supporting civil society organizations through its discretionary programs, focusing on issues such as improving rule of law and respect for human rights, increasing government transparency and accountability, and helping to bridge the country's political divisions.

Multiregional

(\$ in thousands)

	Positions		Total Funds	Increase/ Decrease
	American	FSN		
FY 2011 Request	0	0	6,651	-

The FY 2011 request level is consistent with funding levels in FY 2009 and FY 2010.

Democratic Activities

(\$ in thousands)

	Positions		Total Funds	Increase/ Decrease
	American	FSN		
FY 2011 Request	0	0	2,250	-

The FY 2011 request level is consistent with funding levels in FY 2009 and FY 2010.

Administration

(\$ in thousands)

	Positions		Total Funds	Increase/ Decrease
	American	FSN		
FY 2011 Request	0	0	11,504	-

NED's current provisional indirect cost rate, negotiated with the Department of State, is 13 percent. The indirect cost rate covers NED's expenses associated with NED's salaries and benefits, travel, office space costs, communications costs, and other costs to administer its grants program. This includes the costs associated with selecting grantees, negotiating awards, processing payments to grantees, carefully monitoring the grantees' progress, assuring that program objectives are met and grant terms and conditions are observed, evaluating and auditing the programs, resolving any issues that arise, preparing financial reports to donors and ultimately, closing out the awards.

Through networks, trainings, and exchanges, NED-supported multiregional and global programs will engage a broad range of groups, including grassroots activists, political parties, women,

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youth, entrepreneurs, and journalists. Projects will provide opportunities for these diverse groups not only to develop their skills, but also to share knowledge, experiences, and best practices with their peers, as well as to collaborate with one another to increase the reach and impact of their work. Many projects also will take advantage of the innovations in information communication technologies (ICTs) by utilizing these tools in advocacy campaigns, outreach efforts, and networking activities, enabling project participants to amplify their voices and remain engaged with other democracy activists and practitioners throughout the world.

Funds by Program Activity (\$ in thousands)

	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Increase / Decrease
Administration	13,230	11,504	16,504	5,000
Africa	18,605	15,655	15,655	0
Asia	22,530	16,547	16,547	0
Central & Eastern Europe	5,111	5,486	5,486	0
Democratic Activities	4,147	2,250	2,250	0
Eurasia	11,320	11,511	11,511	0
Latin America/Caribbean	14,262	14,976	14,976	0
Middle East/North Africa	17,821	15,420	15,420	0
Multiregional	7,974	24,651	6,651	(18,000)
Total	115,000	118,000	105,000	(13,000)

Funds by Object Class (\$ in thousands)

	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Increase / Decrease
4100 Grants, Subsidies & Contrb	115,000	118,000	105,000	(13,000)
Total	115,000	118,000	105,000	(13,000)