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THE MIDDLE EAST AND NORTH AFRICA FY 2014 BUDGET: PRIORITIES AND CHALLENGES

HEARING

BEFORE THE

SUBCOMMITTEE ON
THE MIDDLE EAST AND NORTH AFRICA

OF THE

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HOUSE OF REPRESENTATIVES

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THE MIDDLE EAST AND NORTH AFRICA FY 2014 BUDGET: PRIORITIES AND CHALLENGES

WEDNESDAY, MAY 22, 2013

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON THE MIDDLE EAST AND NORTH AFRICA,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The subcommittee met, pursuant to notice, at 2 o'clock p.m., in room 2172, Rayburn House Office Building, Hon. Doug Collins presiding.

Mr. COLLINS. The subcommittee hearing will come to order.

Before I begin my remarks, I would like to convey our deepest condolences to our former congressional colleague, Lincoln Diaz-Balart, who lost his son this week. Chairman Ros-Lehtinen could not be here this afternoon because she is attending the funeral services in Miami.

Our thoughts and prayers are with his family and I would like to observe a moment of silence, please.

[Whereupon, a moment of silence was observed.]

Thank you.

After recognizing myself and Ranking Member Deutch for 5 minutes each for our opening statements, we will then hear from our witnesses and without objection the witnesses' prepared statements will be made part of the record and members may have 5 days to insert statements and questions for the record subject to the length and limitations in the rules.

In addition, without objection Chairman Ros-Lehtinen's statement and questions will be included for the record. The Vice Chair now recognizes himself for 5 minutes.

In this era of new challenges, political tensions and the ever present potential for conflict, it is vitally important that the United States remain a global leader in promoting democracy, ensuring regional stability and providing humanitarian assistance abroad.

However, the United States must balance these priorities responsibly to be wise stewards of hard-earned taxpayer dollars.

We must ensure that every dollar of foreign aid is spent effectively and with the goal of promoting the interests and goals of the United States.

I am concerned by the lack of oversight and transparency that exists in many State Department and USAID programs. I am also troubled by the seeming lack of a clear and cohesive foreign policy agenda under this administration.

This region is facing significant challenges from the Arab Spring to Iran's nuclear proliferation to the raging conflict in Syria.

I hope today's hearing will provide clarity and certainty to the question of how the administration is using taxpayer dollars to promote our national interest in the midst of these political and regional upheavals.

I am pleased that the assistance to Israel remains a key component of the FY '14 budget. The importance that Israel plays in ensuring regional stability cannot be overstated.

Amidst the challenges this area of the world is facing, now is the time to help Israel preserve its qualitative military edge.

To that end, I recently introduced House Resolution 1992. This legislation would increase the QME reporting frequency and ensure the President considers cyber and asymmetric attacks in this evaluation.

At this time, I'd like to recognize the ranking member, Mr. Deutch, for his opening statement.

Mr. DEUTCH. Thank you, Mr. Chairman. Assistant Secretary Jones, Assistant Administrator Romanowski, thanks for being here today.

I couldn't imagine a more timely hearing for this subcommittee as we continue to face serious challenges in this volatile region and grapple with how to adequately address them from a U.S. policy perspective.

The FY 2014 budget request for the Near East is $7.36 billion and I'd like to point out, as I have done routinely in this committee, the entire international affairs budget makes up only 1 percent of the total budget.

We must ensure, however, that these dollars are being used in the most effective and efficient manner possible. I'd like to take a moment and commend the humanitarian work that State and USAID are doing in Syria.

As we struggle with the appropriate role for the U.S. in Syria, we cannot ignore the need for an immediate response to the humanitarian crisis.

As the violence in Syria threatens to spill over into Jordan and Lebanon, we must examine the destabilizing effect that spillover could have on the region.

Lebanon is sheltering 400,000 Syrian refugees while Hezbollah's engagement in Syria has emboldened its threats against Israel.

I'm very pleased to see that this year's assistance to Israel remains intact. As Israel faces threats from Hezbollah and Hamas and the existential threat of a nuclear-armed Iran we must ensure that our ally can defend herself and our interests in the region.

The over ½ million Syrian refugees inside Jordan are compounding its already vulnerable economic situation. Jordan's a lynchpin for the region. The collapse of Jordan would have serious implications for the security of Israel and for Gulf cooperation.

Under Jordan's auspices, U.S.-led security training helps to ensure stability in the West Bank. In addition to the FY 2014 ESF and FMF requests, President Obama has announced $200 million for humanitarian relief in Jordan. We must continue to support our crucial ally.

With respect to Egypt, I understand the concern among some as to why the U.S. continues to provide aid, given some of the actions of the Morsi government over the past year.

I support our continued relationship with the Egyptian military but those cannot be the only ties between our countries.

We cannot ignore the human rights abuses, the repression of women and religious minorities and the refusal of the Morsi government to engage in an inclusive political process.

The newly proposed law restricting NGO operations is particularly concerning and it poses a great threat to USAID partners working to strengthen civil society.

We cannot help rebuild a democratic Egypt simply by providing tanks and fighter jets. We must help support the governance and independent judiciary and greater civic participation.

As we normalize our support role in Iraq and scale down our assistance by over 50 percent, we must encourage an inclusive political system in Iraq where a growing sectarian divide threatens to push the country into chaos.

In Iran, as we continue to pursue all options for preventing the regime from obtaining nuclear weapons capabilities, we must find ways to engage the Iranian people who deserve to live in a free and democratic society.

I'm extremely disheartened by yesterday's disqualification of former President Rafsanjani and the immediate steps the regime took to repress its own people and freedom of expression.

This, unfortunately, all but assures that the upcoming Presidential elections will again not reflect the true will of the Iranian people.

In short, I believe the U.S. needs to be able to react and respond with flexibility to challenges in the region. The $580 million requested for the Middle East and North Africa Incentive Fund is designed to give us that flexibility and I hope that our witnesses will be able to give us a greater sense today of how they envision that fund being used and ensure that we are not duplicating the efforts of the Middle East Partnership Initiative or other transition funds.

Secretary Jones, Administrator Romanowski, as you are well aware, 5 minutes is simply not enough time to address the challenges we face in the region, from rebuilding an economically stable Tunisia to strengthening the rule of law in Libya to investing in human capital in Yemen.

Each country has its own complex set of challenges and issues and each one requires a different policy approach.

I look forward to a productive discussion with you today and I yield back.

Mr. COLLINS. I appreciate the ranking member's statement. I appreciate also the witnesses being here today and I look forward to hearing from them. I would now like to introduce them.

First, Ambassador Beth Jones is the Acting Assistant Secretary of State for the Near East. Prior to this, she served as the deputy special representative for Afghanistan and Pakistan, and as the Assistant Secretary of State for Europe and Eurasia under Secretary Powell.

Having served as a Foreign Service officer for 35 years with postings in Kabul, Cairo, Amman, Baghdad and Berlin, Ambassador

Jones has held numerous senior positions at the Department of State.

Our second witness, Ms. Alina Romanowski, is the Acting Assistant Administrator at USAID's Bureau for the Middle East.

Prior to that, Ms. Romanowski has had a long and distinguished career in government service, having previously held numerous senior positions in the State and Defense Departments involving the Near East and South Asia.

She is also the recipient of numerous awards for her public service including the Presidential Distinguished Rank Award for senior executive service.

Ambassador Jones, you are now recognized for 5 minutes.

STATEMENT OF THE HONORABLE BETH JONES, ACTING ASSISTANT SECRETARY OF STATE, BUREAU OF NEAR EASTERN AFFAIRS, U.S. DEPARTMENT OF STATE

Ambassador JONES. Thank you very much.

Chairman Collins, Ranking Member Deutch, distinguished members of the subcommittee, thank you very much for inviting me and the acting administrator, Assistant Administrator Romanowski, to appear before you today to discuss our FY 2014 budget request.

The Middle East and North Africa continue to experience tectonic, political, social and economic changes. We are on the precipice of a possibly dangerous transformation that could last for generations.

The tension between democratic values of human rights, tolerance and pluralism, and threats to those principles including extremism and persecution of minorities is growing.

These dynamics present new challenges and opportunities for U.S. engagement. We must be equipped to capitalize on these opportunities to ensure that our interests, goals and values are secure.

Although the region has undergone monumental changes in the past 2 years, our fundamental interests remain the same-to protect Israel's security and advance Middle East peace, to curtail Iran's destabilizing influence in the region and ensure that it upholds its international obligations and to work with those in the region who are yearning for dignity, opportunity and a role in determining their future.

We are refocusing our engagement so that they can achieve those fundamental objectives within the new reality and we are responding to crises that threaten our interests and the security of the region and supporting the Syrian people as they continue to suffer under a brutal regime.

We will continue to support, protect and defend our diplomats, development professionals and our facilities as we pursue our objectives.

This is not easy. The transitions underway are the foreign policy challenge of our time.

New leaders face tremendous challenges in responding to their citizens' raised expectations as they learn the ropes of new participatory and constitutional processes and grapple with Syria's security challenges.

Our budget request reflects what we know to be true. To advance and protect our interests we must engage in the region. We must be a partner and a positive influence seeking to ensure that what emerges from these transitions are pluralistic, prosperous, durable countries that can be partners in the pursuit of shared interests. Our request is for $7.36 billion and our request for NEA State operations funding is $1.15 billion.

As we continue to face a constrained budget environment at home, this request reflects our critical national security interests and enduring commitments.

Ensuring Israel's security in achieving a negotiated solution to the Israeli-Palestinian conflict is at the core of our interests.

Our request for military assistance to Israel is for the full amount of our MOU and reflects our unshakeable commitment to Israel's security as it faces significant threats.

Our assistance to the Palestinian people is aimed at building a capable Palestinian partner government committed to peace and a two-state solution.

Supporting the development of security and law enforcement professionals, local governance systems and economic reform contributes to overall stability. As of 2011, terror attacks have dropped 96 percent since the previous 5 years.

Our military assistance to Egypt underpins the peace treaty between Israel and Egypt and promotes key U.S. security interests. Economic, governance and security assistance will support the Egyptian people and encourage their government to follow the path of reform.

The largest increase from our FY 2012 request is our request for $580 million to create the Middle East and North African Incentive Fund.

This account would provide resources commensurate with emerging and evolving challenges and opportunities. It will be used to promote political, institutional, economic and security sector reform.

This new funding is offset by significantly reduced assistance for Iraq where we are encouraging the government to fund its own security and to provide for the needs of its citizens.

Finally, we must be ready in FY 2014 for the transition in Syria to a post-Assad government deserving of our support. The transition in Syria holds the potential to weaken Iranian influence throughout the region and to remove a key state sponsor of terrorism, enhancing regional stability.

We will need to invest new resources to shape this strategic transformation. When the Berlin Wall came down in 1989, we responded significantly to that opportunity, making available billions to support transitions to democracy.

We see these challenges in the Middle East through the same lens.

We are responding with strategic investments and new strategies that reflect the critical need to engage despite the tremendous fiscal constraints we face here at home.

I thank the subcommittee for holding this hearing and I look forward to answering your questions.

[The prepared statement of Ambassador Jones follows:]

WRITTEN STATEMENT
AMBASSADOR BETH JONES, ACTING ASSISTANT SECRETARY OF STATE FOR NEAR EASTERN AFFAIRS

HOUSE FOREIGN AFFAIRS COMMITTEE
SUBCOMMITTEE ON THE MIDDLE EAST AND NORTH AFRICA
"2014 Budget Request"
May 22, 2013

Chairwoman Ros-Lehtinen, Ranking Member Deutch, distinguished members of the Subcommittee, thank you for inviting me and Acting Assistant Administrator Romanowski to appear before you today to discuss our FY2014 Budget request.

Countries in the Middle East and North Africa are experiencing tectonic political, social and economic changes, and we are at the crossroads of a possibly dangerous transformation that could last for generations. Citizens of these countries are participating in new political processes and driving the future of their countries in an unprecedented way. Tension between democratic values of human rights, tolerance and pluralism and threats to those principles including extremism and persecution of minorities is growing. These dynamics present new challenges and opportunities for U.S. engagement, and we must be equipped with the tools to capitalize on these opportunities to ensure our interests, goals and values are secure. At this critical juncture, the United States must increase our engagement in the region to ensure the balance tips in favor of our priorities. We want to move beyond responding to crises to encouraging the change we believe secures our interests. This budget allows us to say to people in the region: "If you are willing to take on the deep-rooted challenges and make the tough choices, we are here for you."

Although the region has undergone monumental and extraordinary changes in the past two years, our fundamental interests remain the same: to protect Israel's security and advance Middle East Peace; to curtail Iran's destabilizing influence in the region and ensure that it upholds its international obligations; to combat extremism and terrorism; to protect the free flow of commerce and global energy security. These are among our highest national security priorities, and we must continue vociferous engagement to protect our interests and support those who champion our values and principles. The stability and security on which they rely

can be achieved, in the long term, only through political and economic reforms that form the strongest basis for lasting growth, prosperity, and peace. As we pursue these vital interests, we will continue to support, protect and defend our diplomats and development professionals, our facilities, and the capabilities we need to pursue our objectives. Our budget is an illustration of our priorities.

We are still calibrating our relationships with new governments, as these new leaders themselves navigate demands and expectations of populations emboldened by democratic revolutions but increasingly frustrated by the pace of reform. Citizens of these countries in transition must and are leading the way. It is in our interest to support them, and to support the work of these partner governments as they pursue peaceful transitions and democratic reforms.

Over the past two years we have allocated $1.8 billion to respond to rapidly changing dynamics and new opportunities for engagement. We have supported new political processes, including elections and broader civil society engagement. We have bolstered weakened economies with critical budget support and loan guarantees. We have supported economic reforms and entrepreneurship through technical assistance and enterprise funds to promote small and medium-sized businesses. We have helped address critical security gaps. We have been a global leader in responding to the humanitarian crisis brought on by unrelenting violence in Syria, and in strengthening and supporting opposition groups that share our values and our interests. Few of these needs were anticipated; all of them remain significant challenges. The governments of the region must respond to the legitimate demands of their people—and especially their tremendous youth populations—for more inclusive, participatory governance; responsive institutions that operate under the rule of law; and greater, more equitable economic opportunity that assures dignity and justice for all.

These new realities require ever greater promotion of our principles. We must hold actors in developing political systems accountable to basic tenets of democratic politics: rejection of violence; commitment to inclusivity and to foster the growth of a strong civil society and free media; and protection of fundamental freedoms and human rights -- particularly those of traditionally disenfranchised groups including women and religious minorities.

I will not tell you that this is easy. A transition from decades of autocracy to fully representational democracy does not happen overnight. More than two years after the initial Arab Spring uprisings swept through the region, we continue to

assess how we can best use our assistance to shape the development of democratic governments and open economies in the region.

Ultimately, our budget request reflects what we know to be true: to advance and protect our interests, we must engage in the region. Our Near Eastern Affairs (NEA) foreign assistance request this year seeks necessary resources for the challenges ahead. The FY14 request of $7.36 billion, is 10 percent below the FY 2012 final allocations, which include Arab Spring response funding and a large Iraq program in the immediate transition from the military. Our request for NEA State Operations funding is $1.15 billion and represents a 41.6 percent decrease from the FY 2012 budget, again primarily due to normalization of the Embassy in Iraq. This reflects our commitment to protecting our personnel and our embassies overseas and evaluating and prioritizing our strategic assistance as dynamics in the region continue to shift and as we face a constrained budget environment at home.

Shifts in requests

Let me highlight where you will see the most important changes from our previous budget request. The largest increase from our FY 2012 request is our request for $580 million to create the Middle East and North Africa Incentive Fund. This account would address the momentous challenges I have mentioned—the need for significant additional resources to address emerging and evolving challenges and opportunities, and the need for new tools and methodologies to promote political, institutional, economic, and security sector reform. The resource demands of the last two years tell us significant new resources are necessary. Over $1 billion of the funding provided in response to the Arab Spring was reallocated from other programs globally and in the region. But the fiscal constraints and reform imperative for the region demand a new approach. We have therefore requested authorities for loan guarantees and debt relief that allow us to strategically invest our foreign assistance dollars and get the greatest return; and for the flexibility to respond across the economic, political, and security spectrum. Our intent is to support reform plans in these areas proposed by governments and negotiated with us, with clear, public commitments for reforms that will be undertaken and benchmarks to assess progress. As the Secretary said in his testimony before the full committee, the MENA Incentive Fund will help give reformers the tools and resources they need to make the right decisions on behalf of their citizens. It allows us to say to people in the region: "If you are willing to take on the deep-rooted challenges and make the tough choices, we are here for you."

The largest decrease in our budget is in Iraq: the FY 2014 request reflects programmatic and personnel adjustments by the State Department and USAID, and represents a $641.39 million (52.81 percent) reduction from FY 2012. In the context of the glide path, and adjusting U.S. diplomatic presence and programs in Iraq, the State Department and USAID have aggressively reviewed priorities to ensure that our assistance is invested to build a productive and successful bilateral relationship with this strategically important partner to ensure our national security interests. Our bilateral assistance portfolio has been fashioned to narrow the focus of our programs and adjust the associated staffing levels and program sizes, while allowing for continued oversight of essential programs. We continue to encourage Iraqi counterparts to address the key development needs of their citizens directly.

Israel and Middle East Peace

Ensuring Israel's security and achieving a negotiated and sustained solution to the Israeli-Palestinian conflict are core of interests reflected in our budget request. Our proposed $3.1 billion in Foreign Military Financing (FMF) for Israel reflects our unshakeable commitment to Israel's security as it faces significant threats, consistent with our $30 billion memorandum of understanding with Israel. This commitment is also a critical piece of our efforts to help promote and broker a sustainable two-state solution.

Our assistance to the Palestinian people is aimed at ensuring that a capable Palestinian partner and government, committed to peace and a two-state solution, is prepared to assume the full functions of statehood as a consequence of a peace agreement. To that end, our foreign assistance supports the institutional capacity of the Palestinian Authority to improve security while respecting the rule of law, and to deliver constituent services including quality health and education services and infrastructure programming as well as direct budget support to preserve the PA's fiscal viability. Our economic initiatives promote strong, private sector growth. Supporting the development of security and law enforcement professionals, local governance systems and the development of public and private institutions contributes to the overall stability and security of Palestinians and Israelis alike. As of 2011, terror attacks have dropped 96% over the previous five years, and last year was the first year since 1973 without an Israeli fatality in the West Bank or Jerusalem due to a terror attack.

I know this subcommittee and others have expressed concern about Prime Minister Salam Fayyad's departure, particularly as it relates to the progress the Palestinian Authority has made in building institutions in the West Bank. It is

important to remember that the aspirations of the Palestinian people and the work of the Palestinian Authority are bigger than any one individual. We are committed to moving forward with economic and institution-building efforts in the West Bank – not as a substitute for, but rather in parallel with our diplomatic efforts.

Egypt

As an underpinning of the Peace Treaty between Israel and Egypt, our FMF program for Egypt promotes key U.S. security interests. These include access to the Suez Canal, and the Egyptian Armed Forces's continuing role as a lynchpin of Egypt-Israel peace. Our military assistance continues to advance shared security interests such as border security, countering terrorism and weapons smuggling, and creating more professional Egyptian forces. This assistance helps ensure over-flight privileges for military aircraft and allows Egyptian forces to provide secure transit of the Suez Canal. In response to emerging needs, we are partnering with Egypt to increasingly target our assistance to further enhance border security, prevent the smuggling of weapons across Egyptian territory and to advance our ongoing counter-terrorism cooperation.

Non-military assistance across a range of sectors will support the Egyptian people and encourage their government to follow the path of democratization and economic reform. We will support a landmark Higher Education Initiative that will invest in Egypt's youth by helping thousands of Egyptians to develop the skills needed for a global economy. Our assistance will also promote inclusive and democratic governance, support economic rejuvenation and modernization in priority sectors, such as agriculture and tourism, promote increased trade and investment, improve the quality of Egyptian education, increase technical and vocational skills, strengthen health systems, and extend science and technology.

Jordan

Jordan continues to play a vital role in regional stability, as a reliable partner and regional interlocutor on shared security concerns and shared interests in Middle East Peace. Recognizing the inflow of refugees from Syria has compounded Jordan's ongoing economic and political pressures, in addition to our humanitarian efforts, U.S. assistance will help address this fiscal crisis, strengthen service delivery, support initiatives to improve the country's competitiveness, create jobs, and provide workforce training to give youths skills needs to find employment. As this committee knows, Congress has been an integral partner as we mobilized an additional $300 million in budget support over the last year to

help Jordan navigate unprecedented economic challenges brought on by Syrian refugees, an energy crisis, and long-delayed economic reforms. In support of Jordan's IMF agreement and slow but continued political reforms, we appreciate Congress granting us the authority to support a loan guarantee for Jordan that we plan to use later this year.

Libya

Libya's democratically elected government faces daunting security challenges to completing the country's democratic transition. Libya is rich in oil, and is capable of funding its development needs. At the same time, we have valuable expertise to help the new Libyan government strengthen its governance and national security institutions. This is a top policy priority for the United States, as a strong, democratic, and stable Libyan state will be a valuable partner in a strategically-significant region. Given the Libyan government's capacity constraints and the weakness of its institutions after decades of Qadhafi's corrupt mismanagement, Libya is not able to push forward these reforms alone. Our focus is on providing help in areas that most bolster our own national security. Thus our assistance in Libya focuses on building niche counterterrorism capabilities, security and justice sector institutions, border security, capacity to secure the massive stockpiles of loose, Qadhafi-era conventional weapons, and its nascent civil society. We are also prepared to support Libya during future elections, and in the drafting of the first inclusive and transparent, post-Qadhafi constitution.

Tunisia

While we provided significant assistance to Tunisia to fund urgent requirements in its period of transition, the Department's FY 2014 non-Overseas Contingency Operations (OCO) request represents a normalization of the assistance in the base bilateral budget. Tunisia has made great strides in the two years since the revolution—electing an interim parliament, drafting a constitution that enshrines civil liberties for all Tunisians, and setting an election timeline. However, it faces significant challenges. It is not blessed with the same natural resource wealth of its neighbors. Its economy is strongly affected by nearby Southern Europe its neighbors, whose current economic challenges are well known. Tunisia's weak economy is matched by weak security forces that have had difficulty dealing with public demonstrations and violent extremist groups. It is in our national interest to continue to support Tunisia's successful transition, which will set a clear example for other countries in the region.

Yemen

Supporting a peaceful transition in Yemen that will influence regional peace and security in the Gulf continues to be important for U.S. funding in the FY 2014 budget. Yemen's transitional government has made substantial gains in extending security in the country, both through military operations against Al Qaida Arabian Peninsula and its affiliates and through a challenging process of reorganization in both the Ministries of Defense and Interior. U.S. support for the military and security sectors will support Yemen's growing ability to deny territory to terrorists; to modernize its security forces in concert with American goals, to sustain critical equipment; and to extend the rule of law. Furthermore, in support of the national dialogue process, ESF funds will support programs that will promote good governance, democratic principles and and strengthen civil society's ability to engage in public policy formulation and implementation.

Region/MEPI

Complimentary to our efforts in the MENA Incentive Funding is our continued support for activists, business leaders, and organizations who are calling for reform across the region. The Middle East Partnership Initiative (MEPI) continues to be the Department's principal tool for promoting political and economic reform across the region and is a critical contributor to post-Arab Spring transitions and our current work in Syria. Its unique regional platform and bottom up approach allow us to be engaged at the grassroots and local levels and work with a range of reformers in the civil society, political and economic spheres. For example, in the initial phases of the Arab Spring because of MEPI's responsive programming structure, they were one of the first actors on the ground in places like Tunisia, launching new projects in support of democratic transitions within a matter of weeks.

Syria

The Asad regime's brutal repression of the Syrian people and refusal to cooperate with the Arab League's plan has created tremendous regional instability. We must be ready in FY 2014 for the transition in Syria to a post-Assad government deserving of our support. Transition in Syria holds the potential to weaken Iranian influence through the region, remove a key state sponsor of terrorism, and enhance regional peace and stability, while at the same time, continued violence and instability in Syria could increase the potential for weapons proliferation and the spread of terrorism. We will need to invest new resources to

counter these threats and shape this strategic transformation. The potential of an extremely challenging transition in Syria has also informed our MENA Incentive Fund request level. We will continue to work with the Syrian opposition and regional partners to find a constructive path toward transition.

In the meantime, we are increasing our support to the opposition. We are currently providing $514 million in humanitarian assistance to those in need, across all 14 governorates in Syria and in neighboring countries. At President Obama's direction, we are broadening our non-lethal support to the Supreme Military Council beyond the military food rations and medical kits they have already received. We have committed $250 million in civilian transition assistance which is bolstering the capacity of local opposition councils and civil society groups to provide essential services to their communities and to extend the rule of law and enhance stability inside liberated areas, all of which helps lay the foundations for a future secure, stable, democratic and prosperous Syria.

Our interests and goals in the region remain the same: to expand democratic, political, and economic reforms and strengthen civil society; advance Middle East peace; counter threats and advance civilian security; hold Iran to international standards; strengthen democratic systems, and support security and promote economic growth in Iraq; advance U.S. interests and universal rights and freedoms through effective messages and public diplomacy programs; and enhance our infrastructure to effectively support robust engagement. We will continue to fund the long-standing priorities in the region, namely our commitments to our security interests in the region and our support for Middle East peace. We are also seeking your support for new initiatives that will help people of the region capitalize on the profound political and social shifts there, and ensure that lasting reform and stability take root. I would like to thank the subcommittee for holding this hearing and I look forward to answering your questions.

Mr. COLLINS. Ambassador, thank you so much.

Now, Ms. Romanowski.

STATEMENT OF MS. ALINA L. ROMANOWSKI, ACTING ASSISTANT ADMINISTRATOR, BUREAU FOR THE MIDDLE EAST, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

Ms. ROMANOWSKI. Chairman Collins, Ranking Member Deutch and members of the subcommittee, thank you for the opportunity to discuss USAID's FY 2014 budget request.

USAID's assistance is an effective instrument in the long-term security and prosperity of this critically important and rapidly evolving region. It is an investment in our own economic health and national security.

Over the last 30 years that I've worked on the Middle East, I've learned that democratic transitions take time.

It's a messy process, but 2 years after the Arab Spring the common desire for dignity, opportunity and self determination that originally spurred people to action continues to drive these transitions across the region.

USAID is requesting $1.2 billion to continue to support people as they write new Constitutions, as they carry out free and fair elections and as they advocate for increased participation in their country's politics and economic growth.

We are focused on making smart and sustainable investments in a difficult budget environment. Our request reflects our commitment to helping governments be more responsive to the needs of their people by supporting democratic reform, inclusive economic growth, a thriving civil society and addressing the needs of vulnerable populations including women and youth.

I'd like to give you a snapshot of some of the work USAID has been doing in support of these transitions beginning with the crisis in Syria and its impact on the region.

There are now 1.5 million Syrian refugees in neighboring countries while inside Syria an additional 6.8 million people are in dire need of humanitarian assistance. We are providing nearly $514 million in humanitarian assistance.

We're also committing $250 million in civilian transition assistance to the Syrian coalition in support of local leaders who are trying to lay the groundwork for a stable and democratic future.

The increasing refugee influx into Jordan and Lebanon is severely straining their resources and our FY '14 request will allow USAID to help host communities cope with this strain.

Egypt remains a critical priority for regional stability and Middle East peace. We are making smart investments by responding to citizens' demands for better education, jobs and rights.

We will also further capitalize the Egyptian-American Enterprise Fund to continue to promote small and medium enterprises, and to address the aspirations of Egypt's young people we are launching the new U.S.-Egypt Higher Education Initiative.

Through scholarships, university partnerships and private sector engagement we will provide thousands of young Egyptians opportunities to build skills that will lead to jobs in key fields needed for today's global economy.

Turning to Tunisia, we will continue to support the political transition process through programs in economic and political reform, workforce development, open and transparent governance and private sector investment and growth such as the Tunisian-American Enterprise Fund.

Yemen faces some of the biggest challenges including dire humanitarian conditions. Yet despite these obstacles, the country is progressing under an inclusive national dialogue which will lead to a constitutional review and culminate in national elections early next year.

Our request will assist the transition by supporting constitutional review, elections and voter registry reform and will allow us to improve health services and access to quality basic education, especially for girls.

Our critical work in the West Bank and Gaza will continue to provide the foundation for a negotiated and sustained two-state solution to the Israeli-Palestinian conflict.

Our request will continue to support Palestinian institution building by providing assistance in the areas of democracy and governance, education, health and water resources as well as direct budget support to the Palestinian Authority.

Finally, on Iraq, like other U.S. Government agencies USAID is reducing our programs and presence. As such, we have not requested funding in FY '14.

Existing funds will continue programs that support vulnerable populations, strengthen civil society, improve governing institutions and promote private sector development.

In conclusion, I am confident that the President's FY '14 budget request sustains the foundation for USAID to partner with and positively influence these countries to address the challenges and advance the changes we have begun to see in this critically important region.

I appreciate the opportunity to appear before you today and I'm happy to answer your questions. Thank you.

[The prepared statement of Ms. Romanowski follows:]

Statement of Alina L. Romanowski
Acting Assistant Administrator, Bureau for the Middle East
U.S. Agency for International Development
House Foreign Affairs Committee
Middle East and North Africa Subcommittee

"The Middle East and North Africa FY 2014 Budget: Priorities and Challenges"
May 22, 2013

Chairman Ros-Lehtinen, Ranking Member Deutch, and members of the subcommittee: thank you for the opportunity to discuss USAID's FY 2014 budget and the efforts we are making to meet development needs and continue to address U.S. national security interests in the Middle East. In this constrained budget environment, USAID's assistance—as part of a broader, coordinated U.S. Government effort—is an effective investment in the long-term safety, security, and prosperity of this critically important and rapidly evolving region. As such, it is an investment in our own economic health and national security.

Over the last thirty years of my career, I have had the privilege to serve across four government agencies, focusing on the Middle East. I know firsthand that it is a region of great hope and opportunity, but one that faces daunting challenges, especially in this transition period. Two years after the Arab Spring, we have seen progress and we have seen setbacks. We must remember democratic transitions take time—it's a messy process—but the common desire for dignity, opportunity and self-determination that originally spurred people to action continue to drive the transitions across the region. For the past two years, USAID has supported countries as they write new constitutions and reform institutions, as they carry out

free and fair elections, and as citizens advocate for increased participation in the political process.

But today, the economic frustrations that moved people across the region to protest in the streets are still alive. The International Monetary Fund forecasted last year that most of the countries where USAID works in the Middle East will continue to have tepid economic growth in 2013. Unemployment among young people—who make up 30 percent of the region's population—remains very high. The political changes these youth helped bring about carried high expectations that the economic challenges they faced also would be addressed—rapidly—and their personal situation would improve—quickly.

We understand that the economic and political situations in each country are intertwined and interdependent; just as we know that addressing other issues, like humanitarian needs, health, and access to water are all critical for allowing people and countries to thrive. While the countries of the Middle East confront similar challenges, they are each experiencing their own unique and difficult transitions. That is why USAID's approach to support for the region is both comprehensive and targeted. We tailor our assistance to meet each country's needs and aspirations.

USAID has been and continues to respond by helping the people of the region to secure peaceful transitions to participatory democracy, facilitate more inclusive economic growth for all, and grow and strengthen civil society. Since January 2011, the State Department and USAID have allocated more than $1.8 billion to support the democratic transitions in the Middle East and North Africa and respond to emerging crises. To ensure the effectiveness and sustainability of our assistance, we continue to direct our efforts and resources toward citizens and local

organizations, to diversify partnerships across the region, and to pursue political and economic reforms.

Before I get into the specifics of the FY 2014 request, I'd like to give you a snapshot of some of the work we have been doing. For instance, in Tunisia we supported the recruitment and deployment of approximately 2,000 Tunisians to observe the Constituent Assembly elections and ensure that all operations related to voting were consistent with international standards for democratic, honest, and free elections. We developed and implemented a $250 million loan guarantee for Jordanian small-to-medium-sized enterprises in collaboration with the Overseas Private Investment Corporation (OPIC). With extensive technical support from USAID, five Jordanian Banks signed Guarantee Facility Agreements with OPIC, resulting in $4 million in loans to date. In Egypt, our early grade reading program improved fluency by 91 percent in pilot schools after 6 months of implementation, and the scaled-up project now reaches 1.4 million students in all grade-one classrooms across Egypt. USAID-funded legal clinics in Iraq have supported over 1,700 legal cases on behalf of vulnerable individuals such as female-headed households, internally displaced persons, and ethnic and religious minorities. In Lebanon, we installed water chlorination systems in 14 potable water pump stations, allowing more than 100,000 people in the Bekaa Valley to receive safe drinking water. Our investments are an important component of the assistance needed to help these countries through the challenging transitions they face, and it is in our interest to shape the development of democratic institutions and open economies in the region.

As Secretary Kerry and Administrator Shah have both testified, we are focused on making smart and sustainable investments in a difficult budget environment. The

USAID-managed portion of the budget request for FY 2014 in the region is $1.2 billion, which represents a decrease of $340 million from the FY 2012 level. The Administration has also requested $580 million for the Middle East and North Africa Incentive Fund (MENA IF), which is a macro-level tool that will allow us to more nimbly support the transitions that are taking root and show our commitment to the people of the region. The MENA IF request also includes funding for USAID's Middle East Regional program. At a level of $30 million, the USAID Middle East Regional program represents USAID's focused programmatic approach to address trans-boundary issues such as water scarcity and trade and investment and will also strengthen USAID's technical expertise. This platform will also provide USAID assistance to Libya, where there is no USAID mission, in support of local justice and security reform, elections, civil society, small and medium enterprises, and women's empowerment.

The budget request reflects our commitment to helping governments be more responsive to the needs of their people through democratic governance and institutions, inclusive economic growth, a thriving civil society, modernized education and health systems, and addressing the needs of vulnerable populations, including women and youth.

As I turn to look at some of our key programs, I want to begin with an issue that I know is on all of your minds—the crisis in Syria and its impact on the region.

The situation in Syria has emerged as a full-blown regional crisis with severe humanitarian, economic, and political consequences for that country and for the region. Since the beginning of 2013, the number of Syrians seeking refuge in neighboring countries has sharply increased. More than 1.5 million Syrians are

now registered as refugees or are awaiting registration in neighboring countries while, inside Syria, an additional 6.8 million people are in need of humanitarian assistance. The U.S. Government is providing nearly $514 million in humanitarian assistance to support those affected by the conflict. As Secretary Kerry announced in April, we are also committing $250 million in non-lethal assistance to the Syrian Coalition, including food, medical kits, and support for local leaders who are trying to lay the groundwork for a stable and a democratic future.

At the same time, we are working to address the conflict's impact on Syria's neighbors. The increasing refugee influxes into Jordan and Lebanon are putting a strain on these two countries' service delivery capabilities and impeding their economic growth and domestic political reform processes.

During his visit to Jordan in March, President Obama reaffirmed the strong U.S. commitment to Jordan and to our shared focus on security and peace in the region. He re-committed the United States to supporting Jordan as it deals with the Syria conflict and the flood of refugees from across its border. Our FY 2014 request for Jordan is $360 million, which will allow USAID to continue providing support directly to the government and to expand our existing programs to help host communities cope with the strain on their resources. I visited Jordan this month and saw firsthand how our water projects, hospital renovations, and new schools are helping local communities ease the stress of this influx of Syrian refugees. The parents I met at the new school we built in Mafraq were so appreciative of the new facilities and of U.S. support.

At the same time, we will also continue to provide direct budget support to the Jordanian government and conduct activities to address issues such as early grade

reading, inefficient use of water in the agriculture sector, helping communities identify and address local priorities, and promoting gender equality and female empowerment.

USAID also has expanded some of our existing programming in Lebanon to support host communities most heavily affected by the Syrian crisis, and we are evaluating potential new efforts. Meanwhile, as we continue to promote a sovereign, stable, and independent Lebanon, fiscal year 2014 assistance will provide support for our ongoing programs focused on economic growth, water and sanitation services, municipal governance, civil society, and basic and higher education nationwide.

Now, I'd like to share with you our assistance to the political transition countries. Egypt remains one of the most crucial priorities in terms of support for regional stability and Middle East peace. We will continue to work with the Egyptian people and their government to address their legitimate aspirations during this historic transition period. Since the start of the January 2011 revolution, USAID conducted a thorough review of our assistance to ensure that we are making smart investments on behalf of U.S. taxpayers. Our portfolio focuses on responding to citizens' demands for jobs, accountability, and rights. In FY 2014, with a budget request of $250 million, we will seek to expand our democracy and governance programs, continue to strengthen civil society, and improve the health, education, and agriculture sectors. Our assistance also includes $60 million to further capitalize the Egyptian-American Enterprise Fund.

As Secretary Kerry said in his hearings earlier this spring, the revolution in Egypt was "based on the aspirations of millions of young people." This game-changing

demographic moment in Egypt's history demands action, and we are doing just that through the new U.S.-Egypt Higher Education Initiative. This initiative will support and directly engage Egypt's young people to build skills that will lead to jobs in key fields needed for today's global economy. The initiative reflects our desire to provide expanded higher education opportunities for Egypt's young people, especially women and underprivileged students, and to improve the quality of Egyptian education through university partnerships. Working closely with the private sector, the program will provide thousands of Egyptians with access to higher education in Egypt and the United States and support university partnerships in key fields to power Egypt's economic growth. Participating U.S. universities will be enriched through more research opportunities and wider networks for collaboration.

In Tunisia, with our FY14 request of $30 million, we will continue to support the political transition process through programs in economic and political reform, educational outcomes linked to market demands, open and transparent governance and political processes, and private sector investment and growth. For example, through the Tunisia Information and Communications Technology (ICT) Competitiveness Project, we are supporting the ICT sector to become a catalyst for accelerated private sector growth and job creation. The project aims to create 2,000 jobs in the near term and thousands more over the medium term by leveraging private investment and addressing key growth constraints. We are also helping to address gaps in financing for entrepreneurs and small businesses that overwhelmingly drive Tunisian private sector growth by continuing to capitalize the Tunisian-American Enterprise Fund.

Yemen, another country undergoing political transition, faces some of the biggest challenges: the highest illiteracy, unemployment, and mother and child mortality rates in the region; and much of the country struggles under dire humanitarian conditions. Yet, despite these obstacles, the country is progressing under the framework of the Gulf Cooperation Council initiative for a two-year political transition process. Earlier this year, on March 18, the people of Yemen launched an inclusive National Dialogue Conference, which will lead to a constitutional review and culminate in national elections in February 2014. This six-month National Dialogue represents the first time in Yemen's history that such a diverse group has come together to discuss the country's future. President Hadi and other Yemeni leaders have emphasized these deliberations will, in many cases, mark only the beginning of a national conversation on decades-old disputes, and on substantial development challenges. Our FY 2014 request of $54 million represents a $9.9 million increase from FY 2012 and will allow us to assist the transition through support for constitutional review and referendum, as well as elections and voter registry reform. We are also helping the government improve its maternal and child health care services and family planning health services, as well as quality of and access to basic education and early grade reading, especially for girls.

In Libya, U.S. assistance will continue to support a peaceful democratic transition, focusing on developing governance and security institutions to help stabilize the country and protect the rights of all Libyans, supporting an emerging civil society and engaged citizenry, and promoting a transparent and open economy with expanded economic opportunity. While Libya has significant resources of its own, our targeted investments in these areas will support a path toward a stable, secure democratic future. More specifically, with $9.5 million requested under the Middle

East Regional account, activities will include supporting the drafting of the first, post-Qadhafi constitution and the creation of strong, accountable governing institutions; promoting voter registration, especially for women and marginalized groups; supporting justice and security reform; and promoting women's empowerment and training opportunities for emerging entrepreneurs.

Morocco is still experiencing a quiet transformation, and we continue to support the government's plans for job creation, improved educational opportunities, and social inclusivity for women and youth. With a strong emphasis on increasing the economic participation of Morocco's large youth population, our assistance focuses on helping the government eliminate the drivers of instability. USAID activities support reforms in the areas of democracy; civic participation, particularly among marginalized groups; workforce development; and basic education and literacy training.

Another area of strategic importance is our work in the West Bank and Gaza. The United States' goal is to achieve a negotiated and sustained two-state solution to the Israeli-Palestinian conflict. We seek to operationalize this through two tracks: (1) negotiations between the state of Israel and the Palestinians to establish a Palestinian state, and (2) support for Palestinian institution building so that the new state has a capacity to govern, and to help ensure security, stability, and needed services. USAID's work is critical to the implementation of this second track, and we've requested $370 million in fiscal year 2014, which represents a $25.7 million reduction from the FY 2012 request.

USAID's program in the West Bank and Gaza supports Palestinian institution building by providing assistance in the areas of democracy and governance;

education; health and humanitarian assistance; private enterprise; and water resources and infrastructure. USAID will also provide direct budget support to the Palestinian Authority (PA); this is among the most direct and immediate means of helping the PA maintain and build the foundations of a viable, peaceful Palestinian state.

Finally, I would like to talk briefly about Iraq, where we have invested both significant time and resources over the last decade and have seen a lot of changes. In FY 2014 we will see a major recalibration of assistance in Iraq from our FY 2012 level. As such, USAID has not requested any funds in FY 2014 for programs in Iraq. However, existing funds will be used to support key areas of economic development and good governance as outlined in the U.S.-Iraq Strategic Framework Agreement. With national elections in 2014 and the need for a diverse economy that provides broad based prosperity, USAID will focus its assistance on supporting vulnerable populations, strengthening civil society, improving governing institutions, further entrenching democratic practices, and promoting private sector development. Like other U.S. government agencies, USAID is adjusting its presence to the prevailing circumstances and to make it comparable to other key diplomatic posts around the world.

As Secretary Kerry said in his testimony last month, the Middle East and North Africa is "a region struggling to respond to its citizens' growing expectations for dignity and opportunity, the very values that we have been promoting, they're trying to embrace. Leaders there are making difficult decisions, and the United States cannot make those decisions for them, but we can do a lot to be a partner for all those on the side of freedom and democracy."

I am confident the President's FY 2014 budget, including the investments we have proposed, lays the groundwork for USAID to address the challenges and advance the beneficial change we have begun to see in the Middle East and North Africa; thus supporting a regional stability vital to our own security.

I appreciate the opportunity to appear before you today, and I'm happy to answer your questions.

Mr. COLLINS. Thank you. I appreciate both of you being here and now I will recognize myself for 5 minutes of questions.

Since 1979, Egypt had been the second largest recipient of U.S. foreign assistance. Currently, Egypt receives $1.3 billion annually through Foreign Military Financing.

State Department is requesting an additional $250 million for Fiscal Year 2014 for economic growth and political reform.

In addition, Egypt is receiving $4.1 million in international narcotics and law enforcement money, funds for a total of $1.6 billion this year.

This does not include additional funds Egypt could receive through international funds as well.

What conditions has the State Department put on the foreign assistance to the Egyptian Government at this time?

Ambassador JONES. We have an important strategic relationship with Egypt, given its position in the Middle East and given its partnership with Israel in supporting the Egypt-Israel peace treaty.

That's a fundamental of our relationship with Egypt and we've been pleased to see how much President Morsi has worked to assure the maintenance of that peace treaty, peace in Gaza and he and his military have worked well with Israel to maintain the cease fire in Gaza that Morsi—President Morsi helped to negotiate.

All of the FMF, the Foreign Military Financing, that we provide to the Egyptian military, to Egypt through the Egyptian military, we think furthers those goals.

It allows us to work with the Egyptian military in ways that demonstrate that they share our strategic goals for Egypt and for the region.

The Egyptian military provides us considerable benefits including overflight access—privileged access through the Suez Canal, counterterrorist cooperation, access to the U.S. military, and we're increasingly working with the Egyptian military and the Egyptian Government on border control—border controls and counterterrorist operations.

The additional assistance that we provide—we provide Egypt is to support Egypt's transition to a democratic government, to a democratic society.

It is a very long transition. It's a difficult transition. When you think how far Egypt has come since Tahrir Square it's an impressive transition so far but there's still a long way to go.

The work that we do with the Egyptian Government and with civil society is focused on building those democratic transitions and at the same time the assistance gives us a chance to talk in quite a bit of detail with the Egyptian Government—various elements of the Egyptian Government about the importance of maintaining democratic institutions, about the importance of there being an NGO law that comports and complies with international principles and international standards.

It allows us to talk in quite a bit of detail about the importance of religious freedom issues, protection of minorities, protection of women and the kinds of things that we think are important in terms of U.S. values.

Nothing that we do with Egypt is automatic. We are able to keep a string on anything that we may provide so that we can be certain

that the assistance that we provide Egypt is being used in the way it's meant to be used and so that we can continue to maintain the dialogue that we need to, both with the Egyptian Government, with the opposition and with Egyptian civil society.

Mr. COLLINS. Okay. Ambassador, I appreciate that. I think the concern you have here is—the Egyptian military and their working relationship we understand—I think there's a concern, and we may get to this in a little bit, with the Morsi government itself being stable enough in the region.

The reason I ask, you know, what conditions we have here is because the human rights organizations have stated that President Morsi has jailed—in his first 200 days in office he has jailed more Egyptian citizens under the charge of insulting the President than even President Mubarak had.

We still have claims with the Muslim Brotherhood, who is growing in influence, who has yet to recognize even the existence or Israel's right to exist.

These are the kind of things that concern me and they're concerns, and we've heard a lot about a Syrian red line. Is there a red line with Egypt?

Is there a red line to say what—Morsi's dismissing of the Constitution, mass incarcerations, not protecting liberties? Where is the line that we deal with with Egypt in this?

Ambassador JONES. We—as I said in my opening remarks, engagement, we think, is the absolute critical part of the work that we do in Egypt with the Morsi government, and with civil society there.

We have lost not a single opportunity to speak with President Morsi and with his senior officials about the importance that we attach to speaking out against the judiciary when it undertakes the kinds of arrests that you've talked about.

Those we find unacceptable. We've asked very recently—even as recently as yesterday, we've called on the Egyptian Government to speak out against those, that those are not the measure of a democratic government.

They are not the measure of the new democratic society that people fought for in Tahrir Square. We have lost not a single opportunity to speak to President Morsi about the importance of maintaining religious freedom, about the importance of protecting the Coptic Christians, the importance of protecting women so that we can—and we have used these opportunities to underscore how we can use our assistance programs to enhance the ability of his government and civil society to work together to develop the democratic institutions that the Egyptian people fought for in Tahrir Square.

Mr. COLLINS. Well, Ambassador, I appreciate the openness and the dialogue.

My concern is, and my time is up and I'm going to move on, but my concern is that the dialogue being open that is always going to be open in the sense that we can always talk about it.

The question is where—and maybe we'll get to it later—and when does the talk sort of end. When do we—after not seeing any results, what are we doing to draw the red line there, and we'll come to that.

But my time has ended. I want to now recognize the ranking member for his line of questioning.

Mr. DEUTCH. Thank you, Mr. Chairman.

I wanted to pick up with where the full committee left off a little while ago, which is Iran.

And in particular, the news of the past day and a half or so about the upcoming elections, the steps that the regime has taken to prevent the transmission of information, the limitation on the number of candidates and who those candidates are, and I'd start by going back to the crackdown on the protests in 2009 after the elections.

And I'd ask what's being done to prepare for different election outcomes including the possible protests, the potential election of a reformist, which seems to have been lost based on the slate that was approved, or any potential conflict between Ahmadinejad and the Supreme Leader.

That's the first question, and then the second I think flows from that and that's the question of human rights in Iran.

Iran continues to be one of the most egregious human rights violators in the world, particularly as it relates to freedom of expression which, again, as I pointed out and as press accounts have pointed out, that repression has heightened dramatically just in the past couple of days ahead of the elections as the government has begun silencing opposition voices, imprisoning dozens of journalists, filtering the Internet. What are—what are we doing?

I know what Congress is doing and we took another step forward with legislation that we'd sent on from our committee this morning but what's the U.S. doing to raise awareness about the human rights violations in Iran? What more can we be doing?

Ambassador JONES. Thank you, Congressman. We are—to answer your first question, we are very concerned about the fact that the Guardian Council, which is not accountable to the Iranian people, is the one that disqualified hundreds of candidates and were the ones who selected the eight candidates for the next election who appear to be—they disqualified others based on very vague criteria and they selected those who seem most likely to represent the interests of the Guardian Council.

We use our assistance in part to work with, for example, Internet companies to help Iranian citizens circumvent the restrictions that the Iranian Government puts on Internet access so that Iranian citizens are able to have access to information about what's going on in Iran, about the Supreme Council and the—and this questionable selection process, and of course about the candidates that are being put before them.

Congressman, I can't answer the question as to what could happen in terms of—in terms of opposition or demonstrations by reformers against what has happened. Those demonstrations haven't happened yet.

But we use the assistance as best we can to shore up the ability of Iranian civil society to understand what they're up against, to communicate with each other, communicate with the outside world and to increase the space in which they have to operate to try to establish or try to bring about some of the democratic institutions

or at least the basis for democratic institutions that they all strive for.

In terms of what the United States is doing to highlight human rights abuses, there is no question that Iran is a flagrant human rights abuser.

There are significant abuses that they take out against their own citizens, that they undertake elsewhere in the world.

We are particularly concerned about the export of Iranian extremism in all forms throughout the Middle East, which we can talk about separately.

But we waste no time to point out in public what the Iranians are undertaking in terms of human rights abuses.

Mr. DEUTCH. Thank you.

I appreciate it and it looks like I may have a little more time so I'll yield back for now. Thank you, Mr. Chairman.

Mr. COLLINS. Thank you, and just to alert members we will probably have a second round of questions so if you can't get to what you want to now we'll get to you on the next.

At this time, the Chair recognizes the gentleman from Texas, Mr. Weber.

Mr. WEBER. Thank you, Mr. Chairman. My question really has to do with the Camp Liberty residents and I'll let either one of you take it up, if you would.

The State is requesting $22.5 million in economic support for Iraq. Instead of handing out American tax dollars unconditionally why doesn't the administration use that money to either—as leverage, I guess, to urge the Iraqi Government to better secure the Camp Liberty residents or move them?

Ambassador JONES. Thank you very much for that question.

We have been working very collaboratively, actually, with Prime Minister Maliki to assure the safety of the residents of Camp Liberty.

We are in constant conversation with Prime Minister Maliki and with his administration about increasing security there. But more importantly, we——

Mr. WEBER. And I'm sorry, Ambassador. How long have they been there, in the camp?

Ambassador JONES. They've been there a couple of months.

Mr. WEBER. And are you aware of the number of deaths that have occurred in the camp?

Ambassador JONES. I am aware of the number of deaths. There are——

Mr. WEBER. Would you recount those for us, please?

Ambassador JONES. I don't have the numbers with me. I'm sorry.

But what I would like to focus on, if you'd permit me, is how much work we are doing to get—to find places for the residents of Camp Liberty to move to so that they are safe and secure, so that they are out of Iraq, so that they are in places where they can carry on a normal life, which they're not able to do in Camp Liberty in Iraq.

The important thing is for the MEK leadership to make sure that their compatriots know about these opportunities. We've spent considerable amount of time, for instance, to open space for residents of Camp Liberty to move to Albania.

Very few have been allowed to move have moved so far. We also——

Mr. WEBER. You say they have not been allowed to move?

Ambassador JONES. Correct.

Mr. WEBER. And why is that?

Ambassador JONES. That's unclear but there seems——

Mr. WEBER. Isn't that something that we ought to be getting to the bottom of?

Ambassador JONES. It's—yes. We spend a tremendous amount of time with the leadership of the MEK to help them understand how important it is that they encourage their compatriots to take advantage of these opportunities, and for their own reasons they are reluctant to promote this in as transparently aggressive a way as might be appropriate.

Mr. WEBER. Okay. That's all I'm going to ask right now, Mr. Chairman. I yield back.

Mr. COLLINS. Thank you. And now I'll yield back to the ranking member, who is holding the fort down for his side over here today.

Mr. DEUTCH. Thank you, Mr. Chairman.

Ms. Romanowski, I want to again thank USAID and State for the vital and underappreciated role that is played in providing humanitarian relief to the Syrian people.

The U.S. has now contributed $510 million to those suffering from violence in Syria with assistance that provides water, sanitation, hygiene, food assistance, shelter, health care and protection services.

It's been, I think, a heroic effort but we know that even this amount of assistance remains woefully insufficient to meet the spiraling needs of a war-ravaged country because people are killed, injured and forced to flee their homes on a daily basis.

Therefore, with respect to our humanitarian assistance in Syria can you outline some of the challenges that we're facing and how Congress might help the administration do even more to help address the humanitarian crisis?

Ms. ROMANOWSKI. Excuse me. I thank you for the question. We would agree with you that the humanitarian situation in Syria is increasing and presents a huge problem for the international community and the support that we all have.

We have our—we are working with the international community to raise additional resources and to bring their resources to bear on the problem.

We are working to ensure that the humanitarian assistance that is available that we can provide is getting to all the governorates in Syria as well as the communities in Lebanon and in Jordan.

In fact, I was just in Jordan a few weeks ago where I did see firsthand the impact that our programs are having in Jordan, such as the water resources, building new schools and improving hospital facilities, has included a lot of work for the Syrian—for the Syrian refugees there.

We are as vigilant as we can be in tracking the humanitarian assistance and also the humanitarian crisis and are looking and are constantly engaging with our international donors on how we can best get the assistance in there.

There are times where it is difficult to get our assistance in there but we are doing what we can to make sure that we also don't put our people in harm's way.

Mr. DEUTCH. I wonder, given the $½ billion investment in humanitarian relief aid and the difficulties that you outline in how to provide it and how to ensure the safety of the humanitarian workers, Ambassador Jones, I wonder whether there ought to be a broader discussion about the possible creation of a humanitarian corridor, whether that's something that the United States should—the extent to which the United States should help participate in that, whether it's something that can be done in conjunction with our allies.

This is—there are lots of discussions about what we ought to be doing in Syria but certainly as we talk about the humanitarian needs it seems that this is something that should at least be a major part of the conversation and it doesn't seem to be, and I wonder if you can comment.

Ambassador JONES. It's a very good question, Congressman, and it's something that we talk about, especially our humanitarian experts talk about, with their colleagues internationally as to how can we enhance, how can we improve our ability to get humanitarian supplies to all the communities in Syria that need them, and as my colleague has outlined, the need is huge.

There are a variety of ways that one could go after a humanitarian corridor, as you mention it. We certainly have spent quite a bit of time with our own—with the Free Syrian Army commanders that we know well, other members of the Syrian opposition coalition to talk about how they might facilitate the travel and the transportation of humanitarian supplies through Syria.

And that's one of the reasons that we've provided and we hope to provide communications equipment to them so they can communicate along the way through the various armed groups that form the Free Syrian Army so that these supplies can get through.

We have had conversations internationally including with our Russian colleagues to see if there isn't a way that they can help us enhance the ability of humanitarian organizations to get food and the medical supplies through.

But I think what you're talking about——

Mr. DEUTCH. If I could, and I'm out of time, but if I could just—if I could just make this observation. I understand that it's difficult—that there are very serious decisions that have to be made about what to do in Syria.

I understand the role that Russia plays in this. There are a lot of moving pieces.

But it certainly seems that with respect to the humanitarian part of this crisis that is caused by the ongoing slaughter of the Syrian people by Assad, that certainly even those nations with which we deal who have closer relationships with Assad would acknowledge that it is in our collective best interest to take some sort of action to at least stop or at least slow the bloodshed.

I would just leave that on the table and I yield back the rest of my time.

Mr. COLLINS. The gentleman yields back. The Chair now recognizes the gentleman from Florida, Mr. Yoho.

Mr. YOHO. Thank you, Mr. Chairman. Ambassador Jones and Ms. Romanowski, I appreciate you being here.

If you could, help me think outside of the box here because every time I've come to one of these meetings and over the course of my adult life I hear that we need to throw more money into the Middle East.

We need to bring security. We need to help on human rights violations, abuse to women, religious persecution, lack of property rights, corrupt repressive governments.

And we throw them money year after year, and in this state and time in our economy when we're borrowing 43 cents on every dollar to send it over there without doing something different would be absolutely ludicrous, I feel.

And if you can come up with a better way of bringing stability because the bottom line is no matter how much money you throw there you're going to have a repressive form of government. And to bring democracy, I understand that and I understand what you're trying to accomplish.

But yet when you look back when Mubarak stepped into the role of President people said—after Anwar Sadat got killed and there was that interim in there they said, who's going to be your next President according to your Constitution?

They said don't worry about our Constitution because none of the Egyptian people understand the Constitution. The person that's going to be the next President is whoever is in charge of the military.

So you have a repressive government going to a repressive government, and as my colleague down here, Mr. Collins, said, you see more persecution or more arrests under President Morsi.

So what can we do different than money at this point in time in our country? And I'd like to hear both of your thoughts on that. Thank you.

Ambassador JONES. You asked for what I—what we're doing differently—what are the ideas that we have that are not the same old ideas, and I appreciate that very much.

The situation, of course, that we have is quite different than the one we had even 2 years ago because of the Arab Spring.

We are dealing——

Mr. YOHO. I'm going to interrupt you there. I agree it is right now.

But if you look at over the course of the last 30 years there's been several times just like now and if you go back over the course of the last 2,000 years there have been the times that we have right now.

And so I agree it is different right now but it's not that much different than we've seen over the past 2,000 years.

Ambassador JONES. But we have tools that are quite different now and we have practices that are quite different now than they—than they were—I don't know about 2,000 years ago but than they were in the past.

And they go—they work in the following ways. We have two kinds of funds that we use now and we're just asking for $580 million for the Middle East North Africa Incentive Fund as a new tool,

as a new way to deal with the challenges that we find in the Arab Spring countries, in these new democracies.

This fund allows us the flexibility to work with these new governments as they see the opportunities, as they focus on the areas that they are able to focus on to develop the democratic institutions that they need.

So this is particularly important in Tunisia, for instance. It's particularly important even in Libya but certainly also in Egypt, Yemen and we will be using it, I hope someday, in Syria.

This is to incentivize governments to work on the kinds of things that they need to develop democratic institutions whether it's rule of law issues, whether it's how to hold an election, another election that's free and fair, whether it's on things like weapons abatement.

Because one of the big challenges that we see right now with the Arab Spring is as these governments are learning—and their populations are learning the ropes of developing democratic institutions they are confronted with huge security challenges that require a lot of immediate help and that's—and that we can do through the main incentive fund as well.

So even though we have—we have programs that we use in these countries to work with civil society, we want to be able to do both.

We want to have the flexibility to work with civil society as there are challenges that we develop, whether it's on economic reforms, security reforms, political reforms but also this MENA Incentive Fund allows us to work with governments as they struggle to figure out how to make this democracy that they have in their hands—how to make it work.

Mr. YOHO. Thank you. I'm going to ask Ms. Romanowski to add in there. Thank you.

Ms. ROMANOWSKI. Thank you, Congressman.

I think we do have a number of tools that we have actually brought in the last couple of years to find a different way to engage the Egyptian people and the process that they're going on in this transition.

I just want to point to a few. The first one, I would say is, again, we have focused a lot more of our support directly to civil society organizations and to bring the technical expertise that they need to build up their ability to advocate for their interests, to understand what it is like to have civil organizations that advocate and that work closely with government institutions or within their own societies to promote what their interests are and to collect their interests.

I want to point to the fact that we have shifted a lot of our—and are continuing to look for ways that we draw in more the private sector, both the international private sector and the Egyptian private sector, in focusing on investing in their own country.

I would say that the U.S.-Egyptian Enterprise Fund has been a very successful and a very new approach to attracting the private sector and focusing on building up small and medium enterprises.

And finally, I just want to point out to the fact that we are looking at launching this U.S. Higher Education Initiative which is directly focused on Egyptian young people and giving them skills through scholarships.

We're looking at a very large investment in building university partnerships to help in changing the way Egyptians learn, how institutions teach them and bring actually the private sector into this process as this has been successful in our own country as we were looking at how to generate jobs for our own.

So we are bringing a lot of lessons learned into the new toolkit that we have to engage with the Egyptian people.

Mr. COLLINS. Okay. The gentleman's time has expired.

Mr. YOHO. Thank you, Mr. Chairman.

Mr. COLLINS. The Chair now recognizes the gentleman from Virginia, Mr. Connolly.

Mr. CONNOLLY. Thank you, Mr. Chairman.

The idea that not much has changed in 2,000 years in this region I can't quite let go by, Ambassador Jones.

How about a little history lesson between us here? Was Islam around 2,000 years ago?

Ambassador JONES. No.

Mr. CONNOLLY. Was Christianity around 2,000 years ago?

Ambassador JONES. No.

Mr. CONNOLLY. Were—who was in the region we know as the Middle East governed by one unity at the time?

Ambassador JONES. Certainly not.

Mr. CONNOLLY. Roman Empire, however, had a footprint in the region, we would agree, correct?

Ambassador JONES. Correct.

Mr. CONNOLLY. So the forces at work in the Middle East 2,000 years ago actually were pretty fundamentally different than the forces at work today. Might one conclude that?

Ambassador JONES. Yes.

Mr. CONNOLLY. Well, now, the other interesting thing I just heard from our colleague was can't we do something other than money—shouldn't we do something other than money?

The Camp David Accords—correct me if I'm wrong—another little piece of history here, was the first formal accord since Israel's independence between an Arab belligerent state and the state of Israel, sealing a peace accord formally.

Is that correct?

Ambassador JONES. Absolutely.

Mr. CONNOLLY. Now, the United States was the convener of the Camp David Accords. That's why it was named after Camp David, which is in Maryland. Is that not correct?

Ambassador JONES. Absolutely.

Mr. CONNOLLY. And did we not agree to help finance some of the positive attributes that flow from Camp David and did we not consider it cheap at the price—that is, the price of peace?

Ambassador JONES. It is absolutely cheap.

Mr. CONNOLLY. And would it be fair, do you think, to say—you can chime in here, Ms. Romanowski—that whatever the cash flows to both Israel and Egypt pursuant to the Camp David Accords have in fact proved their worth—that is to say, it's been an enduring peace?

Ambassador JONES. That's exactly right.

Mr. CONNOLLY. And prior to Camp David, they were in a state of, certainly, readiness for war and had just completed a fairly brutal war in 1973. Is that fair?

Ambassador JONES. 1973, that's right.

Mr. CONNOLLY. And Ms. Romanowski, have we just wasted all this cash that your agency has been, you know, just pouring out on Egypt and Israel pursuant to the Camp David Accords?

Ms. ROMANOWSKI. Congressman, I don't believe we have wasted a dime.

Mr. CONNOLLY. Well, has it had dividends?

Ms. ROMANOWSKI. I believe it has had dividends. We have seen—we have seen an emerging Egyptian civil society. We've seen Egyptian people look to demand more from their government and to demand a stronger economy.

Mr. CONNOLLY. Well, what about Israel?

Ms. ROMANOWSKI. And Israel is living in peace side by side with Egypt and——

Mr. CONNOLLY. And the economic aid we provided to Israel maybe had something to do with Israel's current economic success. Do we take any claim for that at all?

Ambassador JONES. We do, absolutely.

Mr. CONNOLLY. Your mike is not on, Ambassador.

Ambassador JONES. We do take credit for that, yes.

Mr. CONNOLLY. And in fact so much so that they've actually sort of graduated in terms of economic development assistance and economic support funds. Is that correct? Yeah.

So other than that, I'm sure cash has no value. But in the ensuing years since 1978, 1979, it seems one could observe that these are investments that have helped provide stability in a region not always known for it and that took a major belligerent off the table, giving us some breathing space to try to build on that set of peace accords.

I don't want to put words in your mouth but an observer might conclude that from our foreign assistance posture in the region.

Ambassador JONES. That's exactly right.

Mr. CONNOLLY. Thank you, Mr. Chairman. I yield back.

Mr. COLLINS. The gentleman yields back.

The Chair recognizes the gentleman from Arkansas, Mr. Cotton.

Mr. COTTON. Thank you, Mr. Chair.

Ms. Jones, thank you for your time and for your service to our country of 35 years as a Foreign Service officer. Is that correct?

Ambassador JONES. That's right.

Mr. COTTON. Do we make Foreign Service officers at age seven?

Ambassador JONES. Thank you.

Mr. COTTON. When was the last time you testified before a committee of Congress?

Ambassador JONES. I testified on Syria probably about a month ago.

Mr. COTTON. On the Senate Foreign Relations Committee?

Ambassador JONES. Correct.

Mr. COTTON. Good. There's a few things that have come to light since then about the Benghazi attacks that I'd like to discuss with you.

According to an email that you sent on September 12th you had the seen the Libyan Ambassador to the United States that day and he said he believed the attacks had been conducted by sympathizers to the former Gaddafi regime and that you corrected him, that those attacks were conducted by Ansar al-Sharia, a group affiliated with Islamic terrorists.

How did you know that on September 12th?

Ambassador JONES. What actually happened, Congressman, is that there were stories coming out of the Libyan press that quoted Libyan officials as saying that it could have been old adherents of Gaddafi who had conducted the attack in Benghazi.

And I had a conversation with Ambassador Aujali to say that I had seen on the Web sites that Ansar al-Sharia had claimed responsibility, that it didn't seem to me that it was necessarily the adherents of Gaddafi and that we should—and that it would be important to have an investigation to ensure that we knew what had happened.

The reason I had that conversation with him and reported it to my colleagues in Tripoli was that I wanted to start the conversation about how important it was to be sure that we were working on counterterrorist counterextremist activities in Libya so that the kind of cooperation that we needed to have in Libya and across North Africa and elsewhere in the Middle East would be forthcoming.

Mr. COTTON. Yes, which unfortunately we did not receive, given the hostility of the Libyan Government after we blamed it on an unruly mob.

I'd like to move——

Ambassador JONES. But that was—that is not correct.

Mr. COTTON. Oh, would you like to—so it is correct?

Ambassador JONES. What is correct is the Libyan Government——

Mr. COTTON. Did the Libyan Government provide us access to the scene of the attacks——

Ambassador JONES. Yes, they did.

Mr. COTTON [continuing]. In the immediate aftermath?

Ambassador JONES. They——

Mr. COTTON. There was no delay? There was no—there was no effort to preclude our investigators or American officials from receiving access to those scenes?

Ambassador JONES. Let me tell the story.

The Libyan Government was extremely upset by what had happened in Benghazi and they offered all possible assistance, condolences and support for the United States in pursuing the investigation.

They gave access to the FBI as soon as the FBI wished to arrive in Tripoli and they gave full cooperation to the FBI and to the investigators to the best of their ability.

When the FBI asked for access they got access.

Mr. COTTON. Okay. Obviously, we all know about a series of email exchanges on September 14th and 15th about the talking points that originated at the CIA and then went to the State Department and White House and finally the Deputies Committee.

On those exchanges, many of which are redacted but have their office designation—for example, Office of Congressional Affairs or Office of Legislative Affairs at the CIA—I saw the names Victoria Nuland, David Adams, Jacob Sullivan.

I don't recall seeing your name on those email exchanges. Do you recall being on those exchanges of the approximately hundred pages that were released a couple of weeks ago?

Ambassador JONES. Congressman, I was intensely busy working on—working with my Embassies in the Middle East, 20 of which had demonstrations that weekend from across that period of time.

I was not involved in any of the talking points issues and so my name wasn't on those emails.

Mr. COTTON. And I understand. I just wanted to make sure that you were not on them. I didn't want to misunderstand.

Victoria Nuland, who I know, is a spokesman. Who is David Adams?

Ambassador JONES. It might be—it might be appropriate to discuss all of this in another setting. This—I'd rather talk about the budget request.

Mr. COTTON. Well, part of the budget request goes to the confidence we have in the senior leadership at the State Department. So I would like an answer to my question, please. Who is David Adams?

Ambassador JONES. David Adams is no longer at the State Department.

Mr. COTTON. Who was he at the time, ma'am?

Ambassador JONES. He was the assistant secretary from Congressional Relations.

Mr. COTTON. Jacob Sullivan?

Ambassador JONES. He worked for—he was the director of policy planning.

Mr. COTTON. But not—so neither one of those were in your bureau of Near East Affairs, correct?

Ambassador JONES. I beg your pardon?

Mr. COTTON. Neither in Near East Affairs or having a particular expertise in Near East affairs?

Ambassador JONES. I don't understand the question.

Mr. COTTON. Neither of those officials, David Adams or Jacob Sullivan, were part of the Near East Affairs Bureau at the State Department?

Ambassador JONES. No. No.

Mr. COTTON. I see my time has expired for now.

Mr. COLLINS. The gentleman yields back. The Chair recognizes the ranking member.

Mr. DEUTCH. I thank the chairman.

I—well, I mean, with all due respect to my friend from Arkansas, I'm not sure this hearing is the time or place to continue to rehash Benghazi. But because he's brought it up I thought I'd respond.

The fact is that, as we all know, four brave Americans are dead. It's a tragedy and if we care about the legacy of the loss of those Americans then I think it's imperative that we move forward on enacting the recommendations of the bipartisan IRB instead of obsessing over who changed which version of talking points and a

cover up that never happened and is simply not backed up by the facts.

The truth is, the obsession with Benghazi is about politics. I don't think it's more than that and I hope my colleagues will join me in a bipartisan manner to help us move forward in protecting the thousands of American diplomats serving around the world.

The fact is to the extent that this is relevant in a budget hearing at all, I think probably what is relevant is the fact that the sequester that we're now living under puts our men and women serving around the world at greater risk by cutting the diplomatic security programs by over $75 million.

The budget that was passed by the House would gut the State Department and other agencies by 13 percent and the truth is that we have real and serious challenges in the Middle East.

There's no question. We've had a chance to talk about some of them. There are tens of thousands of Syrians dying or who have been killed. There are nearly 2 million or in excess of 2 million refugees.

Egypt is on the verge of economic collapse. Iran is preparing for what appear to be fraudulent elections and continuing their drive for nuclear weapons.

Libya struggles to put the pieces back together after its revolution and sectarian violence in Iraq has killed hundreds even as rockets continue to fly, launched by Hamas.

To put so much of the emphasis of our focus on foreign policy on Benghazi still, despite the bipartisan committee that made recommendations that have been and are being implemented, and to ignore pressing international security issues in order to continue what oftentimes—and I do not accuse my friend from Arkansas of this today—but oftentimes in other settings by other members are really little more than furthering political attacks, does, I believe, a disservice to the American people that we represent and, quite frankly, to our friends and allies around the world. And I yield back.

Mr. COLLINS. The gentleman yields back.

I think—and before I recognize myself for questions I will say this and with due respect to the ranking member I do believe it has been brought up.

Benghazi is an issue and it is an issue that deserves questions. It goes, as the gentleman from Arkansas said, it goes to a trust issue.

It goes to a trust factor of how we view this, and I think inside a budget context there is a budget context because the State Department actually said that security purposes were not hindered because of budget reasons. There was a lot of other issues here.

As we deal with this and we move forward and we will deal with this in other ways, I don't think those records are straight and I think getting back to the very fact that this is not political—there's four dead Americans—and those are the questions that need to be asked.

But getting back to other questions that we have here for this day, I want to switch our attention onto a different level and this is given the—basically the MENA IF—the funds and the breadth

of authority sought for this it would appear that this initiative is no different, you know, in all fairness, from a slush fund.

What office within the department will provide oversight for the expenditures of these funds?

Ambassador JONES. Thank you for that question.

The MENA Incentive Fund will be supervised by my office and by AID. What we're looking for is applications from governments for particular programs that they wish to pursue and those programs will be evaluated and funded based on a set of criteria that will be transparent and determined by people who are expert in assistance in these kinds of assistance programs.

Mr. COLLINS. Okay. Is it State or USAID? Which one is going to decide where the money—who has final authority? Who's going to say where the money goes?

I like that. They both looked at each other and said not me, not you. You know, no—which one?

Ambassador JONES. Well, we look at each other because we collaborate on all of these things. But we have the final decision at the State Department, yes.

Mr. COLLINS. State has the final decision?

Ambassador JONES. Right.

Mr. COLLINS. Okay. This is something that—and me, I bring a newness to this because, you know, dealing with this—I'm used to dealing with concrete kind of things.

When we're dealing with this issue and that your department is going to be overseeing when you're—how, one, will you inform Congress of funding decisions, implementation, progress or benchmarks but also have there been written guidelines to decide what we're going to use, here are the benchmarks we're going to use, you know, in determining how this is made?

Have there been—has that actually been written down or is it just assuming we're just going to have oversight?

Ambassador JONES. I believe that they have been but that's something that I'd like to get back to you on because I know there's been a tremendous amount of work and a tremendous number of briefings that have been provided to Congress about exactly how this MENA Incentive Fund is meant to work.

But one of the—maybe I could just explain one aspect of it. One of the things we found during the Arab Spring is that we had immediate needs to support civil society and to support these emerging governments in the economic reforms and democratic reforms that they needed to undertake and we were having to pull money from here, there and the other place.

A lesson learned from that was to establish a fund that provided us—that was in one place that provided us the flexibility that we needed so that we knew we had some of that kind of funding to do the immediate work that would be necessary as these governments develop their needs.

Mr. COLLINS. Well, Ambassador, I appreciate that and I think from a bipartisan perspective here there's the concern as you look over this and what we seem to have and I've made this statement before is that when something goes wrong it's always well, if we'd have had oversight or if we'd have done better we would have found the problem.

Well, here's the starting point right now. I'm asking and using these—and you said that, you know, new governments emerging in the transitional—why don't we have something now that sort of gives a little more structural guidance to this instead of saying well, we just sort of have to wing it?

Ambassador JONES. Mr. Chairman, we do have programs that Alina Romanowski can speak in greater detail about that addresses a great number of the issues that we know now that we need to address whether it's economic reform issues, weapons abatement, et cetera.

But there may be—for instance, we didn't know a year ago that we would have to do so much work on the NGO law in Egypt.

We have been able to bring experts to work with the Egyptians to explain to them what is in—what the international standard is for an NGO law. That's something that we didn't anticipate but we have had the funding——

Mr. COLLINS. Okay.

Ambassador JONES [continuing]. We would like to have the funding in order to be able to do. The same thing with the Tunisian Constitution.

We didn't anticipate the needs that the Tunisians—and they have had on drafting the Constitution and so we want to be able to provide the technical expertise to help them with that.

Mr. COLLINS. And what has—besides a hearing like this has there been developed processes to inform Congress that these, you know, benchmarks are being made, these are what we determined?

What is the process right now for informing Congress in an oversight role of this issue?

Ambassador JONES. We have—my colleagues who work on the Incentive Fund are up in Congress all the time discussing elements of the Incentive Fund and are briefing all the time on what it would do if it were funded.

Mr. COLLINS. Okay. Can you be specific in that? Because there seems to be an understanding here that that's not taking place. So can you be more specific on how that's actually happening?

Ambassador JONES. Mr. Chairman, I don't have the dates that my colleagues have been up briefing on the Hill on this but it seems to me to be very frequent that they are going on the Hill.

Mr. COLLINS. Can you tell who they came to see?

Ambassador JONES. I'll have to tell you. I don't know the details.

Mr. COLLINS. Okay. Can we get the—I would like to know when they came to see, who they came to see, how long their implementation because there seems to be some concern here that that's not taking place.

They may be talking about other issues but we're not getting it, especially when it deals with benchmarks as we go forward here.

I think that's the concern I have and in this—in looking at it from a perspective of just process here and not to be, you know, an adversary but this is a working world where we work together at this, providing the process is moving forward. So as we do so we're wanting the same end.

We want a peaceful society in which our funds are being used in a way that promotes an outcome that is beneficial and that's what we're looking for.

So at this point in time I'll probably—I may have other questions but I'm going to go ahead and recognize the ranking member for any more questions he might have.

Mr. DEUTCH. Thanks, Mr. Chairman.

Ambassador Jones, when Secretary Kerry appeared before our full committee he said that there was a 1- to 2-year window remaining for a two-state solution to be viable in the Middle East.

Is that the official position now, the official U.S. position?

Ambassador JONES. Yes. That's certainly his view. He's the Secretary of State. He articulated that. That makes it the U.S.—the official U.S. position. But it's an estimate on his part, in fairness.

Mr. DEUTCH. Okay. Switching to Egypt, can you—can you talk about the current status of the financial crisis in Egypt, the declining foreign currency reserves?

What does that mean for Egypt's economic stability, the prospects for this IMF loan package to go through, how the recent Cabinet reshuffle ultimately is going to influence Egypt's chances, and given the polarization that's present how will Egypt be able to take the kind of actions and make the kind of economic reforms necessary that will permit that IMF loan package to ever go forward?

Ambassador JONES. That's a very important issue for the United States. It's important to the United States to have an economically stable Egypt.

We have advocated to the Egyptians in great detail the importance of their concluding the—a deal with the IMF for this loan and to undertake the reforms—the economic and structural reforms that are necessary for the IMF to close the deal.

We've explained in some detail why this is important over the long term to the Egyptians and we've advocated to them that by concluding this agreement with the IMF they unlock assistance from other funding organizations.

They create greater confidence in Egypt's financial future and Egypt's economic future, its trade future and it makes Egypt that much more interesting for foreign direct investment, which after all is key to developing jobs, key to Egyptians and to Egypt's future security and prosperity.

I can't tell you when Egypt is going to conclude the agreement with the IMF. We pressed very hard for them to do that. I don't know what the Cabinet change means for this.

But we don't waste time explaining as much as we—advocating as strongly as we can to the Egyptians the importance of their concluding this agreement.

Mr. DEUTCH. I mean, do you—when you express that to the Egyptians do you believe that we're going to be able to get from where we are now to the closure of this loan transaction?

Will there be the reforms? Is it your sense that in weighing the options that it's clear to the Egyptians that the reforms that are being required by the IMF and moving forward on those reforms is paramount to getting this done and that ultimately if they don't get this done it raises the real possibility that not just—it's not just that the loan, the IMF loan, won't go forward but that the existence of the government will be called into question?

Ambassador JONES. It's a very difficult issue for the Morsi government. There's no question about it.

They certainly see that there are political implications of pursuing the reforms because every IMF reform is difficult politically.

But at the same time, as we advocate to the government that they need to make these reforms, we advocate also to the opposition that they should support the government in making these reforms—that no matter—that even though it's politically difficult and the government will, as government's do, pay a political price to some extent for making these reforms that the Egyptian opposition should not take advantage of that because it is so much in the long-term interest of Egypt to be—to be economically stable and that's just as much in the interest of the opposition as it is of the government.

Mr. DEUTCH. Right. And that's an that's an interesting and important point and do you think that the opposition understands that and agrees or will it be too easy to seize upon the political opportunity?

Ambassador JONES. The opposition understands it and agrees. Whether that will translate into their making the kinds of public statements that would be necessary to support President Morsi is a different question. I don't know the answer.

Mr. DEUTCH. I appreciate that. Thank you, Mr. Chairman.

Mr. COLLINS. The gentleman yields back. And before I recognize the gentleman from Arkansas, I'd like just to make—there was a general brief given after the budget came out.

What we're looking for is a specific briefing on this fund dealing with the very issues that I was talking about—the benchmarks, how are they determined. So that is—that was what I was referencing on and want to be clear on and we can talk about that in a minute.

At this point, I'll recognize the gentleman from Arkansas, Mr. Cotton.

Mr. COTTON. Thank you, Mr. Chairman.

I've had a very happy working relationship with my friend from Florida. Earlier today or earlier throughout the Congress and his comments earlier today doesn't make any kind of impact on that.

I do think that it's important though to explore Benghazi, about what happened beforehand so, as he said, we won't have it happen again—what happened during and why exactly those four Americans died and what's happened since then.

And the Ambassador has a distinguished 35-year career. She served in not only the Obama administration but the Bush administration—the second Bush administration and the Clinton administration in high-level positions.

We've already learned two important facts—one, where she received those reports on the September 12th email that Mr. Gowdy had read into the record at another committee and also the fact that she was not involved in the talking points email traffic that went back and forth on September 14th and 15th.

There are matters that have come to light since she last testified before the Congress in April and I think it's important that she be able to address those.

The next one I would like to raise is the testimony of Gregory Hicks a couple weeks ago. He said that he was very surprised by Susan Rice's statements on the Sunday morning news shows on

September 16th and that he spoke to you about it and that you made it clear to him that you didn't want to discuss it and you did not want to pursue it.

Would you care to respond to that, Ms. Ambassador?

Ambassador JONES. Yes. As I mentioned earlier, I spent that week and the weekend focused on the many other demands of my posts in the NEA region where there were demonstrations, where there was serious damage to our Embassies, where some of our people were in danger. We had undertaken evacuations. I was working on all of that.

I spoke to Greg Hicks many, many, many times every day and many times every evening. I spoke to him that Monday morning after the talk shows. He asked me about it. I said I didn't know.

But there was no implication whatsoever that I was cutting off the conversation. None.

Mr. COTTON. Thank you.

He also said in that testimony that you "counseled" him. You said that it was about "his management style" and he characterized the counseling as "blistering." Would you care to respond?

Ambassador JONES. I'd just as soon not discuss those kinds of personnel matters in a public hearing.

Mr. COTTON. Did you make the decision to counsel, whatever the content of the counseling, Mr. Hicks on your own or did you receive direction from more senior officers in the State Department to counsel him?

Ambassador JONES. That was a decision I made.

Mr. COTTON. Did Cheryl Mills direct you to counsel him at any point?

Ambassador JONES. That was a decision I made.

Mr. COTTON. Okay. Raymond Maxwell, the deputy assistant secretary, would that be your chief deputy?

Ambassador JONES. He's not my chief deputy. He was one of my deputies.

Mr. COTTON. How many deputies do you have?

Ambassador JONES. Six.

Mr. COTTON. Okay. Is he still on administrative leave to this day?

Ambassador JONES. That's my understanding, yes.

Mr. COTTON. Okay. And were you the officer that informed him that he would be placed on administrative leave?

Ambassador JONES. I was not. However, that is also an administrative personnel matter that is not within my purview and it's not appropriate for me to discuss it.

Mr. COTTON. It's been reported by Josh Rogin in the Daily Beast that this was a decision made by Cheryl Mills and you were under the understanding when she made that decision that Mr. Maxwell would be reassigned, not placed on administrative leave. Is that correct?

Ambassador JONES. That's a personnel matter that I'd just as soon not discuss on an open hearing.

Mr. COTTON. Thank you. I yield back the balance of my time.

Mr. COLLINS. I thank the gentleman.

At this time, I will note there will be other questions that I will be submitting. I do want to thank the Ambassador and Ms. Romanowski for being here today.

This has been a very important hearing because it is really the flashpoint for many things we see in the paper. This is one of the areas I know from my constituency and others and on both side of the aisle's constituency they're concerned about because it is something they see played out in the news media all the time.

You being here answering these questions as we go through this budget, I think, is a responsibility had by all of us to make sure not only is our money well spent but it is to also have a programmatic understanding of.

This is the oversight role. This is the place that we need to have these questions. These are the places that we need to make sure that we're doing what the American people sent us here to do.

I appreciate your service. I appreciate your time being here, and with no others then this committee meeting is adjourned.

[Whereupon, at 3:35 p.m., the subcommittee was adjourned.]

APPENDIX

Material Submitted for the Hearing Record

SUBCOMMITTEE HEARING NOTICE
COMMITTEE ON FOREIGN AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515-6128

Subcommittee on the Middle East and North Africa
Ileana Ros-Lehtinen (R-FL), Chairman

May 15, 2013

TO: MEMBERS OF THE COMMITTEE ON FOREIGN AFFAIRS

You are respectfully requested to attend an OPEN hearing of the Subcommittee on the Middle East and North Africa, to be held in Room 2172 of the Rayburn House Office Building (and available live on the Committee website at www.foreignaffairs.house.gov):

DATE: Wednesday, May 22, 2013

TIME: 2:00 p.m.

SUBJECT: The Middle East and North Africa FY 2014 Budget: Priorities and Challenges

WITNESSES: The Honorable Beth Jones
Acting Assistant Secretary of State
Bureau of Near Eastern Affairs
U.S. Department of State

Ms. Alina L. Romanowski
Acting Assistant Administrator
Bureau for the Middle East
U.S. Agency for International Development

By Direction of the Chairman

The Committee on Foreign Affairs seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202/225-5021 at least four business days in advance of the event, whenever practicable. Questions with regard to special accommodations in general (including availability of Committee materials in alternative formats and assistive listening devices) may be directed to the Committee.

COMMITTEE ON FOREIGN AFFAIRS

MINUTES OF SUBCOMMITTEE ON *Middle East and North Africa* HEARING

Day *Wednesday* **Date** *5/22/13* **Room** *2172*

Starting Time *2:21 p.m.* **Ending Time** *3:34 p.m.*

Recesses ____ (____to ____) (____to ____) (____to ____) (____to ____) (____to ____) (____to ____)

Presiding Member(s)

Vice-chair Doug Collins (GA)

Check all of the following that apply:

Open Session ☑
Executive (closed) Session ☐
Televised ☑
Electronically Recorded (taped) ☑
Stenographic Record ☑

TITLE OF HEARING:

The Middle East and North Africa FY 2014 Budget: Priorities and Challenges

SUBCOMMITTEE MEMBERS PRESENT:

(See attendance sheet)

NON-SUBCOMMITTEE MEMBERS PRESENT: *(Mark with an * if they are not members of full committee.)*

HEARING WITNESSES: Same as meeting notice attached? Yes ☑ **No** ☐
(If "no", please list below and include title, agency, department, or organization.)

STATEMENTS FOR THE RECORD: *(List any statements submitted for the record.)*

SFR and QFR - Chairman Ileana Ros-Lehtinen (R-FL)

TIME SCHEDULED TO RECONVENE _____
or
TIME ADJOURNED _____

Subcommittee Staff Director

Hearing Attendance

Hearing Title:
The Middle East and North Africa FY 2014 Budget: Priorities and Challenges

Date: 5/22/2013

Noncommittee Members

Member	Present
Ros-Lehtinen, Ileana (FL)	
Chabot, Steve (OH)	X
Wilson, Joe (SC)	
Kinzinger, Adam (IL)	
Cotton, Tom (AR)	X
Weber, Randy (TX)	X
Desantis, Ron (FL)	
Radel, Trey (FL)	
Collins, Doug (GA)	X
Meadows, Mark (NC)	
Yoho, Ted (FL)	X
Messer, Luke (IN)	

Member	Present
Deutch, Ted (FL)	X
Connolly, Gerald (VA)	X
Higgins, Brian (NY)	
Cicilline, David (RI)	
Grayson, Alan (FL)	
Vargas, Juan (CA)	
Schneider, Bradley (IL)	
Kennedy, Joseph (MA)	
Meng, Grace (NY)	
Frankel, Lois (FL)	

Statement for the Record
Chairman Ileana Ros-Lehtinen
The Middle East and North Africa FY 2014 Budget: Priorities and Challenges
May 22, 2013, 2:00 pm

In a time of economic strain, it's imperative that the U.S. spends every dollar wisely and effectively to promote our national interests while addressing our foreign policy priorities. However, many State and USAID programs still lack oversight and transparency, leaving these programs susceptible to waste, fraud, and abuse. The Administrations' lack of a cogent and decisive foreign policy agenda has been demonstrated by its inability to tackle the most pressing issues in the region – from a failure to mobilize at the outset of the Arab Spring, to an inability to stop Iran's nuclear weapons program.

The democratic, Jewish State of Israel, our closest friend and ally in the region, is faced with more existential threats than ever before. The Administration has taken a failed approach to the Iran situation, refusing to learn from the mistakes we made with North Korea's nuclear program, and as a result we are now ever closer to a nuclear capable Iran.

By insisting to offer concessions to Iran in exchange for negotiations, this Administration once again demonstrates it is completely tone deaf and naïve when dealing with the Iranian threat. Iran continues to aid rogue regimes, like Syria, sending in arms, fighters and money to support the Assad regime, as it continues to slaughter its own people.

Syria is in the third year of a conflict that has already claimed the lives of more than ten thousand, and as of April 22, more than 1.3 million refugees have fled the country. With reports of growing extremist Sunni fighters, like the al Qaeda–affiliated terrorist group al-Nusra, joining the rebels fighting the Assad regime, the United States needs to think twice before sending aid to the rebels.
The rebels cannot be properly vetted, and with the State Department's recent designation of Al-Nusra as a Foreign Terrorist Organization (FTO), we do not want any or our aid to reach the wrong people.

I'm also concerned with this Administration's approach to the now defunct Morsi regime in Egypt. The Administration's request for Egypt in FY14 is $1.6 billion for Foreign Military Financing and $250 million in Economic Support Fund. The Muslim Brotherhood's ideology is incompatible with U.S. democratic values and human rights. Morsi routinely violated basic freedoms, assaulted his own people, stifled the free press, and continued to suppress his opposition, which consisted largely of religious and secular minorities. Christians have complained that the authorities have failed to protect them since Mubarak and Morsi were ousted, giving radical Islamists a free hand. Instead of sending millions of unconditional U.S. tax dollars to the Morsi regime, the Administration should spend that money on building and sustaining civil society programs and institutions that promote democratic values and the rule of law in Egypt.

Now, we know the U.S. is the largest contributor to the UN. In light of this, the Administration should use funds as leverage for achieving the ideals embodied by this body, rather than

rewarding it for behavior that runs counter to them. For example, UNESCO, which has recognized a non-existent "Palestinian State," should not be rewarded with $77.7 million.

Not only is it illegal, but it sends the wrong message to other UN bodies that they can recognize "Palestine," which only further hampers any meaningful peace efforts. The only way of achieving true peace is through direct negotiations between Israel and the Palestinians. I'm also skeptical of the State Department's $370 million request for the West Bank and Gaza. Fayyad's resignation leaves the future of the makeup of the PA government in doubt. There is no one in line that is trusted by all parties, and with Abu Mazen's advanced age, one can only be hopeful that the West Bank will not erupt in chaos.

This is why I also want to raise my concern with programs like the MENA Incentive Fund. With a $580 million request for this initiative, the Administration needs to properly explain how this initiative will be different from a "slush fund." The Administration needs to elaborate how congress will be informed of funding decisions, implantation progress, and achievement of benchmarks. It needs to be clear what the criteria is to determine how MENA-IF funds will be dispersed, and if there are similar programs that already exist.

I also want to express my concern with the Administration's $ 9 million request for the Trans Sahara Counterterrorism Partnership Initiative (TSCTP). This request is only a two million dollar increase form FY12.With the growing increase of radical Islamists in this region, the Administration must better explain how this slight increase is going to make us safer and needs to come up with a coherent strategy in countering this growing crisis in North Africa.

The U.S. must be clear in its commitment to advancing the cause of freedom and human dignity, while also defending our security interests abroad. Instead of handing out hardworking American tax dollars, the U.S. should use that money as leverage in order to promote U.S. interests in that region.

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