

Statement of Mr. David Arnold
President
THE ASIA FOUNDATION
Submitted to the House Committee on Appropriations
Subcommittee on State, Foreign Operations and Related Programs
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Madame Chairwoman & Members of the Subcommittee:

I am pleased to testify before this Subcommittee as the new President of the Asia Foundation (TAF), an organization that I have known and admired for a long time. Coming from my immediate past position as President of the American University in Cairo, I am particularly struck by the important contributions that the Asia Foundation has made in Asia over the past 56 years to build democratic institutions, support civil society capacity and empower women. Had such sustained investments been made over the past few decades in Egypt and other parts of the Middle East, we might be looking at a different scenario today. The Asia Foundation is requesting \$19 million for FY 2012, which represents the same level of funding as FY 2010.

The Asia Foundation is a private, non-profit, nongovernmental organization. TAF is fundamentally about the promotion of good governance, the development of a robust civil society and the identification and development of reform minded individuals. We have maintained an on-the-ground presence in Asia over more than five decades. Through 18 field offices, we work with hundreds of established and emerging Asian partner organizations. TAF grantees can be found throughout the public and private sectors in Asia, and are leaders of government, industry and an increasingly diverse civil society. Through the Books for Asia program, we have provided more than 40 million English-language books to more than 20 countries—964,000 in 2010 alone. Our deep experience, country-specific expertise in Asia and our long-term commitment to the region distinguishes us from all other nongovernmental

organizations. TAF is often called upon by the U.S. to undertake critical tasks that only can be pursued by a private organization with the confidence of host governments, such as the development of democratic institutions or supporting U.S. national security interests through the resolution of conflict situations. In the past year, TAF was chosen by the Philippine Government and the Moro Islamic Liberation Front (MILF) as the only American member of the multinational International Contact Group to support the Mindanao peace process. This is but one example of our unmatched credibility in Asia, which makes TAF an irreplaceable American and international asset.

Asia is an increasingly critical region to the United States for economic, and security reasons. Despite the advances of the last decade, many countries in Asia continue to face challenges in democracy and governance, free and fair elections, adherence to the rule of law, elimination of corruption, political volatility and, in some cases, armed conflict. In this context, we must capitalize on opportunities to promote sustainable economic growth, good governance and stable political systems, a more vibrant civil society, and respect for the rights of all. Meeting these goals is at the heart of The Asia Foundation's mission and programs.

The Asia Foundation is requesting \$19 million for FY 2012, which represents the same level of funding as FY 2010. In making this request, we are very aware of the FY 2012 budgetary pressures on the Committee. The Asia Foundation is an especially cost-effective investment for the Congress in a time of budget constraints, during the tenure of my predecessor, former Congressman Doug Bereuter, TAF was particularly successful in leveraging our Congressional appropriation to raise funds from other donors to increase the impact of our programs. Multilateral and bilateral development agencies, including Britain, Australia, Denmark and others now recognize our value and have funded a wide range of critical

democracy and development programs. For every dollar appropriated by the Congress to the Asia Foundation, the Foundation has leveraged approximately \$4. Yet these important leveraged funds, public and private, are invariably tied to specific projects. It is Congressional funding, through this appropriation that is really the “foundation” of the Foundation, providing the essential flexibility to maintain our continuous on-the-ground presence in Asia.

Funding at \$19 million will enable The Asia Foundation to strengthen program investments begun in recent years with Congressional encouragement, such as our continued work in predominantly Muslim countries, including Afghanistan, Indonesia, and Pakistan.

THE ASIA FOUNDATION’S PROGRAM AND APPROACH: The Asia Foundation is committed to the development of a peaceful, prosperous, just, and open Asia-Pacific region. America’s efforts to restore our credibility and effectiveness in Asia must be more effective and multifaceted. The great diversity of countries in Asia require different approaches: governance challenges in Thailand, the Philippines, Mongolia, Indonesia, and Sri Lanka do not resemble those in Afghanistan, Pakistan, Nepal and Timor Leste. Our ability to adapt programs to on-the-ground circumstances is central to advancing U.S. interests in the region. The Foundation’s core work remains in four major areas:

- **Democracy, human rights and the rule of law**
- **Economic Reform, Development and Environment**
- **Women’s empowerment**
- **Peaceful and stable regional relations**

The Asia Foundation is first and foremost a field-based, grant-making organization, committed to maximizing program impact in Asia while keeping costs low--despite the continuing challenge of providing security for our field office staff. While TAF operates some

programs directly, we make nearly 800 grants a year to organizations in Asia. Past committee report language has commended our grant-making role. This approach, working directly with local partners, is both unique and needed. TAF assistance promotes reform by providing training, technical assistance and seed funding to new, local organizations. We also provide grants that cover the often-neglected nuts and bolts necessities to support this capacity-building.

Finally, we evaluate and measure the impact of our programs and we are proud of our track record. As a result of TAF efforts, vibrant civil society groups, including mass-based Muslim organizations in Indonesia, now lead the way for budget reform, participating in discussions with government officials to increase transparency and organizing civic education programs on the role of citizens in a democratic society. Sub-national governments in Afghanistan are learning how to budget and spend public resources to improve the lives of their constituents. Parliaments in Bangladesh, Timor Leste and Nepal now have access to information to help them make informed policy. Local business association leaders, entrepreneurs and government leaders in Bangladesh, Sri Lanka, Indonesia, Vietnam and Cambodia have access to comprehensive data through TAF's Economic Governance Indexes on regulatory barriers to growth and are working together to reform them. Women in Cambodia, Indonesia, Thailand and Pakistan have access to justice and the opportunity to claim their rights to inheritance, property and education, and are better able to protect themselves from being trafficked or from gender based violence, and thousands of people across Asia have access to a better understanding of the United States through our Books for Asia program.

FY 2012 PLAN: While continuing our ongoing programs, a return to \$19 million in FY 2012 could position the Foundation to restore and expand programs in countries struggling with democratic processes, peace and stability:

- Expand conflict resolution and peace processes in the Afghanistan, Philippines and Nepal, seeking real peace for the first time in a generation, and in largely Muslim southern Thailand where security and conflict threatens national stability;
- Increase programs in India, to improve constructive relations with its neighbors and to strengthen environment programs;
- Expand the Performance Based Governor's Fund to improve the reach of the Afghan government to sub-national governments outside of Kabul;
- Counter corruption in the Philippines, Timor Leste and Mongolia;
- Increase women's empowerment programs throughout the region, including developing economic opportunity for women, and countering trafficking and domestic violence.

CONCLUSION: While TAF has had major programs in Asia since 1954, The Asia Foundation Act of 1983 provides the statutory basis for an annual appropriation from the Congress. That Act acknowledged the importance of stable funding for TAF and endorsed its ongoing value and contributions to U.S. interests in Asia. Congressional funding has been increasing in most recent years, reaching \$19 million in FY 2010. But recall that The Asia Foundation's 1994 appropriation of \$15 million would be \$23 million in today's inflation-adjusted dollars. We very much appreciate the Committee's trust and faith in providing us funds above the requests of the Executive Branch during recent years. This has been invaluable in achieving results and in fulfilling our shared mission to advance U.S. interests in Asia. Thus we respectfully urge that the Committee sustain its support for the Asia Foundation.

(A full listing of Asia. Foundation programs may be found on our website at www.asiafoundation.org)