

## **RELATED PROGRAMS**

## RELATED PROGRAMS

### *Resource Summary* (\$ in thousands)

	<b>FY 2010 Actual</b>	<b>FY 2011 CR</b>	<b>FY 2012 Request</b>
<b>The Asia Foundation</b>	<b>19,000</b>	<b>19,000</b>	<b>14,906</b>
<b>Center for Middle Eastern-Western Dialogue</b>	<b>875</b>	<b>875</b>	<b>840</b>
<b>Eisenhower Exchange Fellowship Program</b>	<b>500</b>	<b>500</b>	<b>500</b>
<b>Israeli Arab Scholarship Program</b>	<b>375</b>	<b>375</b>	<b>375</b>
<b>East-West Center</b>	<b>23,000</b>	<b>23,000</b>	<b>10,830</b>
<b>National Endowment for Democracy</b>	<b>118,000</b>	<b>118,000</b>	<b>104,000</b>

## 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), \$14,906,000, to remain available until expended, as authorized.*

# THE ASIA FOUNDATION

## *Resource Summary*

(\$ in thousands)

Appropriations	FY 2010 Actual	FY 2011 CR	FY 2012 Request
Funds	19,000	19,000	14,906

### *Program Description*

The Asia Foundation (TAF) is a private, nongovernmental organization (NGO) that advances U.S. interests in the Asia-Pacific region. For 56 years, working through its network of 18 offices in Asia, TAF has been a well-recognized American organization, with programs grounded in Asia which help to solve local and regional problems in cooperation with and in support of Asian partners. TAF has local credibility, a nuanced understanding of the issues facing each country, and extensive access to and relationships with host governments, local nongovernmental groups and the private sector. TAF operates throughout Asia, including in key countries, such as Afghanistan, Pakistan, Indonesia, and China. TAF's longstanding field offices and country representatives are unique and proven resources for the U.S. Government, Congress, and the private sector. Authorized by the Asia Foundation Act of 1983, appropriated funds are the Foundation's single most important funding source, enabling it to maintain its strategic presence throughout 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 and priorities of the Department, TAF focuses at the country and regional levels to build democratic institutions and improve governance, the rule of law, and a strong and vibrant civil society; support policies and institutions required for open markets, trade, and environmental protection; increase opportunities for women's participation and empowerment and protection of women's basic rights; and encourage stability and cooperative relations among nations in the Asia-Pacific region. The Foundation's approach has always been one of local ownership and capacity building, working with partner organizations to improve policies that will contribute to improved governance and more open societies. Programs provide training, specialized expertise, exposure to new innovations and technology, and linkages and networking between the public and private sectors. TAF carefully monitors its programs to ensure their impact and effectiveness.

#### **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 and free and fair elections, and encourage a vibrant, tolerant civil society, including Muslim organizations, and work toward effective citizen participation in a democracy by developing strategies for conflict management and protecting human rights. TAF support extends to the reform of structures and improved performance of institutions.

#### **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

## THE ASIA FOUNDATION

and create jobs. TAF's programs focus on removing barriers to economic growth through policy reform, including assessments of the business climate through economic governance indices.

### **Women's Political Participation**

TAF's programs support increased opportunities for women's participation in political processes, economic empowerment, and protection of basic women's rights, including counter-trafficking and combating gender based violence. TAF also supports increased educational opportunities, through vocational training and university education, and expanded understanding of women's roles and rights under an Islamic framework in South Asia.

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

TAF contributes to regional stability through training and educational opportunities that develop a more skilled and well-informed diplomatic corps, and through informal U.S.-Asian dialogue on issues such as democratization, human rights, civil society, climate change, and regional economic policy.

In addition, TAF will continue its support of Books for Asia, its best known and highly regarded English language book donation program. Books for Asia has provided over 950,000 volumes each year, over 43 million since 1954, to academic institutions, government agencies, and nongovernmental organizations (NGOs). TAF also contributes to American Corners centers throughout Asia in cooperation with U.S. embassy initiatives.

### ***Justification of Request***

The Department's FY 2012 request of \$14.906 million is a reduction of \$4.094 million below the FY 2010 Actual level, a 22 percent reduction from FY 2010 to FY 2012. Although operation and security costs in the field are increasingly expensive, TAF has managed to keep its program-to-operating cost ratio low. Operating costs are represented under TAF's Negotiated Indirect Cost Rate Agreement (NICRA). The NICRA covers certain operational costs for organizations that receive assistance from the Federal government. At 13.45 percent of direct costs, the NICRA rate for TAF is considered low among other NGOs.

With the \$14.906 million requested in FY 2012, TAF will build on its programs with Asian governments and NGO's to improve governance, expand the rule of law and civil society, increase economic opportunity and reform, build opportunities for women's participation and empowerment, and facilitate peaceful regional relations.

TAF activities will include building the capacity of government leaders at the central and local levels in Afghanistan, Nepal, Indonesia, and China to improve governance, transparency, and accountability through improved financial management, service delivery, public participation, and training. TAF will sustain programs to increase political and economic opportunities for women throughout Asia, particularly in Afghanistan, Indonesia, Vietnam, and China, and counter trafficking and domestic violence in Cambodia, Laos, Mongolia, Thailand, and Pakistan. TAF will seek to bolster its conflict management programs, which have been successful in bringing together government and civil society in mediation, traditional dispute resolution by tribal leaders, and peace building in trouble spots such as Afghanistan, Khybur Pakhtunkhwa and Baluchistan in Pakistan, Mindanao in the Philippines, Timor Leste, Nepal, Sri Lanka, and southern Thailand, among other places. TAF will also provide training on decentralization in Nepal, Pakistan, and Sri Lanka, and for counter-corruption for Vietnam, Mongolia, and Nepal. TAF will also expand its well recognized public opinion surveys in Afghanistan, Thailand, and Sri Lanka, and

## THE ASIA FOUNDATION

reduce barriers to economic growth through the economic governance indices in Indonesia, Cambodia, Bangladesh, and Sri Lanka. TAF will continue its shipments of books to Asian countries, to improve educational opportunity for thousands of Asia's youth, bolster technical capacity, and build libraries across Asia.

### *Funds by Program Activity*

(\$ in thousands)

<b>Activities</b>	<b>FY 2010 Actual</b>	<b>FY 2011 CR</b>	<b>FY 2012 Request</b>
<b>Asia Foundation Operation</b>	<b>19,000</b>	<b>19,000</b>	<b>14,906</b>
<b>Total</b>	<b>19,000</b>	<b>19,000</b>	<b>14,906</b>

### *Funds by Object Class*

(\$ in thousands)

	<b>FY 2010 Actual</b>	<b>FY 2011 CR</b>	<b>FY 2012 Request</b>
4100 Grants, Subsidies & Contrb	19,000	19,000	14,906
<b>Total</b>	<b>19,000</b>	<b>19,000</b>	<b>14,906</b>

## **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, 2012, to remain available until expended.*

# CENTER FOR MIDDLE EASTERN-WESTERN DIALOGUE

## *Resource Summary*

(\$ in thousands)

Appropriations	FY 2010 Actual	FY 2011 CR	FY 2012 Request
Funds	875	875	840

### *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 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 to open channels of communication, deepen cross-cultural understanding, expand people-to-people contacts, generate new thinking on important international issues, and identify solutions.

The Center has fully established itself as an independent nonprofit and is convening meetings for U.S. and regional experts about key issues of Middle Eastern-Western concern. The Center has conducted program activities in Istanbul while planning for a permanent office there.

The Center has organized conferences with topics focused on universities and higher education through special colloquia on independent universities. Conference topics include a two-part “Next generation” dialogue 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 continue to connect Iranian and U.S. scholars and experts by including Iranian citizens in its conferences when possible, and the Board of Directors will continue to identify potential partners in the U.S., as well as, the broader Middle East and North Africa region and make recommendations for program activities and institutional management of the Center. The Center will also continue to develop programs of cooperative study, training, and research for students and scholars to exchange views and ideas.

### *Justification of Request*

The FY 2012 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.

### *Funds by Object Class*

(\$ in thousands)

	FY 2010 Actual	FY 2011 CR	FY 2012 Request
4100 Grants, Subsidies & Contrb	875	875	840
<b>Total</b>	<b>875</b>	<b>875</b>	<b>840</b>

## 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, 2012, 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 2010 Actual	FY 2011 CR	FY 2012 Request
Funds	500	500	500

### *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 20 – 22 Eisenhower Fellows from the same number of countries;
- Single Region or Common Interest Program – Provides two-month U.S. fellowships for 20 to 22 fellows representing a range of professions from a single geographic region or profession;
- USA Program – Sends 10 to 12 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 1,800 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 2012 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:

## EISENHOWER EXCHANGE FELLOWSHIP PROGRAM

- Providing learning and networking opportunities for mid-career international and U.S. leaders in preparation for increasingly senior positions in government, business, and NGOs;
- 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 2010 Actual	FY 2011 CR	FY 2012 Request
4100 Grants, Subsidies & Contrb	500	500	500
<b>Total</b>	<b>500</b>	<b>500</b>	<b>500</b>

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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, 2012, to remain available until expended.*

# ISRAELI ARAB SCHOLARSHIP PROGRAM

## *Resource Summary*

(\$ in thousands)

Appropriations	FY 2010 Actual	FY 2011 CR	FY 2012 Request
Funds	375	375	375

### *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 U. S. or in obligations guaranteed by the USG 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 2012 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 2010 Actual	FY 2011 CR	FY 2012 Request
4100 Grants, Subsidies & Contrb	375	375	375
<b>Total</b>	<b>375</b>	<b>375</b>	<b>375</b>

## 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, \$10,830,000: 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.*

# EAST WEST CENTER

## *Resource Summary*

(\$ in thousands)

<b>Appropriations</b>	<b>FY 2010 Actual</b>	<b>FY 2011 CR</b>	<b>FY 2012 Request</b>
Funds	23,000	23,000	10,830

### *Program Description*

Recognizing that Asians knew little about America and vice versa, the U.S. Congress established the Center for Cultural and Technical Interchange between East and West (East-West Center, EWC) in 1960 "to promote U.S. – Asia Pacific understanding and relations through cooperative research study and exchange."

Since then, more than 55,000 individuals have participated in the Center's activities and today can be found in many sectors and at all levels throughout the region. At the highest political levels, for example, the current Prime Ministers of India and Malaysia were EWC program participants early in their careers, as were most of the leaders of Pacific Island nations. The sitting U.S. President is the son and stepson of former EWC scholarship grantees. Members of the Center's governing board have included a U.S. Speaker of the House, several U.S. Senators, the Prime Minister of Korea, the President of Fiji, and finance ministers of Malaysia and Korea, among others.

In addition, the EWC has a worldwide network of more than 750 government, academic, business and not-for-profit partner organizations which collaborate on education, research and exchange programs. By drawing on these extensive individual and institutional ties, the Center is uniquely placed to work effectively on the region's leading issues.

### **Research Program**

The EWC Research Program provides rigorous and critical analysis of key regional issues of common concern to the Asia Pacific region and the U.S. with a focus on analysis that will be useful in informing policy decisions. It is a source of regional expertise in support of all the Center's programs and activities. Collaborative research promotes better relations and understanding among the nations of the region and the U.S. and contributes to both capacity and institution building. 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.

Relying on its compact research staff, the Research Program effectively leverages appropriated funds with grant-seeking and cost-sharing efforts aimed at expanding resources for performing the public mission through contributions from private foundations, competitive U.S. Government sources, foreign governments and institutions, regional organizations and the private sector. Examples of funding partners include the National Science Foundation, the National Institutes of Health, the National Atmospheric and Oceanic Administration, the National Aeronautical and Space Administration, the MacArthur Foundation, the Open Society Institute, the UN Democracy Fund, the UN Program on AIDS, the Government of Hong Kong, the Korea Energy Economics Institute, and USAID.

# EAST WEST CENTER

## **East-West Center in Washington**

The EWC in Washington supports the Center's overall mission through direct work with U.S. policymakers and influential leaders in the nation's capital. Seminar and outreach events bring together practitioners, scholars, and analysts to address a range of issues shaping U.S.-Asia relations and facilitate multinational and collaborative perspectives. Direct interaction with U.S. policymakers brings the research, education and seminar activities of the Center to their attention. Current research activities address key U.S. national interests by focusing on opportunities for relations with key states in the Asia Pacific and the changing regional strategic environment. Visiting fellows from the U.S. and Asia further enhance seminar events and research activities. An important contribution has been the "Asia Matters to America" project demonstrating how Asia Pacific countries matter to U.S. states and congressional districts across trade, employment, immigration, and foreign students. 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.

## **Pacific Islands Development Program**

The Pacific Islands Development Program (PIDP) is an enduring partnership between the EWC and twenty-two island governments. It is the only program of its kind based in the U.S., bringing together heads of government from an area that spans one-third of the globe. Over the past thirty years, meetings of the Pacific Islands Conference of Leaders (PICL) have included not only the prime ministers and presidents of the independent island nation states, but also American governors from Hawaii, Guam, the Commonwealth of the Northern Mariana Islands, and American Samoa. Two PICL meetings (1990 and 2003) have included participation by the President of the United States. PIDP policy research contributes to the substance of these meetings on themes that range from promoting trade and investment with the U.S. to enhancing collective security. In addition to its policy-relevant research findings, the program publishes *Pacific Islands Report*, a daily web-based aggregation of news stories about the region that is regularly accessed by over 2,000 readers. The EWC is widely recognized within the Pacific Island region as the leading U.S. academic institution with island interests.

## **Education Program**

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 2009, 540 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. Center student programs have clear public diplomacy content and are group-oriented in contrast to individual scholarship programs (such as Fulbright).

The Education Program also offers professional development programs for educators to strengthen the capacity of individuals and institutions to cultivate in their students an appreciation and understanding of the histories, cultures, and contemporary issues of the Asia Pacific. An international forum on education explores new educational paradigms for the Asia Pacific region that address the needs of an increasingly interdependent world.

# EAST WEST CENTER

## **Seminar Programs**

Seminar programs provide short-term educational experiences for policymakers, professionals and scholars from Asia, the Pacific, and the U.S. to seek greater understanding of the issues and challenges facing the region. The EWC provides a meeting place where professionals, specialists and emerging leaders can 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.

Seminar programs have several features that are unique for the Asia Pacific region. Asians and Americans study issues together, thereby learning from each other and developing relationships that continue to benefit understanding on both sides for many years. A large network of partner organizations and EWC alumni have extraordinary access to government and non-government contacts, enabling the programs to arrange study tours in which participants meet with the key decision makers on an exceptional range of current issues. The programs also draw on the expertise of the Center's own research staff. The Center's reputation as an independent organization is also very important to participants – especially journalists – many of whom make clear that their employers would not permit them to participate in programs directly sponsored by the U.S. Government.

## **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) and 800 alumni for the Honolulu (2010) event.

## **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.

## ***Justification of Request***

The FY 2012 request of \$10.8 million funds the East-West Center. The FY 2012 request reflects a net decrease of \$12.2 million from the FY 2010 Actual level.

## EAST WEST CENTER

In FY 2012, the EWC will continue to address the U.S. public purposes for which it was established and leverage support from the private sector and foundations. At this budgetary level, the Center projects that it will engage 2,300 participants in its activities in FY 2012 and generate \$7 million from other sources.

### *Funds by Program Activity*

(\$ in thousands)

	FY 2010 Actual	FY 2011 CR	FY 2012 Request
Public Diplomacy	23,000	23,000	10,830
<b>Total</b>	<b>23,000</b>	<b>23,000</b>	<b>10,830</b>

### *Funds by Object Class*

(\$ in thousands)

	FY 2010 Actual	FY 2011 CR	FY 2012 Request
4100 Grants, Subsidies & Contrb	23,000	23,000	10,830
<b>Total</b>	<b>23,000</b>	<b>23,000</b>	<b>10,830</b>

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## **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, \$104,000,000, to remain available until expended:  
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.*

# NATIONAL ENDOWMENT FOR DEMOCRACY

## *Resource Summary*

(\$ in thousands)

Appropriations	FY 2010 Actual	FY 2011 CR	FY 2012 Request
Funds	118,000	118,000	104,000

### *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. NED's four affiliated core institutes – 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)—consistent with its Statement of Principles and Objectives and subsequent strategic documents approved by its Board of Directors—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. NED has a distinctive grant-making philosophy which distinguishes it in the donor field. NED views its work as a support system for groups that are working to build up their credibility and effectiveness as democratizing forces in their own society, as a means to counter and offer an alternative to anti-democratic elements. A bi-partisan Board of Directors makes funding decisions based on established criteria. NED functions currently with 145 full-time and 7 part-time 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 14.08 percent.

The Endowment's grants program, which makes approximately 1,200 grants per year 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 studies and makes recommendations on strengthening media assistance abroad.

NED's program areas are:

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

## NATIONAL ENDOWMENT FOR DEMOCRACY

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.

NED's support to grassroots democrats is global in scope and cutting-edge in character. Among the grants NED made last year were awards to several public interest law projects inside China that work to improve government accountability, raise public awareness of human rights issues, and strengthen the rule of law; to the Al-Khatim Adlan Centre for Enlightenment and Human Development, an organization in Sudan that uses the arts to educate citizens about their role in Sudan's democratic transformation; to a vocal grassroots organization in the Sindh region of Pakistan, the Pakistan Fisherfolk Forum, that demonstrates that even the most marginalized sectors of society can hold the government and powerful economic interests accountable; to the Democratic Voice of Burma to maintain their Burmese- and ethnic- language radio and satellite television broadcasts of independent news and opinion; to the National Association for the Defense of Rights and Freedom in Egypt, a group that is devoted to engaging, reaching out to, and developing strong networks of provincial women leaders across 13 Egyptian governorates; to the Fund B92 in Serbia to organize a five-day arts and film festival aimed at raising human rights awareness in Belgrade that was so well-received the same model is being replicated in other parts of Serbia; and to Mashr, a legal aid organization that assists victims of forced disappearances and other human rights abuses in Ingushetia, Russia, providing a unique opportunity for residents to gain access to proper legal representation and the legal system in general. Following the devastating earthquake that struck Haiti in 2010, NED's continued support to local civil society organizations in Haiti has enabled them to assist recently displaced citizens in their new communities and holds the prospect of stimulating new initiatives to help rebuild civil society.

NED recognizes the critical role that evaluation plays in the strategy and policy formation of democracy assistance efforts and strives to embody the gold standard of evaluation in the area of democracy assistance grant making. At the project level, the Endowment regularly conducts extensive monitoring and evaluation which ensures that project objectives are being met, NED's grant regulations are being followed, and that NED support is helping to build the organizational capacity of its grantees. Furthermore, NED commissions several independent evaluations each year that examine a sub-set of projects within one country or a theme across countries. Recent evaluations have focused on NED grantees' Chinese-language Internet presence and the Endowment's long-standing grants program in Colombia. In FY 2011, the Endowment will complete evaluations of its Pakistan and Iraq grants programs. NED utilizes its tailored evaluation tools to assess needs and opportunities, report on results and demonstrate the difference that the Endowment's grants are making in the challenging political environments where grantees operate. In addition to profiling the outcome and impact of individual grants, the Endowment is continuously working to organize and disseminate its institutional body of knowledge, notably lessons learned, to the larger democracy assistance community.

### *Justification of Request*

FY 2012 funding request of \$104 million is a decrease of \$14 million from the FY 2010 Actual level. The FY 2012 request will allow NED to maintain much of the strong grants program in priority countries, such as China, Pakistan, Afghanistan, Egypt, Sudan, Somalia, Russia, Ukraine, and Central America, although reductions across the board in both the number of grants and the amount provided to grantees will be necessary. In addition, a slight increase in the Endowment's NICRA over previous years will result in reductions in the regional programs.

## NATIONAL ENDOWMENT FOR DEMOCRACY

The Africa region continues to present both challenges and opportunities for democratic development. While there are some governments that support democratic development, in most countries it is the nascent and growing civil society that has become resilient and creative in taking advantage of all opportunities to expand freedom, including the process of holding elections. Substantial program activity will continue in the Democratic Republic of the Congo, Sudan, Nigeria, and Somalia.

In Asia, the Endowment will again concentrate resources in critical countries in each sub-region of Asia, while also providing assistance in countries where democracy is losing ground. In East Asia, the Endowment will continue to focus on China, including Hong Kong, Tibet and Xinjiang/East Turkistan and North Korea. In Southeast Asia, NED will maintain a large Burma program using funding sources other than the annual appropriation, and support democracy efforts in Thailand and the Philippines. In South Asia, NED will continue to prioritize programming in Pakistan, and look to fund efforts in Nepal and Sri Lanka.

In the Middle East and North Africa, Egypt and Afghanistan will continue to be regional priorities. Throughout the region, NED will focus on support to civic groups to enhance nascent political processes at the local and national levels, advance civic participation, advocate public accountability, and consolidate the role and functions of parliamentarians. In authoritarian countries, the focus will be to support groups with human rights and freedom of information objectives, and to link them to other regional networks. Finally, in post-conflict states such as Iraq, NED will remain committed to helping democratic civil society survive and grow.

In Eastern and Central Europe, the Endowment will continue to be strongly engaged in the Western Balkan region, focusing on efforts to reform government and rein in corruption by reinvigorating media and civic activism, and in Moldova, supporting civil society to hold government accountable. In Ukraine, the Endowment will support grantees working to ensure that democratic practices continue to take root so that all citizens can benefit from a responsible government. NED will look for new opportunities to support activists' work in restrictive environments such as Belarus. Additionally, NED will encourage former partners from European Union countries to initiate or expand cross-border democracy-building programs to foster pro-democratic solidarity, share experiences and lessons learned, and highlight best practices developed during successful transitions dating from 1989.

In Eurasia, NED will continue its efforts to guarantee the viability of civil society organizations especially in Russia, and support human rights programs, which are the bulwark of all efforts to move toward democracy in the countries of Central Asia. In Georgia, where the challenge will be to ensure that reforms truly represent a step forward, NED will support NGO development, including regional organizations and regional media.

In Latin America, NED will fund programs in the Caribbean, the Andean Region, and Central America. In Cuba, NED-supported projects will focus on expanding access to information, supplying humanitarian aid to activists, and strengthening the capacity of civil society. In response to the devastating earthquake in Haiti, NED grantees are working to help citizens access aid, organize displaced Haitians, and serve as interlocutors between the people and government. In Central America, Nicaragua and Guatemala will be the focus, and Bolivia, Ecuador and Venezuela will be the priority countries in the Andean Region. Due to budget constraints, NED does not intend to expand support for programs in Mexico.

NED multiregional and global program will connect democrats from different areas of the world to address common issues and challenges in democratic development. A major focus will be building the capacity and knowledge base of local groups to advocate for human rights, empower marginalized

## NATIONAL ENDOWMENT FOR DEMOCRACY

communities, support worker rights, promote economic reform, strengthen political institutions, and foster independent media.

### *Africa*

Africa is confronting a backlash against the democratic progress that has been made in the last two decades, and the NED Africa program will thus concentrate on programs that directly counter political repression and human rights abuses, particularly in Africa's most severe dictatorships, in addition to supporting programs that aggressively pursue democratic change. As the only U.S. source of funding for human rights groups in the Democratic Republic of the Congo, NED will attempt to maintain a consistent level of support for activists in the country. NED will continue to support the program in northern Sudan, where there are few other sources of funding for indigenous NGOs, and NED will support programs in Nigeria and Somalia, where NED is the only source of funding for civil society groups, especially in regions such as the Niger Delta.

Funding will maintain NED's support for NGOs inside of the capital city in Zimbabwe as well as programming in both Angola, where NED is a leader in finding openings and civil society projects, and in Guinea.

### *Asia*

The Asia program will seek to address constitutional, political, and post-electoral turmoil in Southeast Asia, particularly Thailand, with some focus on the Philippines and Malaysia as well. NED plans to maintain its support for civic groups at the leading edge of efforts to implement democratic norms in practice, at both political and social levels, in the priority countries of North Korea, Sri Lanka, and Nepal. NED's strong emphasis on support for Burma's pro-democracy movement and independent civil society is expected to be maintained through dedicated Department of State funding reserved for Burma, separate from this budget request.

In China, if government concerns about social stability continue to result in new controls on freedom of information and on the operations of civil-society groups, NED funding may need to shift from efforts to expand political space to efforts to keep alive fragile new organizations and provide support for the free flow of information. In addition, NED is one of the few organizations currently funding efforts to address China's ethnic tensions. NED has traditionally had a uniquely strong commitment to supporting the participation of Uyghurs, Mongols, and Tibetans in China's civic life. This support will continue with an emphasis on equality and mutual respect, through human-rights documentation, public-policy discussion forums and various forms of dialogue, and other projects designed to address ethnic rights and ameliorate ethnic tensions.

In Pakistan, NED will continue support for democratic values, institutions, and processes as 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 – with an emphasis on extending programming to relatively neglected rural areas – in civic participation, fair election processes, and democratic norms. The Endowment will also continue to provide assistance to human rights groups, including those focusing on labor and women's rights, and to support civic education for disenfranchised groups, political party development, business associations and free-market advocacy, grassroots empowerment, civic associations, and independent media.

# NATIONAL ENDOWMENT FOR DEMOCRACY

## ***Middle East***

NED's Middle East & North Africa program will target Afghanistan and Egypt for special emphasis. 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 citizens' rights and obligations; and develop their appreciation for pluralism, equality, and peaceful dispute resolution. NED will pursue balanced levels of programmatic 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 relatively direct impact, such as at the local government or community level, within specific professional sectors, and among youth, who through familiarity with new technologies are capable of reaching out to greater numbers of citizens to promote democratic values.

In authoritarian countries such as Iran, Libya, Syria, Tunisia, Bahrain and Saudi Arabia, NED will assist activists in working in the available political space, with a focus on strengthening their institutional capacity. In Jordan, Morocco, Yemen, and Turkey, NED will continue 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, Algeria, Lebanon, and Palestine, NED will focus on civic education, human rights, capacity building, conflict resolution, and participation of women and youth.

## ***Central & Eastern Europe\****

(\*Includes Belarus, Moldova and Ukraine, Southern and Central Europe. The increase in funds for this region reflects the inclusion of Belarus, Ukraine, and cross-border programs, which were formerly a part of the Eurasia section at NED.)

NED will continue to foster free, fair and transparent elections in the region, especially Belarus, where it has been the main funder of civil society groups for many years despite aggressive repression by the government. After the parliamentary elections of 2011, NED will also seek to support the successful efforts of pro-reform democrats in Moldova through the promotion of programs that will assist citizens in holding politicians accountable. NED's recent strategy for promoting Ukraine as a center for regional and cross-border programs, unique among the donor community, will also continue as a priority.

NED will support programs that focus citizens' attention on issue-based voting in Bosnia rather than the ethnic-based rhetoric that continues to divide the country. After the retreat of many international funders, NED remains one of the major sources of funding for civil society groups in this region.

As one of the few funders for small scale civil society activities left in Albania, NED will seek to maintain support for the opposition in its attempts to reduce polarization and to take up seats in the parliament for the first time since 2009. NED will provide support for Serbia, an Endowment priority, and Macedonia, where important parliamentary elections will be important tests of whether these countries have implemented the reforms needed to join the EU and help bring about a "Europe whole and free."

## ***Eurasia\****

(\*Includes Russia, Azerbaijan, Armenia, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. The decrease in funds for this region reflects the removal of Belarus, Ukraine, and cross-border programs from Eurasia. These are now a part of the Central and Eastern Europe section at NED.)

## NATIONAL ENDOWMENT FOR DEMOCRACY

In Eurasia, the Endowment remains a leader in supporting cutting-edge programs in areas ranging from human rights monitoring and reporting to government accountability and freedom of information; moreover, the Endowment has an active grants program throughout all the countries of the region, with a particular focus on the most difficult regions, such as the North Caucasus and closed societies such as Turkmenistan.

The Endowment will continue to invest in improving security for human rights activists, particularly in Russia, where budget cuts can imperil not only the success of the work, but possibly the lives of activists in the most dangerous situations. NED will concentrate on bolstering established human rights organizations, nurturing youth groups and new media programs, and securing and fostering a variety of civil society initiatives in Kyrgyzstan, which exhibits the greatest potential for conducting extensive democratic reforms in the aftermath of recent political turmoil.

### *Latin America/Caribbean*

NED has expanded its programs in Central America in recent years. Guatemala will hold presidential and legislative elections in August 2011 and Nicaragua in November 2011, and NED expects to award grants to organizations working on citizen security, fostering accountability and transparency of elected officials, and promoting the rights of underrepresented groups. In Honduras, with NED support, organizations will carry out programs to overcome political polarization and promote democratic political reform.

In the Andean region, the Venezuelan presidential election scheduled for December 2012 will have relevant consequences for the country and the neighborhood, as President Chávez seeks reelection for an additional six-year term. NED will support civil society organizations in their efforts to enhance voter participation and promote free, fair and competitive elections.

In the Caribbean, as the availability of sources of funding for democrats inside Cuba diminishes overall, NED expects to receive additional requests that will challenge its ability to maintain its support to Cuba-related organizations which promote respect for freedom and human rights in the island. As the impact of the 2010 earthquake in Haiti continues, NED will fund grants to strengthen the domestic capacity to address grassroots communities' multifaceted challenges.

### *Multiregional*

Through networks, trainings, and exchanges, NED-supported multiregional and global programs will engage a broad range of groups, including grassroots civic organizations, political parties, women, youth, entrepreneurs and the private sector, think tanks, journalists, and worker rights activists. 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 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.

### *Democratic Activities*

The line-item "Democratic Activities" includes activities funded directly by NED that are consistent with the Endowment's purposes as set forth in the Act. They include expenses for the International Forum for Democratic Studies (including publication of the *Journal of Democracy* and development of a library and database of information about democracy movements); the World Movement for Democracy, a network of democratic activists, practitioners, and scholars for which NED serves as the secretariat; the Center for

## NATIONAL ENDOWMENT FOR DEMOCRACY

International Media Assistance, which studies and makes recommendations on strengthening media assistance abroad; the encouragement of cooperation for democracy promotion among the democracies; and periodic briefings that introduce key participants of democracy movements to decision makers and opinion leaders in Washington. Funds in this category, from NED's core appropriation, are used to cover basic infrastructure costs; funds for the activities themselves are raised from other sources.

### *Administration*

NED's current provisional indirect cost rate, negotiated with the Department of State, is 14.08 percent. The indirect cost rate covers Endowment expenses associated with, among other things, the Endowment'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 and ultimately closing out the awards.

### *Funds by Program Activity* (\$ in thousands)

	FY 2010 Actual	FY 2011 CR	FY 2012 Request
<b>Administration</b>	11,504	14,566	12,838
<b>Africa</b>	15,655	17,755	15,692
<b>Asia</b>	16,547	21,451	18,958
<b>Central &amp; Eastern Europe</b>	5,486	6,066	10,127
<b>Democratic Activities</b>	2,250	2,529	2,202
<b>Eurasia</b>	11,511	12,729	6,486
<b>Latin America/Caribbean</b>	14,976	17,059	15,075
<b>Middle East/North Africa</b>	15,420	18,490	16,342
<b>Multiregional</b>	24,651	7,355	6,280
<b>Total</b>	<b>118,000</b>	<b>118,000</b>	<b>104,000</b>

### *Funds by Object Class* (\$ in thousands)

	FY 2010 Actual	FY 2011 CR	FY 2012 Request
4100 Grants, Subsidies & Contrb	118,000	118,000	104,000
<b>Total</b>	<b>118,000</b>	<b>118,000</b>	<b>104,000</b>