

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 2017 budget request. I welcome the opportunity to testify with my colleague, Paige Alexander, Assistant Administrator for the U.S. Agency for International Development's Bureau for the Middle East.

The Middle East and North Africa presents the most demanding challenges to U.S. foreign policy and our national security. Our wide-ranging security, economic, and humanitarian interests require our continued involvement and active engagement in the region. The Administration's highest priority continues to be the safety and security of the American people and the American homeland. It is in that interest that we are leading the global coalition that will defeat ISIL, we are actively engaged in supporting the cessation of hostilities in Syria, we are seeking a successful political transition in Libya, and we are advancing a peaceful resolution to the conflict in Yemen. Clearly, these are extraordinary undertakings. Each of these conflicts poses its own unique and difficult challenges to our national security with the potential for serious economic repercussions. Additionally, while continued, full implementation of the Joint Comprehensive Plan of Action will ensure Iran's nuclear program remains exclusively peaceful, we remain deeply concerned about Iran's destabilizing activities in the region, including its ballistic missile activities, support for terrorism, and support for the Houthi rebels and Assad. We must continue to advance our interests particularly at a time when economic stagnation, political instability and conflict plague the region. At such a challenging time in history, your continued support is necessary in order for us to meet these challenges as the President, the Congress and the American people expect of us.

The President's FY 2017 foreign assistance request for the Bureau of Near Eastern Affairs is \$7.3 billion, which is \$607.8 million, or nine percent, above FY 2015 levels. The budget requests the resources necessary to meet these urgent needs and ensure that we are anticipating broader political and economic changes, while

remaining an engaged and active partner to the people and the governments in the region.

The FY 2017 request includes \$3.1 billion to support our unshakable commitment to Israel's security; \$1.5 billion for bilateral cooperation with Egypt to advance our national and regional security interests; and, \$1.0 billion to continue our strategic partnership with Jordan on issues ranging from countering violent extremism to advancing Middle East Peace. The foreign assistance request targets \$4.1 billion towards the Administration's strategy to defeat ISIL, to bolster the stability of our partners in neighboring countries, and address humanitarian needs within the region. Of this total, \$2.0 billion is requested within the Bureau of Near Eastern Affairs budget.

However, as we have seen, we cannot focus on crises alone. We see examples of success in the region and it's in our long-term interest to invest strategically. For example, in Tunisia, we see a burgeoning democracy in need of our support, and in Morocco, our strong partnership spans from security cooperation to addressing economic challenges. The FY 2017 request provides funding to continue promoting core American values whether through partnerships with civil society across the region or programs promoting equitable economic growth, job creation and open markets which are not only essential to advancing stability, but also to counter violent extremism.

### Countering ISIL and Support for Syria and its Neighbors

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 FY 2017 foreign assistance request supports the Administration's coordinated approach to our strategy. As a part of these efforts, the United States is leading a Coalition of 66 states and organizations to degrade and defeat ISIL and to deny it resources, safe haven, and freedom of movement in both Iraq and Syria. The request includes funding to provide training and equipment to forces fighting ISIL on the ground; helps stabilize communities liberated from ISIL in Syria and Iraq; strengthens our regional partners; as well as, supports a political solution to the Syrian civil war. This is in addition to robust humanitarian support that we provide to those most in need.

In Iraq, the FY 2017 request includes \$510.4 million, an increase of \$280.6 million above FY 2015 levels, largely to provide increased economic assistance to stabilize the Iraqi economy and maintains critical security assistance. Our priorities in Iraq

include promoting security and enhancing stability throughout the country by countering ISIL and other extremists, and promoting political and economic resiliency. Accordingly, the request includes \$151.0 million in military assistance which will enhance our partnership with Iraq and strengthen the security capacity of the Iraqi Security Forces to maintain sovereign control of national territory and defend its borders against threats from ISIL. We anticipate that assistance, in coordination with the central government of Iraq could also benefit the Kurdistan Regional Government, which is an indispensable partner in defeating ISIL. Department of State security efforts closely coordinate with the Department of Defense and the Iraq Train and Equip Fund to ensure that all U.S. resources are being used effectively.

I want to emphasize that the United States cannot promote stability in Iraq solely through security engagements. It is essential that we partner with the Iraqi government to address much needed economic and political reforms. Such reforms underpin long-term stability in the region, which is why we are requesting an increase in economic assistance in Iraq. These resources will help the Iraqis reestablish governance in areas retaken from ISIL, strengthen democratic institutions and civil society, and support key economic reforms. The Iraq economy is overwhelmingly dependent on ever more volatile oil revenues, and Iraq continues to face a costly fight against ISIL. This has led to an acute fiscal crisis, which the Government of Iraq is taking concrete action to address through much-needed economic reforms in coordination with the World Bank and the International Monetary Fund. U.S. economic assistance in the FY 2017 request will reinforce these efforts by promoting broad-based growth, including through a U.S.-backed loan guarantee explicitly endorsed by the Prime Minister as well as a second Foreign Military Financing loan. Backing from International Financial Institutions, combined with continued support from the United States, will help place Iraq on a more sustainable fiscal path.

In Syria, the FY 2017 request of \$238.5 million will provide support to the moderate Syrian opposition to help achieve a political solution in Syria and counter extremist threats, including from ISIL. Our assistance remains essential to laying the groundwork for stability and reconciliation as it improves basic delivery of services, bolsters the role of civil society, and strengthens community security. The request includes funding to continue support for vetted members of the moderate, armed opposition as they seek to defend themselves and their communities from attacks by the regime and extremists, such as ISIL. In addition to supporting those who remain inside Syria fighting against ISIL and working towards a political solution to this crisis, we must continue robust support to

Syria's neighbors. Our partners in the region are at the front lines in the fight against ISIL, preventing their advances, and are under pressure as they continue to host refugees from Syria.

In Jordan, we are a strong supporter of the government's efforts to maintain security, stability, and prosperity, particularly in light of the Iraq and Syria crises on Jordan's borders. The importance of our relationship is not only represented by the U.S.-Jordan Memorandum of Understanding (MOU) on Strategic Partnership, but also by our ongoing partnership to advance Middle East Peace and counter ISIL. The FY 2017 request includes \$1.0 billion for Jordan, consistent with our MOU. This commitment includes \$367.6 million security assistance that supports Jordan's ability to secure its land borders, defend its territory and participate in coalition operations. The request also includes \$632.4 million in economic and development assistance to accelerate inclusive economic growth, strengthen the Government's ability to deliver essential services, including in refugee-hosting communities, as well as promote democratic accountability. As Jordan contends with the spillover effects of regional crises, this assistance supports our long-term interests in promoting security, stability and prosperity in a country that stands shoulder-to-shoulder with the United States in the fight against violent extremism.

Lebanon, like Jordan, has struggled to cope with the spillover effects of the crisis in Syria. In fact, Lebanon now hosts the largest per capita refugee population in the world. Through the generous support of Congress, the United States is the single largest donor to the humanitarian assistance response to this crisis. However, humanitarian assistance alone cannot meet the tremendous needs in Lebanon and the region. The United States also provides significant development assistance to support the growth of Lebanon's economy and bolsters the capacity of Lebanese communities that host refugees from Syria. Our assistance invests in basic and higher education, water infrastructure, and programs that expand economic opportunities. Through our robust security assistance, we partner with both the Lebanese Armed Forces (LAF) and the Internal Security Forces (ISF) that are critical to the fight against ISIL and other extremist organizations. Our security assistance enhances the capacity of the LAF and ISF to serve as Lebanon's legitimate security institutions. Recognizing Lebanon faces increasing critical needs, the Administration requests \$233.5 million which increases both economic and security assistance from FY 2015 levels.

### Enduring Commitments

The FY 2017 request includes \$3.1 billion FMF for Israel representing our unshakeable commitment to Israel's security, marking the ninth year of a 10-year, \$30.0 billion FMF Memorandum of Understanding between our two countries. We remain firmly committed to working with Israel and other regional partners to counter Iran's destabilizing activities in the region. Israel's security remains a top priority for this Administration.

We continue to believe that a negotiated two-state solution is essential, not only for peace between Israelis and Palestinians, but for the long-term security of Israel as a democratic and Jewish state. Although tensions remain high, we continue to engage with the parties to encourage their commitment to a two state solution through policies and actions. If they are serious about moving towards a two state solution, this Administration will do whatever it can to help them achieve that objective.

At the same time, because it is critical for both the Israelis and the Palestinians that we take steps to promote stability, we are requesting \$363.6 million in foreign assistance to support the Palestinian people with programs to bolster economic development, improve health and education services, and enhance security on the ground. This assistance helps foster security coordination between Israel and the Palestinian Authority, and is instrumental in preserving security in both the West Bank and Israel

In Egypt, we have long enjoyed a strategic relationship which furthers our national interests. The Egyptians are key partners on issues such as combatting ISIL in Sinai, advancing peace in the region, supporting a the Government of National Accord in Libya, encouraging political transition in Syria, and supporting negotiations to end hostilities in Yemen. We continue to press the Egyptians regarding our concerns about their human rights record. The FY 2017 request of nearly \$1.5 billion reflects our commitment to advance mutual security interests, such as counterterrorism and border security, and strengthens our partnership with the Egyptian people through education programming and programs to encourage investment and job creation.

### Supporting Reform

Tunisia is an important, if still nascent, democratic example for the region. Tunisians have made significant strides over the past year, as demonstrated by the passage of key economic reform legislation, but the country still has steps to take and requires continued support and investment from its international partners, in

particular the United States. Its transition remains fragile due to ongoing domestic and external challenges, not the least of which is regional instability emanating from the political and security crisis in Libya. The FY 2017 Request seeks \$140.4 million in assistance, an increase of \$49.0 million from resources made available in FY 2015, supporting our strategic partnership with Tunisia. Our assistance helps Tunisia address the significant security challenges resulting from regional and internal threats including support to the Tunisian military's work to transform into an agile, counterterrorism-focused force that respects human rights and democratic principles. Funding included in the FY 2017 request will also help expand economic growth, promote democratic processes, and improve governance in Tunisia.

Morocco is a vital partner in our efforts to promote regional security and stability. It has increasingly taken on a leadership role and is actively engaging with over twenty African nations through training, humanitarian assistance and peace keeping operations. However, it's not just its leadership on security issues that makes this partnership enduring; Morocco's long-standing commitment to shared economic and democratic reform is strong. The President's budget includes \$33.5 million in assistance for Morocco and is a critical component to bolstering these efforts to address the drivers of instability such as the dearth of educational and employment opportunities for Morocco's large youth population. U.S. engagement supports Morocco's capacity to face emerging threats and challenges, while enabling new economic and business opportunities through a combination of economic, development and security assistance.

### Regional Programs

The importance of our regional programs cannot be understated as they tackle needs faced throughout the Middle East. Threats to vulnerable populations are increasing and our regional programs focus on countering the drivers of violent extremism and simultaneously fostering economic growth. The FY 2017 request includes funding for programs providing critical support for civil society, businesses, and non-governmental organizations that advocate for political, social, and economic reform. For example, the request includes \$60.0 million for the Middle East Partnership Initiative (MEPI) and \$7.9 million for the NEA portion of the Trans-Sahara Counterterrorism Partnership, which fosters regional security cooperation to counter violent extremists across North Africa and the Sahel. Our commitment to fostering democratic organizations and strengthening the rule of law and respect for human rights spans across the region from Morocco to Iran. In addition, regional programs like MEPI fund activities foster entrepreneurship,

engage with at-risk youth, empower women, and develop the capacity of local organizations to engage with governments in the region on political and economic reform. For example, a recent MEPI program partnered with Tunisian franchising associations, individual entrepreneurs, and the Government of Tunisia to streamline franchising regulations and procedures. As a result of changes affected by this project, local entrepreneurs have opened nearly twenty-nine franchises, including fifteen American franchises in Tunisia.

In the coming year, potential openings in Yemen and Libya further highlight how we must work together to support U.S. engagement during key moments of opportunity. The de-escalation on the Saudi-Yemen border and the UN Special Envoy's announcement that the parties have agreed to a ceasefire and will hold the next round of peace talks on April 18 are positive signs. We hope these steps will bring the conflict to a close and pave the way for a peaceful political transition. However, there is still much to be done, we must help the Yemenis reestablish governance, reclaim space from AQAP and counter a growing ISIL threat, and revive their badly damaged economy. In Libya, we are working with the UN and our international partners to support Prime Minister Sarraj as he and the Presidency Council help complete formation of the Government of National Accord (GNA) and its safe operation in the capital. The U.S. must be poised to further its relationship with the GNA as it works to reunite the country, revive the Libyan economy, deliver tangible improvements for the Libyan people, and confront ISIL. The FY 2017 request includes only modest funding for both of these countries reflecting only what is essential to maintain our current posture and assistance engagement. Our capacity to react quickly in changing environments like these, and the ability to allocate funding most effectively, will require your continued support and flexibility.

Chairman Ros-Lehtinen, Ranking Member Deutch, the President's FY 2017 request supports U.S. efforts to counter ISIL, bolsters the moderate Syrian opposition and Syria's neighbors, funds our enduring commitments, and promotes investments to further our regional interests. I want to thank this Subcommittee for your ongoing support as we continue to advance our national security interests in the Middle East region. I look forward to answering your questions.