

Statement for the Record
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Subcommittee on the Middle East and North Africa
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Chairman Ros-Lehtinen, Ranking Member Deutch, Members of the Subcommittee, thank you for inviting us to appear before you today to discuss the President's Fiscal Year 2016 budget request.

The Middle East and North Africa region is experiencing a difficult period of instability with serious consequences for regional security and our national interests. It has shaken the foundations of these societies, many of whom are our long-term partners, where rapidly growing youthful populations are pressing for change and for better lives. Although the region's challenges will take many years to resolve, we all know that American engagement and leadership will be critical to reaching new equilibrium that will protect our vital interests and spur economic progress.

U.S. Regional Engagement

The United States will remain engaged in the search for a just and lasting peace in the Middle East. It is work that we cannot abandon as an element of our deep commitment and strong support for Israel's security. Secretary Kerry will work hard to resume those discussions after the formation of the new Israeli government. We continue to oppose further Palestinian action at the International Criminal Court. At the same time, because it is critical for both the Palestinians and the Israelis that we take steps to promote stability, we are also requesting resources to support the Palestinian people with programs intended to promote stability and that can also contribute to Israeli security.

There is reason for optimism in the case of Tunisia, which last year adopted a new constitution and held democratic elections that produced an inclusive new government earlier this year. We see evidence of progress in Algeria and in Morocco as these two countries move forward with efforts to address their respective challenges. Each of these countries seeks a strong partnership with the United States.

In Libya, governance and the economy have broken down as armed militias battle for control of the country. Yemen's fragile transition was interrupted by a violent insurgency which has brought the country to the brink of civil war. Although we have suspended operations at our embassies in Tripoli and Sanaa for security reasons, our ambassadors and staff remain vigorously engaged in urgent diplomatic efforts with international partners to resolve these crises.

Bashar al-Asad's brutality toward the Syrian people catalyzed a civil war – now marking its fourth year – that has created a crisis of extraordinary proportions. In addition to our humanitarian efforts, we are working to support the moderate Syrian opposition as they stand up to the regime and to violent extremists. It is our intention to enhance their capacity to provide governance and essential services to the Syrian people as a way of establishing the conditions for a political solution. We will provide needed non-lethal support to screened armed units of the moderate opposition to effectively complement the Defense Department's Train and Equip program.

The so-called Islamic State of Iraq and the Levant (ISIL) has grown out of the Syrian civil war to become the most pressing threat to U.S. interests and the security and interests of our allies in the region, including Jordan and Lebanon. Along with our coalition of over 60 partner countries, we are committed to degrading and ultimately defeating ISIL. We will continue our support to the Iraqi government's efforts to counter ISIL and to establish effective governance throughout a unified nation, and will continue to strike at ISIL in Syria.

Our negotiations continue with Iran in search of a comprehensive understanding to ensure that Iran will not obtain a nuclear weapon. At the same time, we continue our outreach and support to the Iranian people and their desire for greater respect for human rights and the rule of law through programs providing training to Iranian citizens and civil society organizations.

FY 2016 Budget Request

Our FY 2016 budget request seeks the resources necessary to support U.S. national security interests, to pursue our mission critical goals and enable us to remain an engaged and productive partner to the people and governments in the region.

The budget request includes a total of \$7.3 billion in U.S. foreign assistance to the Middle East and North Africa. This figure is an increase of five percent – or \$351.1 million – from FY 2014 levels, excluding Food for Peace funding.

This includes \$1.8 billion in assistance to counter ISIL and to support the moderate Syrian opposition and the security and stability of Syria's neighbors. It reflects our need to address several crises in the region while also supporting programs that will enable us to achieve long-term goals through support for economic and legal reforms, strengthening good governance, and supporting universal rights. Specifically, the request includes \$255.0 million for U.S. support to the Syrian opposition, \$355.4 million for Iraq, \$210.5 million for Lebanon, and \$1.0 billion for Jordan. In addition, the request also includes \$3.1 billion in funding to maintain our strong commitment to Israel and advances U.S. priorities by supporting economic, democratic, governance, and security reforms across the region.

Countering ISIL

The United States has adopted a comprehensive strategy to degrade and defeat ISIL so that it can no longer threaten the region, the United States, and our allies and partners around the world. To that end, the United States is working with a Coalition of partners from more than 60 countries to degrade ISIL and to deny it resources, safe haven, and freedom of movement in both Iraq and Syria.

The FY 2016 budget request of \$355.4 million for support to the Iraqi government's efforts to fight ISIL, including \$250.0 million in Foreign Military Financing (FMF) to help the Iraqi Security Forces respond to the threat ISIL poses. These funds will help strengthen Iraq's counterterrorism capabilities, develop logistics capacity building, and improve the professionalization of the Iraqi military. The Iraq request also includes \$72.5 million in the Economic Support Fund account to help Iraqis re-establish governance and stability in areas taken back from ISIL, boost democratic institutions and civil society, and support key economic and governance reforms that can lead to growth that reaches all parts of Iraqi society. The programs that these funds support are intended to directly support national reconciliation and reform efforts and to build Iraq's unity while cementing gains against ISIL. An additional \$32.9 million is requested out of other security assistance accounts.

U.S. foreign assistance is a vital tool in our overall strategy to combat ISIL in Syria, to help the moderate opposition defend against the Syrian regime, and to promote a political transition. The FY 2016 budget request includes \$255.0 million to continue U.S. support to the moderate Syrian opposition. It is in the U.S. interest to support the moderate Syrian opposition as they seek to counter the threat posed by ISIL and other extremists, as well as to enhance the capacity of the

moderate opposition to establish the conditions for a political solution to this conflict. As such, in coordination with the Department of Defense and its Train and Equip program, the FY 2016 foreign assistance request will also provide resources to support the provision of non-lethal assistance to appropriately vetted members of the moderate armed opposition in liberated areas of Syria.

The success of the Syrian armed opposition forces will be determined in the long-term by their integration into civilian structures that we're concurrently working to support. U.S. assistance will support the moderate opposition's efforts to provide governance and essential services to the Syrian population at the local and national level and fill the vacuum that ISIL and other extremists currently exploit.

These requests underscore our commitment to our allies and partners facing threats in the region and enable us to pursue our most critical priorities of enhancing regional security and making sure the United States' national security interests are addressed.

Israel and the Palestinian Authority

Our \$3.1 billion FY 2016 request reflects our country's firm commitment to Israel, the leading recipient of U.S. Foreign Military Financing. This request also marks the eighth year of a 10-year, \$30.0 billion FMF Memorandum of Understanding between the United States and Israel.

As the subcommittee is well aware, Israelis voted in national elections yesterday. We look forward to working with the next Israeli government on important goals of mutual interest. Assisting Israel achieve a comprehensive peace with its neighbors, which multiple Israeli Prime Ministers have argued is in its national interest, including reaching a negotiated two-state solution with the Palestinians, will continue to remain high on our agenda.

The FY 2016 request of \$442.0 million for the West Bank and Gaza will support the Palestinian Authority and its capacity to fulfill its security commitments to Israel, provide support to the Palestinian people, and foster an economic climate in which the private sector can grow and where the rule of law is followed. We are deeply troubled by Palestinian action at the International Criminal Court and continue to oppose further actions that would make it more difficult to bring the parties back to the negotiating table. We have also been conducting a thorough review of our support to the Palestinian Authority. It's important to note that of the nearly \$450.0 million in budget support we have provided to the Palestinian

Authority over the past two years, about \$425.0 million was used to pay Israeli institutions that are its creditors.

U.S. assistance to the West Bank and Gaza has played a valuable role in promoting stability and prosperity, not just for the Palestinians, but also for Israel. This assistance has helped foster security coordination between Israel and the Palestinian Authority, which has been instrumental in preserving security in the West Bank and Israel, reducing threats to Israelis and Palestinians alike, and in improving health, education, and economic outcomes for Palestinians to further promote stability.

Egypt

The FY 2016 budget request for Egypt of \$1.5 billion supports our long-standing partnership with Egypt and maintains our commitment to Egypt's security. This request includes \$1.3 billion in FMF, consistent with prior years. We remain concerned and focused on the threat Egypt faces from terrorist groups in the Sinai that claim to be linked with ISIL; with the mounting threat from the spillover of violence from the conflict in Libya; and with domestic opposition groups who are increasingly committing acts of violence within Egypt. FMF continues to support sustainment of U.S. weapons systems previously provided to Egypt, maintenance of the Egypt-Israel Peace Treaty, and protection of the Suez Canal.

Because economic recovery and stability are closely intertwined, we are increasingly focusing our economic support for Egypt on programs to foster private-sector led growth. Specifically, we will encourage macro-economic reforms, improvements to the business climate, inclusive growth, and transparency. We will also seek to increase bilateral trade that creates jobs. Our FY 2016 request includes \$150.0 million in Economic Support Fund resources to support these priorities. Six newly signed bilateral agreements will accelerate the implementation of projects. We continue to press Egypt to improve its human rights situation. We will focus democracy programming on strengthening the parliament we expect to be elected this year, combating gender-based violence and trafficking in persons, and promoting religious tolerance, especially for the Coptic Christian minority.

Jordan

Jordan continues to be a critical partner for the United States on major regional priorities, including pursuing Middle East peace, combating the threat posed by ISIL and other extremist groups, and achieving a political solution to the Syrian conflict. In support of this strong partnership, Secretary Kerry and Foreign

Minister Judeh recently signed a Memorandum of Understanding that reflects our intent to increase annual assistance levels to \$1.0 billion in FY 2015, 2016, and 2017, pending the availability of funding. These additional funds will help Jordan address the short-term extraordinary needs related to the Syria crisis and dramatically increased energy prices. Our request for \$1.0 billion in assistance to Jordan for FY 2016 is consistent with that commitment. The assistance will support Jordan in advancing critical economic and political reforms; strengthen Jordan's ability to deliver essential health, education, and water services; build the capacity of the Jordanian Armed Forces and promote interoperability between our two militaries; and enhance Jordan's capacity to counter terrorism and better safeguard its borders and ports. This assistance will provide essential support for Jordan's ongoing bilateral and Coalition efforts to counter ISIL and other regional threats, as well as to alleviate pressures on Jordanian host communities resulting from the influx of refugees.

Yemen and Libya

Chairman Ros-Lehtinen, Ranking Member Deutch, as you know, within the last year we have unfortunately had to temporarily relocate staff from two of our posts – Tripoli and then most recently, Sana'a. Those decisions were made with the safety of our personnel in mind. In addition to ISIL and other extremist groups, the deteriorating situations in Yemen and Libya continue to pose threats to the region and U.S. homeland.

In Yemen, where al-Qaeda in the Arabian Peninsula is based and operates with impunity, the security situation has deteriorated markedly over the past 12 months and became especially precarious at the beginning of this year. Last month, we temporarily relocated all U.S. personnel from our embassy after gauging that the threat posed by Houthi forces was too great to justify keeping a diplomatic presence in Sana'a. However, despite the security threats and unstable political situation, the need for American diplomacy, development, and humanitarian support for Yemen has not diminished. Our development and humanitarian assistance continues, and we are hopeful that continued efforts by the international community and the UN will succeed in restoring functioning and legitimate government to Yemen, and that we will be able to re-open our Embassy. So that we will be prepared to quickly re-engage and help rebuild Yemeni institutions, our FY 2016 budget request of \$114.4 million reflects prior planning assumptions to increase support to Yemen in both FY 2015 and FY 2016. We will work closely with Congress moving forward.

Yemen is the poorest country in the Arab world. Roughly 45 percent of its population is food insecure, nearly 50 percent of Yemenis cannot read or write, and unemployment levels may be as high as 40 percent. These statistics lay the groundwork for a serious lack of governance and a persistent state of instability that directly threaten U.S. interest. For that reason, our FY 2016 request focuses on continued assistance to address the basic needs of the Yemeni people in such areas as health care, education, access to credit, and food security.

In Libya, we remain concerned about ongoing violence, the potential for a greater humanitarian crisis, and the threat this violence poses to regional stability. Libya is at risk of spiraling into civil war, and extremist groups, including ISIL affiliates, are exploiting this chaos. Our FY 2016 \$20.0 million request will support high priority security and governance programs. Funds will provide consistent programming to build Libyan government and civil society capacity, particularly at the local level. The current security situation has affected some program implementation, but key programs targeting local level governance and service delivery, building the capacity of civil society and public institutions, and working to support the political transition are continuing, and we are making adjustments as necessary. We continue to support the United Nations Special Representative Bernardino Leon and his process to promote political dialogue and convene a National Unity Government.

Lebanon

U.S. assistance supports Lebanon's viability, independence, and sovereignty. We support a Lebanese government that is capable of responding to the needs of its citizens – maintaining internal stability and meeting its international obligations – and at peace with its neighbors. Lebanon faces challenges from growing regional violence and instability, as well as the economic pressures associated with refugees flows. Lebanon faces ongoing, direct threats against Lebanese territory from extremists in the region, including the ISIL and Al-Nusra Front, as well as terrorist attacks on civilian sites. The FY 2016 budget request for Lebanon is \$210.5 million, which represents a significant increase from the FY 2014 level, reflecting our commitment to Lebanon and supporting its ability to address the challenges stemming from the spillover effects from the Syria conflict. It will also support the U.S. critical partnership with the Lebanese Armed Forces and the Internal Security Forces as they counter the ISIL and other extremist threats at and within its borders, as well as continuing support for Lebanon's other long-standing security and economic development challenges.

Morocco

Morocco remains an important and longstanding U.S. ally in the region. The FY 2016 budget request includes \$31.6 million in bilateral assistance for Morocco. Ongoing assistance is vital as Morocco confronts security concerns stemming from regional instability and the flow of foreign terrorist fighters to Iraq and Syria, and continues political and economic reforms promised under the 2011 constitution. Economic Support Fund assistance will support programs that will help Morocco achieve sustained economic growth by improving the employability of its large youth demographic; improving educational achievement; and bolstering effective governance and democracy in the country. Foreign Military Financing supports the ability of Morocco – a major non-NATO ally and an anti-ISIL Coalition member – to partner with the United States on mutual regional security concerns such as counter-terrorism, peacekeeping operations, and regional security in North Africa, the Sahel, and the Strait of Gibraltar.

Tunisia

I also want to underscore the importance of Tunisia and how crucial it is as a democratic model for the Arab world. Our FY 2016 request of \$134.4 million represents a \$76.6 million increase above our FY 2014 allocation and demonstrates our commitment to Tunisia's nascent democracy. This is a significant increase, but we believe it is critical to invest in the success of countries moving in the right direction, to ensure they do not drift backward into instability. This request includes robust Foreign Military Financing to further the strategic relationship with the Tunisian Armed Forces and support its capacity to counter increased threats from indigenous and transnational terrorist elements, improve border security, and combat smuggling. We are also seeking increased funding to support market-oriented reforms that address Tunisia's top constraints to economic growth and improved governance.

Regional Programs

At a time when threats are increasing and vulnerable populations are moving fluidly around the Middle East, regional programs that counter the drivers of violent extremism, foster growth, and protect vulnerable populations and resources are critical to stabilizing regional dynamics. All regional programs are targeted interventions, based on evidence and past experience, and mutually agreed upon by the Department and USAID.

Conclusion

Madam Chairman, Ranking Member Deutch, it is important to remember that behind all of these budgetary numbers lay programs that provide assistance to

millions of people who are seeking jobs and economic opportunities, education for their children, and a chance to live in peace. All too often, these basic pillars of human dignity are scarce in the Middle East and North Africa. But the assistance and funding provided by the United States make a significant difference in people's lives.

Since the start of the Syria crisis, the United States has provided more than \$3.0 billion in humanitarian assistance to assist refugees from Syria in need, including significant funding for humanitarian activities helping countries, like Lebanon and Jordan cope with the effects of this crisis. Our humanitarian assistance supports the operations of key multilateral organizations, including the Office of the UN High Commissioner for Refugees, the World Food Program, and UN Children's Fund, among other organizations. Some \$26 million has supported non-governmental organizations' programs in child protection, alternative education, prevention of gender based violence, shelter rehabilitation, health, mental health, and the provision of basic needs for Syrian refugees living in host communities and vulnerable Jordanians and Lebanese.

The FY 2016 budget request we are presenting will enable us to continue to address crucial diplomatic and security challenges in the Middle East and North Africa during a time when American leadership in the region is required more than ever. In order to protect our allies and friends and advance our own national security interests and values, we must use all the tools at our disposal, including our diplomatic presence, our economic and trade policy, and our military-to-military relations, to address the turmoil in the region. The United States has a great responsibility to do all we can to try to arrest the region's widespread instability. The funds you provide will enable us to help the people of the Middle East and North Africa and advance the interests of the United States.

Thank you for the opportunity to appear before you today, and I welcome your questions.