

U.S. Foreign Assistance to the Middle East: Historical Background, Recent Trends, and the FY2022 Request

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This report is an overview of U.S. foreign assistance to the Middle East and North Africa (MENA). It includes a brief historical review of foreign aid levels, a description of specific country programs, and analysis of current foreign aid issues. It also provides analysis of the Administration's FY2022 budget request for State Department and U.S. Agency for International Development (USAID) Foreign Operations and Related Programs (SFOPS) appropriations in the MENA region.

The foreign aid data in this report are compiled by the Congressional Research Service from a number of resources, including USAID's *U.S. Overseas Loans and Grants* (also known as the "Greenbook"), CRS communications with the State Department and USAID, executive branch agencies' notifications to Congress, and annual State Department and USAID Congressional Budget Justifications. For foreign aid terminology and abbreviations, see **Appendix A**.

Since 1946, the United States has provided an estimated total of \$351 billion (obligations in current dollars) in foreign assistance to the MENA region. For FY2022, overall aid requested for the MENA region amounts to \$7.6 billion, or about 13% of the State Department's International Affairs budget request. The State Department estimates that the Middle East stands to receive 39% of the geographically specific assistance in the overall budget request, more than any other region. As in previous years, assistance for Israel, Egypt, and Jordan constitute the majority of the Middle East funding request. The region also receives a sizable portion of annual humanitarian assistance appropriations, which are not included in the region-specific aid figures.

The Biden Administration's FY2022 request of \$7.6 billion for the MENA region is \$0.1 billion more than what Congress appropriated for FY2021 (\$7.5 billion) and approximately \$1.1 billion more than the previous Administration's request for FY2021 (\$6.5 billion). Congress regularly appropriated more in foreign assistance than the Trump Administration requested. Of the total FY2022 request, the Administration is seeking \$1.9 billion (25%) in bilateral economic assistance.

Another point of departure between the two Administration requests concerns the Palestinians. In the spring of 2021, the Biden Administration resumed various forms of aid to the Palestinians that had been discontinued under the Trump Administration. For FY2022, the Biden Administration is requesting a total of \$219 million in bilateral aid for the Palestinians, which its budget justification asserts will further "the Administration's goals for peace and stability in the region."

In order to more accurately compare the Administration's FY2022 foreign assistance request to previous years' appropriations, aid figures in this report (except where otherwise indicated) refer only to funding that is administered by the State Department or USAID and requested for individual countries or regional programs. While this represents the majority of U.S. assistance to the Middle East, several other sources of U.S. aid to the region exist, such as Transition Initiatives (TI) and the aforementioned humanitarian aid provided through the Food for Peace Act, Title II (FFP), International Disaster Assistance (IDA), and Migration and Refugee Assistance (MRA) accounts. Other U.S. federal entities—such as the Departments of Defense, Commerce, and the Treasury, and the Millennium Challenge Corporation—administer additional types of assistance. Funding for such activities is generally not requested for individual countries and regions, and it is largely excluded here.

The Coronavirus Disease 2019 (COVID-19) pandemic has led to severe public health and economic consequences in the Middle East and North Africa region, in many cases exacerbating the region's numerous pre-existing challenges. In April 2021, the Biden Administration stated that it had allocated over \$225 million in emergency humanitarian assistance to the region in response to the COVID-19 pandemic.

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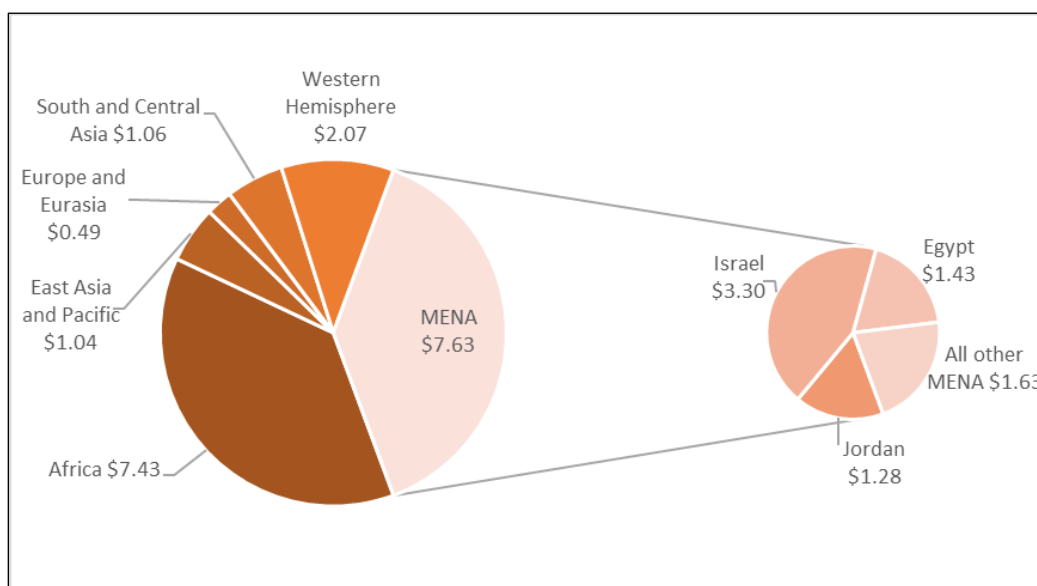
Introduction

This report is an overview of U.S. foreign assistance to the Middle East and North Africa (MENA).¹ It includes a brief historical review of foreign aid levels, a description of specific country programs,² and analysis of current foreign aid issues.³ It also provides analysis of the Administration's FY2022 budget request for State Department and U.S. Agency for International Development (USAID) Foreign Operations and Related Programs (SFOPS) appropriations in the MENA region.

Congress authorizes and appropriates foreign assistance and conducts oversight of executive agencies' management of aid programs. As the largest regional recipient of U.S. economic and security assistance (see **Figure 1**), the Middle East is perennially a major focus of interest as Congress exercises these powers.

Figure 1. FY2022 Request for Regional Bilateral Aid

current U.S. dollars in billions



Source: Department of State, Foreign Operations and Related Programs Congressional Budget Justification FY2022.

¹ For the purposes of this report, the Middle East and North Africa region (MENA), or what the State Department calls “Near East” Affairs (NEA), is defined as an area stretching from Morocco in the west to the Persian/Arabian Gulf in the east, excluding Turkey. It comprises: Algeria, Bahrain, Egypt, Iraq, Israel, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, United Arab Emirates, West Bank/Gaza, and Yemen. The governments of Iran (since 1984) and Syria (since 1979) are prohibited under law from receiving U.S. bilateral aid because they are U.S.-designated State Sponsors of Terrorism. See CRS Report R43835, *State Sponsors of Acts of International Terrorism—Legislative Parameters: In Brief*, by Dianne E. Rennack. Since 2012, the United States has provided foreign assistance in Syria under special authorities that allow for assistance notwithstanding these terrorism related restrictions.

² While foreign assistance can take many forms, in most cases, U.S. foreign assistance is channeled through a U.S. government-managed economic or military program rather than a direct cash transfer to a recipient nation. In the MENA region, most U.S. military aid to Israel, Egypt, and Jordan finances the procurement of weapons systems and services from U.S. defense contractors. For general information on U.S. foreign assistance, see CRS Report R40213, *Foreign Assistance: An Introduction to U.S. Programs and Policy*, by Marian L. Lawson and Emily M. Morgenstern.

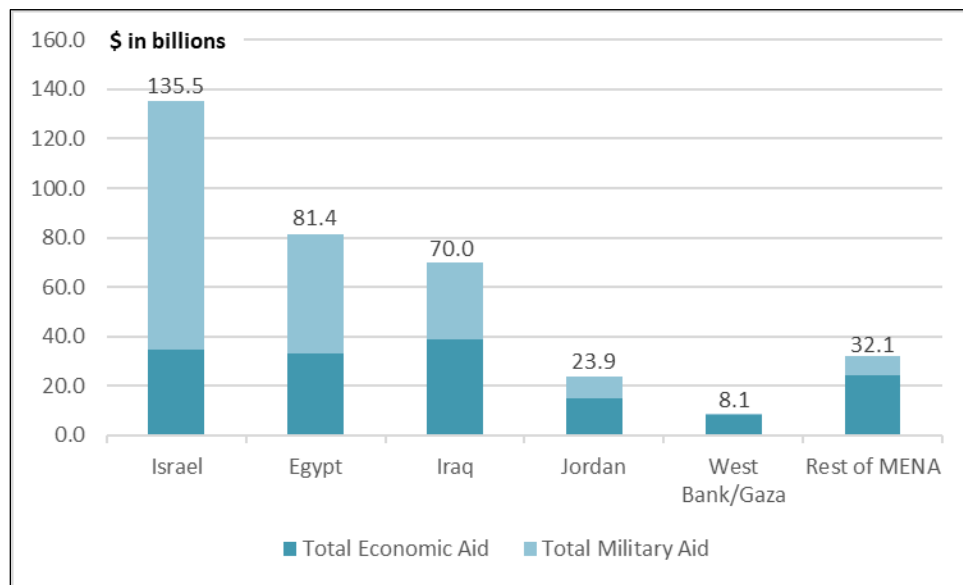
³ For assistance with foreign aid terminology and abbreviations, please see the glossary in **Appendix A**.

The foreign aid data in this report are compiled by the Congressional Research Service from a number of resources, including the USAID's *U.S. Overseas Loans and Grants* (also known as the "Greenbook"), CRS communications with the State Department and USAID, executive branch agencies' notifications to Congress, and annual State Department and USAID Congressional Budget Justifications.

Foreign Aid to Support Key U.S. Policy Goals

U.S. bilateral assistance to MENA countries is intended to support long-standing U.S. foreign policy goals for the region, such as containing Iranian influence, countering terrorism, preventing the proliferation of weapons of mass destruction, preserving the free-flow of maritime commerce and energy resources, promoting Israeli-Arab peace, and preserving the territorial integrity and stability of the region's states. U.S. foreign assistance (from global accounts/non-bilateral) also is devoted to ameliorating major humanitarian crises stemming from ongoing conflicts in Syria, Yemen, and elsewhere.

Figure 2. U.S. Foreign Aid to MENA Countries: FY1946-FY2019
current U.S. dollars in billions



Source: Funding administered by/appropriated to the State Department, USAID, and Defense Department and recorded, by law, in USAID's "Greenbook."

Note: Totals for Israel do not include funding for missile defense.

As in previous years, the United States provides the bulk of U.S. foreign aid in the MENA region (mostly in the form of military assistance) to three countries: Israel, Egypt, and Jordan. Almost all current U.S. aid to Israel is in the form of military assistance, and U.S. military aid for Israel has been designed to maintain Israel's "qualitative military edge" (QME) over neighboring militaries. U.S. military aid to Egypt and Jordan (which have been at peace with Israel since 1979 and 1994, respectively) is designed to encourage continued Israeli-Arab cooperation on security issues while also facilitating interoperability between the United States and its Arab partners in the U.S. Central Command (CENTCOM) area of responsibility.

Other Sources of U.S. Foreign Aid to the Middle East

For the past two decades, successive Administrations and Congresses have drawn on sources of funding beyond State Department/USAID-administered bilateral aid appropriations to address challenges created by conflicts in the MENA region. The United States has devoted significant resources toward several major humanitarian crises stemming from ongoing conflicts in Syria, Iraq, Yemen, and elsewhere. For example, between FY2012 and FY2021, successive Administrations provided nearly \$13 billion in response to the Syrian refugee crisis, most of which came from humanitarian assistance accounts.⁴

The Millennium Challenge Corporation (MCC), an independent U.S. government entity established in 2004, provides assistance to support multiyear, large-scale development projects by foreign governments that have implemented free market, education, and democratic reforms. Since MCC's inception, it has concluded three aid compacts (five-year grant agreements) with MENA countries: two with Morocco (2007-2012, \$697 million, and 2017-2022, \$450 million) and one with Jordan (2011-2016, \$275 million). In July 2021, the MCC notified Congress of its intent to sign a new \$498.7 million compact with the government of Tunisia focused on transport/trade and water scarcity.⁵

The United States is also a top funder of multilateral financial institutions such as the International Monetary Fund (IMF) and World Bank Group, which support economic stabilization and development in MENA countries through loans, grants, and technical advice. The IMF has provided loans to multiple MENA countries in recent years, including Egypt, Morocco, Tunisia, and Jordan, to improve their ability to achieve fiscal balance and promote their macroeconomic stability, in exchange for various policy reform commitments.

Separately, Congress has authorized and appropriated funds to the Department of Defense (DOD) to train and equip foreign security forces for a range of purposes, including counterterrorism. Countries such as Iraq, Lebanon, Jordan, and Tunisia have been prominent beneficiaries of such programs. As directed by Congress, many DOD security cooperation programs are subject to State Department joint planning and/or concurrence. Major security cooperation authorities and programs under which DOD has provided assistance to MENA countries include the following: 10 U.S.C. 333 (DOD's global "authority to build capacity," which was previously referred to as "global train and equip"),⁶ the Coalition Support Fund (CSF),⁷ the Counter-ISIS Train and Equip Fund (CTEF),⁸ and the Cooperative Threat Reduction (CTR) program.⁹

⁴ USAID, "U.S. Announces Additional Humanitarian Assistance for the People of Syria," press release, June 3, 2021.

⁵ See Millennium Challenge Corporation Congressional Notification July 7, 2021, available at www.mcc.gov.

⁶ Congress originally authorized DOD's global train and equip activities under Section 1206 of the FY2006 National Defense Authorization Act (NDAA, P.L. 109-163), as amended. The authority was codified as 10 U.S.C. 2282 in the FY2015 NDAA (P.L. 113-291). These authorities were incorporated into and superseded by a new, broader global train and equip authority, 10 U.S.C. 333, under Section 1241(c) of the FY2017 NDAA. This provision also repealed other prior authorities, such as Section 1204 (FY2014 NDAA, P.L. 113-66): Authority to conduct activities to enhance the capabilities of foreign countries to respond to incidents involving weapons of mass destruction; Section 1207 (FY2014 NDAA, P.L. 113-66): Assistance to the Government of Jordan for border security operations; and Section 1033 (FY1998 NDAA, P.L. 105-85, as amended): Assistance for additional counternarcotics support for specified countries.

⁷ CSF authorizes the Secretary of Defense to reimburse key cooperating countries for logistical, military, and other support, including access, to or in connection with U.S. military operations in Iraq, Afghanistan, or Syria and to assist such nations with U.S.-funded equipment, supplies, and training. CSF is authorized under Section 1233 (FY2008 NDAA, P.L. 110-181), as amended and extended.

⁸ The FY2017 NDAA (P.L. 114-328) and the Consolidated Appropriations Act, 2017 (P.L. 115-31) established the Counter-ISIL Train and Equip Fund (CTEF), since renamed the Counter-ISIS Train and Equip Fund. The CTEF allows the Secretary of Defense, "in coordination with" the Secretary of State, to transfer funds, equipment, and related capabilities to partner countries in order to counter emergent ISIS threats. The CTEF is the primary account for funding the Syria and Iraq Train and Equip Programs, having replaced the Iraq Train and Equip Fund (ITEF). The underlying authorities for DOD's Syria and Iraq train and equip programs are Sections 1209 and 1236 of P.L. 113-291, as amended. The Biden Administration has requested \$522 million in CTEF funding for FY2022.

⁹ Chapter 48 of Title 10, U.S.C., authorizes DOD to build foreign countries' capacity to prevent nuclear proliferation. Over the past five years, the Defense Threat Reduction Agency has provided training and equipment to border security forces in several Middle Eastern countries under this authority, including Jordan, Iraq, and Tunisia. See CRS Report R43143, *The Evolution of Cooperative Threat Reduction: Issues for Congress*, by Mary Beth D. Nikitin and Amy F. Woolf.

Questioning Long-standing U.S. Aid Policy to the MENA Region

A number of developments have led outside observers to question the level of U.S. involvement in the Middle East, including: the wars in Afghanistan and Iraq, concern over Iran's nuclear program, popular protests across the Arab world, continued transnational terrorism, failure of the Israeli-Palestinian peace process coupled with Israel's improved ties to some Arab states (the Abraham Accords), and increased competition from Russia and China (and to a lesser extent Turkey). In light of these dynamics, experts have vigorously debated the importance of the MENA region to U.S. foreign policy and how to properly align U.S. military and economic investments in the MENA region based on changing geopolitical realities.¹⁰

As an instrument of U.S. policy, foreign assistance—and calls to reform or restructure it in the MENA region—has become part of a broader debate over the extent of the U.S. commitment to the Middle East. Trump Administration officials attempted to carry out President Trump's vision of “ending the era of endless wars” and “putting America first,” sometimes putting U.S. budget officials at odds with lawmakers over the Administration's proposals to cut foreign aid, particularly to key regional recipients such as Jordan.¹¹ In recent years, several studies have asserted that the United States should rebalance its foreign assistance approach to the Middle East by prioritizing economic aid over military assistance.¹² Other analysts have focused more on reforming U.S. military aid to the region with calls to monitor and evaluate security assistance to major partners.¹³ At the country level, some U.S. groups have become more vocal in challenging continued military aid to Israel and Egypt and arms sales to Saudi Arabia based on human rights concerns.¹⁴ Others have countered that continued threats from Iran, terrorist groups, and non-state actors make U.S. assistance essential for protecting long-standing partners in the region, such as Israel.¹⁵ During an August 2021 Senate Foreign Relations Committee hearing on security assistance in the Middle East, Senator Todd Young remarked that “this committee will not be serving the national security interests of the American people if we act as a roadblock to security assistance and arms sales to the Middle East. Security assistance is a highly imperfect tool, and it carries its own degree of risk, but removing it from the table or conditioning it in a way that creates insurmountable barriers or creating false choices between defensive and offensive systems, undermines our ability to exert our influence in the region and provides excuses to those who will seek new sources of security assistance.”¹⁶

With debates ongoing, Congress may consider how and to what extent foreign aid to MENA states provides opportunities to engage or remain engaged with partner government officials and civil society actors.

The United States also has provided economic assistance to some MENA countries focusing on education, water, health, and economic growth initiatives. In part, U.S. bilateral economic assistance is premised on the idea that governments across the MENA region have had increasing

¹⁰ For example, see Elliott Abrams, *United States Policy in the Middle East and North Africa*, Council on Foreign Relations; Tamara Cofman Wittes, “What to Do – and What not to Do – in the Middle East,” Brookings Institution, January 25, 2021; Eric Edelman, “U.S. Middle East Policy In The Next Four Years,” Hoover Institution, December 8, 2020; and Jon Alterman, “The Yemen Model: The Future of U.S. Middle East Policy,” Center for Strategic and International Studies, February 21, 2018.

¹¹ William Douglas, “S.C.’s Graham and Mulvaney Battle over Trump’s Proposed Foreign-Aid Cuts,” *McClatchy*, May 25, 2017.

¹² For example, see Dalia Dassa Kaye, Linda Robinson, Jeffrey Martini, Nathan Vest, and Ashley L. Rhoades, *Reimagining U.S. Strategy in the Middle East, Sustainable Partnerships, Strategic Investments*, Rand Corporation, 2021; Ilan Goldenberg, Daphne McCurdy, Kaleigh Thomas and Sydney Scarlata, *A People-First U.S. Assistance Strategy for the Middle East*, Center for a New American Security, June 10, 2021; and Daniel Serwer, “Recalculating U.S. Policy in the Middle East: Less Military, More Civilian,” Middle East Institute, April 11, 2016.

¹³ Andrew Miller and Richard Sokolsky, “What Has \$49 Billion in Foreign Military Aid Bought Us? Not Much,” *American Conservative*, February 27, 2018.

¹⁴ Alex Ward, “The Progressive Foreign Policy Moment Has Arrived,” *Vox.com*, May 26, 2021; William D. Hartung and Seth Binder, *U.S. Security Assistance to Egypt: Examining the Return on Investment*, Project on Middle East Democracy, May 5, 2020.

¹⁵ Representative Stephanie Murphy and Michael Makovsky, “Don’t Cut or Condition US military Aid to Israel,” *The Hill*, March 19, 2021.

¹⁶ Senate Foreign Relations Committee, Subcommittee on Near East, South Asia, Central Asia and Counterterrorism, Hearing on Middle East Security Assistance, August 10, 2021.

difficulty meeting the expectations of their citizens, particularly their youth. Public dissatisfaction over quality of life issues and lack of economic opportunities persist in many MENA countries. According to the *Arab Youth Survey*, addressing government corruption is a top priority for Arab youth; nearly half of all Arabs surveyed have considered leaving their country for better economic opportunities elsewhere.¹⁷ *Arab Barometer*, a U.S.-funded, nonpartisan research network that provides insight into Arab public attitudes, notes that widespread youth discontent about their economic prospects translates into broad frustration with government efforts to create employment opportunities.¹⁸

In recent years, systemic socioeconomic challenges, such as corruption, inequality, poverty, and poor governance, have sparked popular protests across the MENA region.¹⁹ In lower and middle income states the Coronavirus Disease 2019 (COVID-19) pandemic has exacerbated these preexisting challenges, further straining the social compact between state and citizen (**see below**). The International Monetary Fund and World Bank warn of the risks posed by continued deficit spending by already indebted governments (such as Morocco, Tunisia, Egypt, Lebanon, Jordan, Iraq, Oman, and Bahrain) and recommend structural reforms to improve the prospects for MENA citizens.²⁰

COVID-19 in the MENA Region

The COVID-19 pandemic has led to severe public health and economic consequences in the Middle East and North Africa region. Governments have instituted a range of public health and safety measures, which United Nations public health experts view as remaining necessary given ongoing limits to vaccine access in the region.²¹

Economic Impact

Since early 2020, countries in the MENA region have experienced economic downturns as a result of the pandemic, including its impact on global trade and travel and the physical lockdown measures imposed to reduce the spread of COVID-19. Declines in global demand for some of the region's key exports—including tourism services and oil (the price of which has fluctuated during the pandemic)—exacerbated local economic challenges.²² Prior to the pandemic, tourism spending by foreigners accounted for more than 5% of gross domestic product (GDP) on average in the region, and substantially more in several countries (such as Egypt, Morocco, and Tunisia).²³ In June 2021, the World Bank estimated the region's GDP contracted by 3.9% in 2020, a 6.4% decline from its October 2019 forecast for the region's 2020 economic growth.²⁴ As a result of

¹⁷ The 12th Annual ASDA's BCW Arab Youth Survey 2020 was conducted by international polling firm PSB to explore attitudes among Arab youth in 17 countries and territories in the Middle East and North Africa. See, <http://arabyouthsurvey.com/findings.html>.

¹⁸ See, Arab Barometer, *Youth in Middle East and North Africa*, August 2019.

¹⁹ International Monetary Fund, *Regional Economic Outlook: Middle East and Central Asia*, April 2021.

²⁰ The World Bank, *Living with Debt: How Institutions Can Chart a Path to Recovery in the Middle East and North Africa*, April 2021.

²¹ UN Office for the Coordination of Humanitarian Affairs (UNOCHA), *COVID-19 Data Explorer: Global Humanitarian Operations*, May 31, 2021.

²² World Bank Group, *Global Economic Prospects*, June 2021, p. 4.

²³ Ibid, p. 81.

²⁴ Ibid, p. 4.

this economic contraction, regional unemployment increased significantly, particularly youth unemployment.²⁵ In addition, the MENA region's economic recovery appears to be on a slower trajectory relative to some other regions. For example, the World Bank projects global growth of 5.6% in 2021 (6.8% in the United States), with the MENA region forecast to grow at 2.4%.²⁶

Within the region, there is considerable divergence in economic outlook among countries.²⁷ Wealthier countries, which were able to implement stronger fiscal support during the pandemic and have higher vaccination rates, are expected to recover more quickly. Oil-exporting countries, which are benefitting from the return of oil prices to pre-pandemic levels and beyond, also have a more positive outlook. In contrast, the countries that entered the pandemic in states of conflict, political instability, or economic crises (e.g., Iraq, Lebanon, Libya, Syria, and Yemen) and those most dependent on tourism (e.g., Tunisia) face the prospect of long-term economic challenges.

Many countries in the region face difficult fiscal choices. The pandemic continues to place heightened demands on public health and anti-poverty spending, but growing debt levels increasingly create risk for debt sustainability. The region's aggregate government revenue fell by 24% from 2019 to 2020, and due to the increased demands on public spending, the World Bank estimates that average fiscal deficits in 2020 as a share of GDP roughly doubled from their pre-pandemic forecasts from 4.6% to 9.4%.²⁸ The World Bank estimates that the region's public debt will grow from 46% of GDP in 2019 to 54% of GDP in 2021, which would be the largest increase in the past two decades.²⁹

Selected U.S. Government Responses

Since early 2020, Members of Congress have debated the scale and scope of U.S. foreign assistance to address COVID-19 abroad, including in the MENA region. Globally, Congress has provided more than \$16 billion in emergency foreign assistance resources via four appropriations measures.³⁰ USAID is using funds from these appropriations measures for a variety of public health activities in MENA countries, in conjunction with international assistance and technical cooperation activities of the State Department and the Centers for Disease Control and Prevention (CDC).³¹ For example, in Iraq, USAID reports that, among other activities, it has aided the government in updating some health centers with new equipment, improving access to personal protective equipment (PPE) for healthcare workers, launching educational outreach programs about COVID-19, and distributing hygiene kits, particularly within underserved communities.³²

According to the State Department's Office of Foreign Assistance, as of April 25, 2021, the State Department and USAID had allocated more than \$225 million in the MENA region for the

²⁵ International Monetary Fund, *Regional Economic Outlook: Middle East and Central Asia*, April 2021, p. 4.

²⁶ World Bank Group, *Global Economic Prospects*, June 2021, p. 4.

²⁷ International Monetary Fund, *Regional Economic Outlook: Middle East and Central Asia*, April 2021, pp. 6-7.

²⁸ World Bank Group, *Living with Debt: How Institutions Can Chart a Path to Recovery in the Middle East and North Africa*, MENA Economic Update, April 2021, p. 15.

²⁹ Ibid, p. 2.

³⁰ Two emergency supplemental measures enacted in March 2020—P.L. 116-123 and P.L. 116-136—included nearly \$1.5 billion in FY2020 foreign assistance resources. The FY2021 omnibus appropriations act, P.L. 116-260, included \$4.0 billion in emergency foreign assistance funds and the American Rescue Plan Act of 2021, P.L. 117-2, provided nearly \$10.6 billion in FY2021 in emergency foreign assistance resources.

³¹ See <https://www.usaid.gov/coronavirus> for more information. USAID, *USAID: COVID-19 Global Response - Fact Sheet #8 FY20*, August 21, 2020.

³² USAID, *COVID-19 Response: Iraq*, February 26, 2021, at <https://www.usaid.gov/iraq/fact-sheets/covid-19-response>.

COVID-19 response.³³ The countries in the region that have received the most funds include Iraq (\$49.5 million), Lebanon (\$41.6 million), Syria (\$37.4 million), and Jordan (\$36.5 million). Inspector-General reports indicate that USAID, in particular, has obligated and disbursed only a portion of the emergency funds provided by Congress for the global COVID-19 response.³⁴

The Biden Administration's FY2022 Aid Budget Request for the MENA Region

Since 1946, the MENA region has received the most U.S. foreign assistance worldwide, reflecting significant support for U.S. partners in Israel, Egypt, Jordan, and Iraq (see **Figure 2**).³⁵ For FY2022, Israel, Egypt, and Jordan combined account for nearly 10% of the total international affairs request. For FY2022, the Biden Administration is requesting **\$7.6 billion** for the MENA region (see **Table 1**), which is \$0.1 billion more than what Congress appropriated for FY2021 (\$7.5 billion) and \$1.1 billion more than the previous Administration's request for FY2021 (\$6.5 billion). Of that total, the Administration is seeking **\$1.9 billion** (25%) in bilateral economic assistance.

While the Biden Administration has requested bilateral funding for the top country recipients (Israel, Egypt, and Jordan) at levels consistent with past years and bilateral understandings, it is requesting increased spending for countries/populations either experiencing a current crisis or recovering from one.³⁶ Compared to FY2021 enacted levels, the President is seeking \$50 million more in military aid for Lebanon, which is undergoing one of the world's worst economic collapses since the mid-19th century.³⁷ In FY2021, Congress appropriated \$40 million for nonlethal stabilization aid in Syria; the Biden Administration is now requesting \$140 million for FY2022. (The Trump Administration did not request any Syria-specific nonlethal aid over the last two fiscal years, but Congress authorized assistance and allocated funds specifically for use in Syria.) The Biden Administration's request would increase bilateral aid to Libya (\$13 million above FY2021 enacted) and Yemen (\$4 million above FY2021 enacted); in the case of Yemen, since 2015 the State Department and USAID generally have provided several hundred million dollars annually in additional humanitarian aid.

In the spring of 2021, the Biden Administration resumed various forms of aid (see "The Resumption of U.S. Aid to the Palestinians") to the Palestinians that had been discontinued under the Trump Administration. For FY2022, the Administration is requesting a total of \$219 million in bilateral aid for the Palestinians, which its budget justification asserts will further U.S. goals

³³ Department of State, Office of Foreign Assistance, *COVID-19 Virus Response*, Regional and Operating Unit Topline as of April 25, 2021. Document provided to CRS upon request.

³⁴ According to the USAID OIG, as of March 31, 2021, the agency had obligated \$3.3 billion of the \$11.2 billion in emergency funds it received. Of those obligations, \$2.8 billion had been disbursed as of March 31, 2021. USAID OIG, *COVID-19 Information Brief #3*, June 9, 2021.

³⁵ Israel, Egypt and Jordan combined have received \$280.1 billion (in current dollars) from 1945-2018. USAID, *U.S. Overseas Grants and Loans, July 1, 1945 through September 30, 2018*.

³⁶ According to the FY2022 Congressional Budget Justification for the Department of State, Foreign Operations, and Related Programs, "The request will enable the United States to work with coalition, international, and regional partners to resolve the ongoing conflicts destabilizing the region, including in Syria, through an increase in U.S.-funded stabilization assistance; support efforts to bring stability, security, and effective governance to areas emerging from conflict or enduring ongoing conflict such as in Libya and Yemen; and deliver vital assistance to the people of Lebanon as they weather economic and political crises."

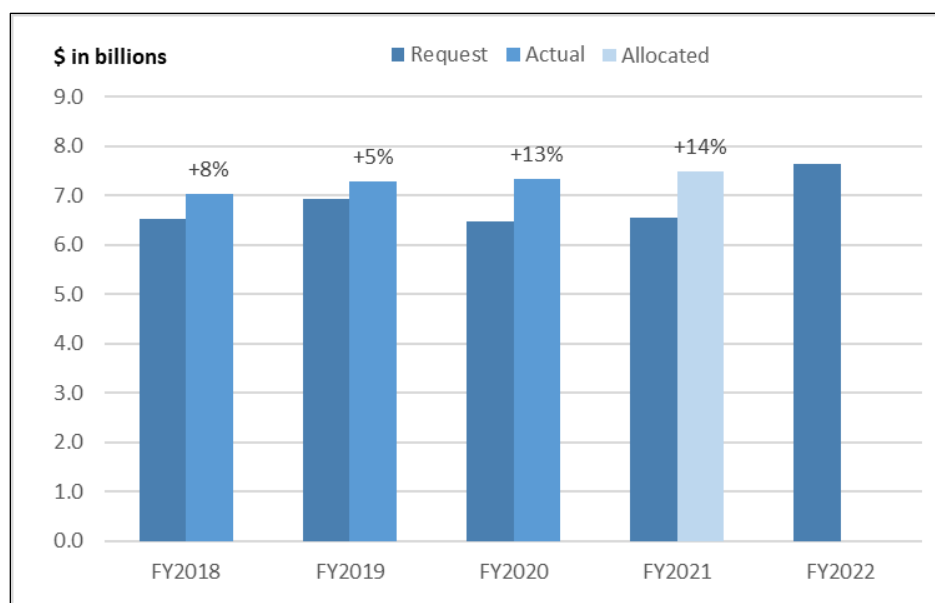
³⁷ "Lebanon Crisis among World's Worst since 1850s: World Bank," *Agence France Presse*, January 6, 2021.

for peace and stability in the region. After the Trump Administration suspended voluntary contributions to the U.N. Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) in August 2018, peacebuilding programs involving Palestinians in September 2018, and Economic Support Fund (ESF) and International Narcotics Control and Law Enforcement (INCLE) aid in January 2019,³⁸ it did not request any funds for the Palestinians in FY2020 or FY2021. Congress, however, appropriated \$150 million in bilateral aid for both years. The Biden Administration's FY2022 request would increase annual bilateral aid amounts by nearly \$70 million.

While the Biden Administration has sought to increase foreign aid overall, it has acknowledged in its budget justification documents that U.S. foreign assistance alone will be insufficient to resolve the MENA region's numerous socio-economic challenges. Similarly, the Trump Administration's FY2020 and FY2021 congressional budget justification documents noted that the United States sought to "share the burden" of economically aiding MENA countries with the international community while aiming to build countries' "capacities for self-reliance."³⁹ In his FY2022 budget request, President Biden notes that the Administration plans to "invest in multilateral approaches to prioritize investments matched by commitments by both host countries and other international partners, to share the burden of economic and development assistance; and seek to improve resilience to shocks and stressors caused by climate change."

Figure 3. Bilateral MENA Aid Budget Requests vs. Appropriations: FY2018-FY2022

current U.S. dollars in billions



Source: State Department annual Congressional Budget Justifications FY2017 - FY2022 and Department of State, FY2021 Section 653(a) Allocation Report.

³⁸ CRS Report R46274, *The Palestinians and Amendments to the Anti-Terrorism Act: U.S. Aid and Personal Jurisdiction*, by Jim Zanotti and Jennifer K. Elsea; CRS Report RS22967, *U.S. Foreign Aid to the Palestinians*, by Jim Zanotti.

³⁹ Then-USAID Administrator Mark Green was a proponent of moving certain countries away from a dependency on foreign assistance. See, e.g., USAID, "Statement by Administrator Mark Green on the Launch of USAID's Self-Reliance Roadmaps," October 4, 2018.

Table I. U.S. Bilateral Aid to MENA Countries: FY2017 - FY2022

current U.S. dollars in millions

	FY2017 actual	FY2018 actual	FY2019 actual	FY2020 actual	FY2021 allocated	FY2022 request
Algeria	1.82	2.12	1.48	1.78	1.30	3.30
Bahrain	1.04	0.29	0.57	0.08	3.70	4.95
Egypt	1,353.54	1,413.67	1,419.30	1,430.50	1,430.15	1,430.30
Iraq	861.33	403.28	451.51	454.11	454.11	448.50
Israel	3,175.00	3,100.00	3,300.00	3,300.00	3,300.00	3,300.00
Jordan	1,319.83	1,525.01	1,524.99	1,525.00	1,650.00	1,275.00
Lebanon	208.41	245.94	242.29	216.00	258.32	295.96
Libya	139.20	33.00	33.00	28.67	22.60	43.00
Morocco	38.58	38.65	38.49	45.00	41.00	35.90
Oman	3.94	3.75	3.12	2.50	2.80	3.00
Saudi Arabia	0.01	0.01	0.00	0.00	0.00	0.00
Syria	422.65	0.00	40.00	45.00	40.00	145.00
Tunisia	205.23	165.31	191.32	191.40	191.40	197.10
West Bank & Gaza	291.14	61.00	0.60	75.00	76.28	219.00
Yemen	370.60	315.52	37.30	17.30	14.60	45.10
Total	8,392.32	7,307.55	7,283.96	7,332.33	7,486.26	7,446.11

Source: Department of State, Foreign Operations and Related Programs (SFOPS) Congressional Budget Justifications (FY2019-FY2022), Department of State, FY2021 Section 653(a) Allocation Report, and CRS calculations. FY2020 actuals includes supplemental COVID-19 funding for Libya, Morocco, Syria, and Yemen from P.L. 116-123 and P.L. 116-136 as reported in the FY2022 SFOPS Congressional Budget Justification. Figures may reflect rounding.

Selected Country Summaries

Israel⁴⁰

Israel is the largest cumulative recipient of U.S. foreign assistance since World War II. To date, the United States has provided Israel \$146 billion (current, or non-inflation-adjusted, dollars) in bilateral assistance and missile defense funding. Almost all U.S. bilateral aid to Israel is in the form of military assistance.

In 2016, the U.S. and Israeli governments signed a 10-year Memorandum of Understanding (MOU) on military aid, covering FY2019 to FY2028. Under the terms of the MOU, the United States pledges (pending congressional appropriation) to provide Israel \$38 billion in military aid (\$33 billion in Foreign Military Financing or FMF grants plus \$5 billion in missile defense appropriations). This MOU replaced a previous \$30 billion 10-year agreement, which ran through FY2018. Israel is the largest recipient of FMF (see **textbox**). For FY2022, the President’s request for Israel would encompass approximately 53% of total requested FMF funding worldwide. Israel uses most FMF to finance the procurement of advanced U.S. weapons systems.

In May 2021, Israel and several Palestinian armed groups based in the Gaza Strip fought their fourth major armed conflict since 2007. To replenish its munitions stocks, Israel has requested additional U.S. military aid. Under the terms of the 2016 MOU, the agreement stipulates that under exceptional circumstances (major armed conflict involving Israel), both sides may agree on additional U.S. support for missile defense.⁴¹

In the report accompanying its annual FY2022 bill, the House Appropriations Subcommittee for State, Foreign Operations, and Related Programs reaffirmed its support for the MOU, while also urging the Secretary of State to ensure that “MOU-supported equipment is not used in any way that undermines the prospects of a negotiated two-state solution.”⁴²

Top Ten FMF Recipients: FY2022 Request

1. Israel: \$3.3 billion
2. Egypt: \$1.3 billion
3. Jordan: \$350 million
4. Iraq: \$250 million
5. Lebanon: \$160 million
6. Ukraine: \$115 million
7. Tunisia: \$85 million
8. Colombia: \$40 million
9. Philippines: \$40 million
10. Georgia: \$25 million

Table 2. Bilateral Aid to Israel
current U.S. dollars in millions

	FY2017 actual	FY2018 actual	FY2019 actual	FY2020 actual	FY2021 allocated	FY2022 request
FMF	3,175.00	3,100.00	3,300.00	3,300.00	3,300.00	3,300.00

Source: Department of State, Foreign Operations and Related Programs Congressional Budget Justifications (FY2019-FY2022), Department of State, FY2021 Section 653(a) Allocation Report, and CRS calculations.

Notes: Funding totals do not include monies allocated through Migration and Refugee Assistance (MRA).

⁴⁰ For additional background, please see CRS Report RL33222, *U.S. Foreign Aid to Israel*, by Jeremy M. Sharp.

⁴¹ In 2014, Congress passed P.L. 113-145, the FY2014 Emergency Supplemental Appropriations Resolution, which provided \$225 million in Iron Dome funding requested by Israel on an expedited basis during the summer 2014 Israel-Gaza conflict. It also exempted those funds from co-production requirements.

⁴² See H.Rept. 117-84 accompanying H.R. 4373, the State, Foreign Operations, And Related Programs Appropriations Bill, 2022.

Egypt⁴³

Since the 1979 Israeli-Egyptian Peace Treaty, the United States has provided Egypt with large amounts of foreign assistance. U.S. policymakers have routinely justified this aid to Egypt as an investment in regional stability, built primarily on long-running military cooperation and the perceived need to sustain the treaty. Egypt has used FMF to purchase major U.S. defense systems, such as the F-16 fighter aircraft, the M1A1 Abrams battle tank, and the AH-64 Apache attack helicopter.

U.S. economic aid to Egypt (funded through ESF) is divided into two components: (1) USAID-managed programs (public health, education, economic development, democracy and governance); and (2) the Egyptian-American Enterprise Fund (EAEF).⁴⁴ Since its inception in FY2012, Congress has appropriated \$300 million in ESF for the EAEF, which has, in turn, invested over \$220 million in Egyptian businesses and attracted \$447 million in foreign capital to Egypt.⁴⁵

Egypt's governance and human rights record has sparked regular criticism from U.S. officials and some Members of Congress (see "Human Rights and Foreign Aid to MENA" section below). Since FY2012, Congress has passed appropriations legislation that withholds the obligation of FMF to Egypt until the Secretary of State certifies that Egypt is taking various steps toward supporting democracy and human rights. With the exception of FY2014, lawmakers have included a national security waiver to allow the Administration to waive these congressionally mandated certification requirements under certain conditions. The Consolidated Appropriations Act for FY2021 (P.L. 116-260) withholds \$225 million in FMF from obligation until the Secretary of State makes democracy-related certifications and provides waiver authority on national security grounds. P.L. 116-260 also includes a condition that withholds \$75 million in FMF until the Secretary of State determines that the Government of Egypt is making clear and consistent progress in releasing political prisoners and providing detainees with due process of law. This condition is new in the FY2021 act, and affords no national security waiver.

Table 3. Bilateral Aid to Egypt

current U.S. dollars in millions

	FY2017 actual	FY2018 actual	FY2019 actual	FY2020 actual	FY2021 allocated	FY2022 request
ESF	112.50	106.87	112.50	125.00	125.00	125.00
FMF	1,234.30	1,300.00	1,300.00	1,300.00	1,300.00	1,300.00
IMET	1.74	1.80	1.80	0.00	1.80	1.80
INCLE	2.00	2.00	2.00	2.00	0.35	0.00
NADR	3.00	3.00	3.00	3.50	3.00	3.50
Total	1,353.54	1,413.67	1,419.30	1,430.50	1,430.15	1,430.30

Source: Department of State, Foreign Operations and Related Programs Congressional Budget Justifications (FY2019-FY2022), Department of State, FY2021 Section 653(a) Allocation Report, and CRS calculations.

⁴³ For additional background, see CRS Report RL33003, *Egypt: Background and U.S. Relations*, by Jeremy M. Sharp.

⁴⁴ "Here's One U.S. - Egypt Success Story," *Washington Post*, April 5, 2019.

⁴⁵ Egyptian-American Enterprise Fund, 2020 Impact Report. <https://www.eaefund.org/>

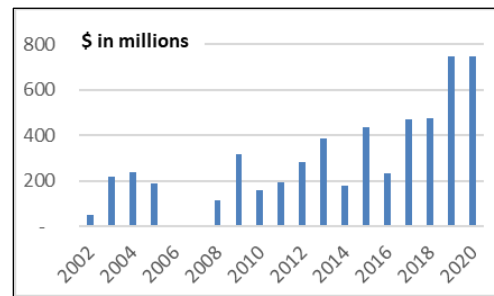
Jordan⁴⁶

The Hashemite Kingdom of Jordan is also one of the largest recipients of U.S. foreign aid globally. Like Israel, the United States and Jordan have signed an MOU on foreign assistance, most recently in 2018. The MOU, the third such agreement between the United States and Jordan, commits the United States (pending congressional appropriation) to provide \$1.275 billion per year in bilateral foreign assistance over a five-year period for a total of \$6.375 billion (FY2018-FY2022).⁴⁷ U.S. military assistance primarily enables the Jordanian military to procure and maintain U.S.-origin conventional weapons systems. FMF overseen by the State Department supports the Jordanian Armed Forces' multi-year procurement plans, while DOD-administered security assistance supports ad hoc defense systems to respond to emerging threats.

The United States provides economic aid to Jordan for (1) budgetary support (cash transfer), (2) USAID programs, and (3) loan guarantees. The cash transfer portion of U.S. economic assistance to Jordan is the largest amount of budget support given to any U.S. foreign aid recipient.⁴⁸ U.S. cash assistance is provided to help the kingdom with foreign debt payments, Syrian refugee support, and fuel import costs (Jordan is almost entirely reliant on imports for its domestic energy needs). Separately, the State Department estimates that, since FY2012, it has allocated more than \$1.8 billion in humanitarian assistance from global accounts for Syrian refugees in Jordan.

Figure 4. U.S. Cash Transfers to Jordan

Obligated funds in millions of U.S. dollars



Source: USAID Foreign Aid Explorer.

Table 4. Bilateral Aid to Jordan

current U.S. dollars in millions

	FY2017 actual	FY2018 actual	FY2019 actual	FY2020 actual	FY2021 allocated	FY2022 request
DA	-	-	-	-	85.00	-
ESF	832.35	1,082.40	1,082.40	1,082.40	1,122.40	910.80
FMF	470.00	425.00	425.00	425.00	425.00	350.00
IMET	3.88	4.01	3.99	4.00	4.00	3.80
NADR	13.60	13.60	13.60	13.60	13.60	10.40
Total	1,319.83	1,525.01	1,524.99	1,525.00	1,650.00	1,275.00

Source: Department of State, Foreign Operations and Related Programs Congressional Budget Justifications (FY2019-FY2022), Department of State, FY2021 Section 653(a) Allocation Report, and CRS calculations.

Notes: Prior-year funds not included in this table: \$125 million in ESF in FY2020 (P.L. 116-93); \$50 million in Relief and Recovery Fund (RRF) aid in FY2019 (P.L. 116-6).

⁴⁶ For additional background, see CRS Report RL33546, *Jordan: Background and U.S. Relations*, by Jeremy M. Sharp.

⁴⁷ U.S. State Department, New U.S.-Jordan Memorandum of Understanding on Bilateral Foreign Assistance to Jordan, Fact Sheet, February 14, 2018.

⁴⁸ Other budget support aid recipients include: the Marshall Islands, Micronesia, and Palau.

Iraq⁴⁹

The State Department and USAID fund military, economic, stabilization, and security programs in Iraq, with additional security assistance funding provided through the Defense Department Counter-ISIS Train and Equip Fund (CTEF).⁵⁰ Iraq began purchasing U.S.-origin weapons systems using its own national funds through the Foreign Military Sales program in 2005,⁵¹ and the United States began providing FMF to Iraq in 2012 in order to help Iraq sustain U.S.-origin systems. A \$250 million FY2016 FMF allocation subsidized the costs of a \$2.7 billion FMF loan to support acquisition, training, and continued sustainment of U.S.-origin defense systems. Recent Iraqi acquisitions include: Armed Bell 407GX Helicopters, pilot training for C-172, C-208, and T-6 aircraft, and equipment for two Peshmerga infantry brigades and two artillery battalions.⁵²

The United States provides foreign aid to Iraq in support of de-mining programs, public sector financial management reform, civil society, economic development, U.N.-coordinated stabilization, and other goals.⁵³ In FY2021, U.S. assistance is supporting Iraqi preparations for national elections planned for October 2021. The U.S. government has obligated more than \$405 million for stabilization of liberated areas of Iraq since 2016, including funds for religious and ethnic minority communities. USAID contributes to the Marla Ruzicka Iraqi War Victims Fund, which aids the victims of conflict in Iraq.⁵⁴ The United States is the top humanitarian funding donor for Iraq and provided more than \$348 million in humanitarian aid for Iraq in FY2020 and FY2021, including more than \$47 million for COVID-19 programs.

Table 5. Bilateral Aid to Iraq

current U.S. dollars in millions

	FY2017 actual	FY2018 actual	FY2019 actual	FY2020 actual	FY2021 allocated	FY2022 request
ESF	553.50	100.00	150.00	150.00	150.00	150.00
FMF	250.00	250.00	250.00	250.00	250.00	250.00
IMET	0.70	0.82	0.91	1.00	1.00	1.00
INCLE	0.20	5.60	5.60	5.60	5.60	-
NADR	56.92	46.86	45.00	47.51	47.51	47.50
Total	861.33	403.28	451.51	451.60	454.11	448.50

Source: Department of State, Foreign Operations and Related Programs Congressional Budget Justifications (FY2019-FY2022), Department of State, FY2021 Section 653(a) Allocation Report, and CRS calculations.

⁴⁹ For additional background, see CRS In Focus IF10404, *Iraq and U.S. Policy*, by Christopher M. Blanchard, and CRS Report R45633, *Iraq: Issues in the 116th Congress*, by Christopher M. Blanchard.

⁵⁰ U.S. State Department, “U.S. Security Cooperation with Iraq,” factsheet, January 20, 2021. From FY2015 through FY2021, Congress authorized and appropriated nearly \$7 billion in Defense Department funding for train and equip assistance in Iraq. The Biden Administration’s FY2022 defense appropriations request seeks \$345 million for train and equip efforts under Iraq-specific authorities, including \$240 million for Kurdistan Regional Government Peshmerga stipends.

⁵¹ Solomon Moore, “Secret Iraqi Deal Shows Problems in Arms Orders,” *New York Times*, April 13, 2008; and U.S. State Department, “U.S. Security Cooperation with Iraq,” factsheet, March 22, 2017.

⁵² op.cit., State Department, January 20, 2021.

⁵³ USAID, Congressional Notification #19, Country Narrative, Iraq, October 30, 2020.

⁵⁴ Available online at <https://www.usaid.gov/iraq/marla-ruzicka-iraqi-war-victims-fund>.

Tunisia⁵⁵

After its 2011 popular uprising, Tunisia adopted a democratic political system and constitution enshrining various civil liberties. Political crises and worsening economic conditions have stymied structural reforms and undermined public faith in government. President Kaïs Saïed’s decision in July 2021 to suspend parliament and assert sweeping extraconstitutional executive powers introduced new political uncertainty, even as many Tunisians welcomed his moves.

U.S.-Tunisia security cooperation has expanded since 2011, as Tunisia has sought to maintain its U.S.-origin defense materiel, reform its security institutions, and respond to terrorist threats. Congress has appropriated \$85 million per year in FMF for Tunisia since FY2019, the highest level for any country within U.S. Africa Command’s area of responsibility. Congress has also provided \$13 million per year in State Department-administered bilateral aid for law enforcement strengthening and reform; Tunisia has received additional internal security force aid under State’s global Counterterrorism Partnerships Fund. DOD has provided substantial additional counterterrorism and border security assistance for Tunisia under its global “authority to build capacity” (currently, 10 U.S.C. 333) and separate nonproliferation and Libya-related authorities.

President Biden’s FY2022 request seeks to channel bilateral economic aid to Tunisia through the ESF account only, instead of providing half as Development Assistance (DA) as in FY2020 and FY2021. U.S. economic aid has recently focused on promoting private sector growth, strengthening democratic governance, bolstering civil society, and countering the drivers of violent extremist recruitment. Reflecting the rise in U.S. economic aid since 2011, USAID elevated its presence in Tunisia to a full bilateral Mission in 2019. In early July 2021, the MCC announced plans to sign a \$499 million development compact with Tunisia.⁵⁶

Table 6. Bilateral Aid to Tunisia

current U.S. dollars in millions

	FY2017 actual	FY2018 actual	FY2019 actual	FY2020 actual	FY2021 allocated	FY2022 request
DA	-	-	-	40.00	45.00	-
ESF	89.00	79.00	85.00	45.00	40.00	85.00
FMF	95.00	65.00	85.00	85.00	85.00	85.00
IMET	2.13	2.21	2.22	2.30	2.30	2.30
INCLE	13.00	13.00	13.00	13.00	13.00	22.80
NADR	6.10	6.10	6.10	6.10	6.10	2.00
Total	205.23	165.31	191.32	191.40	191.40	197.10

Source: Department of State, Foreign Operations and Related Programs Congressional Budget Justifications (FY2019-FY2022), Department of State, FY2021 Section 653(a) Allocation Report, and CRS calculations.

Notes: Prior-year funds not included in this table: an additional \$50 million in ESF funds in FY2021 (P.L. 116-260); an additional \$50 million in ESF funds in FY2020 (P.L. 116-94); and an additional \$50 million in Relief and Recovery Fund (RRF) aid in FY2019 (P.L. 116-6).

⁵⁵ For more background, see CRS Report RS21666, *Tunisia: In Brief*, by Alexis Arieff.

⁵⁶ MCC Congressional Notification, “Tunisia Intent to Sign,” July 7, 2021; available at www.mcc.gov.

Lebanon⁵⁷

U.S. military and economic assistance programs in Lebanon seek to bolster forces that could help counter Syrian and Iranian influence. U.S. security assistance priorities reflect long-standing U.S. concerns about the role of Hezbollah, while U.S. economic aid to Lebanon seeks to stabilize the economy, boost employment, strengthen the delivery of public services, and address the needs of vulnerable communities. Some in Congress have expressed concern about the potential for U.S. assistance to the Lebanese Armed Forces (LAF) to be diverted to Hezbollah or other designated terrorists. Others assert that U.S. aid to the LAF is key to containing Hezbollah's influence. Congress places several certification requirements on U.S. assistance funds for Lebanon annually in an effort to prevent their misuse or the retransfer of U.S. equipment.

FMF has been one of the primary sources of U.S. funding for the LAF, along with the Counter-ISIL Train and Equip Fund (CTEF). According to the State Department, in FY2020, the United States provided \$216 million in combined State Department and DOD military aid.⁵⁸ These funds have been used to procure, among other things, light attack helicopters, unmanned aerial vehicles, transport helicopters, and night vision devices.

The United States has long provided relatively modest amounts of ESF to Lebanon for scholarships and USAID programs. Since the start of the Syrian civil war, U.S. programs have been aimed at increasing the capacity of the public sector to provide basic services to both refugees and Lebanese host communities, including reliable access to potable water, sanitation, and health services. U.S. programs have also aimed to increase the capacity of the public education system to cope with the refugee influx.

To assist with Lebanon's worsening economic crisis, for FY2022, the President is requesting \$296 million in total bilateral aid to Lebanon, which is 22% more than what Congress provided for Lebanon in FY2021.

Table 7. Bilateral Aid to Lebanon

current U.S. dollars in millions

	FY2017 actual	FY2018 actual	FY2019 actual	FY2020 actual	FY2021 allocated	FY2022 request
DA	-	-	-	7.55	-	-
ESF	110.00	117.00	112.50	78.95	112.5	112.50
FMF	80.00	105.00	105.00	105.00	120.00	160.00
IMET	2.65	3.12	2.97	2.68	3.00	3.50
INCLE	10.00	10.00	10.00	10.00	10.00	8.20
NADR	5.76	10.82	11.82	11.82	12.82	11.76
Total	208.41	245.94	242.29	216.00	258.32	295.96

Source: Department of State, Foreign Operations and Related Programs Congressional Budget Justifications (FY2019-FY2022), of State, FY2021 Section 653(a) Allocation Report, and CRS calculations.

⁵⁷ For additional background, please see CRS Report R44759, *Lebanon*, by Carla E. Humud.

⁵⁸ U.S. Department of State, "U.S. Security Cooperation with Lebanon," factsheet, May 21, 2021.

Regional Program Aid

In addition to assistance provided directly to certain countries, the United States provides aid to Middle Eastern countries through regional programs, including the following.

- **Middle East Partnership Initiative (MEPI).** MEPI is an office within the Bureau for Near Eastern Affairs at the State Department that specifically supports political reform, women's and youth empowerment, quality education, and promoting economic opportunity in the Arab world. Since MEPI's inception in 2002, Congress has provided an estimated \$1.1 billion in ESF for the initiative. One of MEPI's tools is its ability to fund directly the operations of small local nongovernmental organizations (NGOs) through its Local Grants Program.⁵⁹ However, in countries with legal restrictions prohibiting foreign funding of local NGOs, U.S. officials and grant recipients may weigh the potential risks of doing so. In 2013, Egypt convicted local and foreign staff of U.S. and German democracy NGOs on charges of operating illegally in the country.⁶⁰ For FY2022, the Administration is requesting \$27.2 million in ESF for MEPI; Congress provided \$20 million in FY2021.
- **Middle East Regional (MER).** A USAID-managed program usually funded through the ESF and DA accounts, MER supports multi-country programs focusing on issues such as women's rights, public health, water scarcity, climate change, and education. For FY2022, the Administration is requesting \$16.3 million in DA funding for MER. In recent years, USAID has allocated \$10 to \$20 million annually for MER.
- **Near East Regional Democracy (NERD).** A State Department-managed program funded through ESF, NERD promotes democracy and human rights in Iran (though there is no legal requirement to focus exclusively on Iran). NERD-funded training for Iranian activists (e.g. pertaining to internet freedom, legal aid) takes place outside the country due to the regime's resistance to opposition activities supported by foreign donors. For FY2022, the Administration has requested \$55 million in ESF for NERD. For FY2021, Congress specified \$70 million in ESF for NERD (\$55 million base allocation plus \$15 million for the State Department's Bureau of Democracy, Human Rights, and Labor or DRL) in Division K of the Joint Explanatory Statement accompanying P.L. 116-260.
- **Middle East Regional Cooperation (MERC).** A USAID-managed program funded through ESF, MERC supports scientific cooperation between Israelis and Arabs.⁶¹ First established in an amendment to the SFOPS bill in 1979, MERC

⁵⁹ Other ongoing MEPI programs include the Tomorrow's Leaders Scholarship Program, which provides scholarships for students across the Arab world. MEPI also funds a mid-career training program called the Leaders for Democracy Fellowship program, which provides professionals with training in democracy studies and political mobilization.

⁶⁰ Using the appropriations process, Congress has acted to ensure that "democracy and governance activities shall not be subject to the prior approval by the government of any foreign country." Originally referred to as the Brownback amendment, this legislative language began in reference to Egypt, but was expanded in FY2009 to include "any foreign country." See Section 7032(e) of P.L. 116-260.

⁶¹ According to the State Department, "MERC is one of the few programs where universities, government laboratories, and non-governmental organizations in Arab countries and Israel are willing to cooperatively sign and actively implement a joint project award." See, Congressional Budget Justification for Foreign Operations, Appendix 2, FY2022.

was designed to encourage cooperation between Egyptian and Israeli scientists. Today, MERC is an open-topic, peer-reviewed competitive grants program that funds joint Israeli-Arab research covering the water, agriculture, environment, and health sectors. For FY2022, the Administration is requesting \$5 million in ESF for MERC. Congress specified \$5 million for MERC in the report language accompanying FY2021 appropriations (Division K of the Joint Explanatory Statement accompanying P.L. 116-260).

- **Middle East Multilaterals (MEM).** A State Department-managed program funded through ESF, MEM supports initiatives aimed at promoting greater technical cooperation between Arab and Israeli parties on issues such as water scarcity, environmental protection, and renewable energy.⁶² For FY2022, the Administration is requesting \$500,000 in ESF for MEM.
- **The Nita M. Lowey Middle East Partnership for Peace Act (MEPPA).** Enacted as part of the FY2021 Consolidated Appropriations Act, the Nita M. Lowey Middle East Partnership for Peace Act of 2020 (Div. K, Title VIII of P.L. 116-260) authorized the establishment of a USAID-managed “People-to-People Partnership for Peace Fund (PPF)” and a U.S. International Development Finance Corporation (DFC)-managed “Joint Investment for Peace Initiative.” In FY2021, Congress appropriated \$50 million in ESF to support the MEPPA. The PPF is expected to support programs to promote coexistence between Israelis and Palestinians, and the DFC is to use funds to develop the Palestinian private sector.
- **Trans-Sahara Counter-Terrorism Partnership (TSCTP).** A State Department-led, interagency initiative funded through multiple foreign assistance accounts (including Peacekeeping Operations or PKO, NADR, INCLE, DA, and ESF), TSCTP seeks to improve the capacity of countries in North and West Africa to counter terrorism and prevent Islamist radicalization. Three North African countries—Tunisia, Algeria, and Morocco—participate in TSCTP, and Libya is also notionally part of the partnership, but the program focuses overwhelmingly on the adjacent Sahel region of West Africa. The FY2022 budget request includes \$2 million in NADR funds specifically for Near East countries under TSCTP, along with \$38.5 million in military aid (via the PKO account) for the program’s 12 country participants.

Funding for Complex Humanitarian Crises

For nearly a decade, the United States has continued to devote foreign assistance resources toward several major humanitarian crises stemming from ongoing conflicts in Syria, Yemen, and elsewhere (see **Figure 5**). Since 2010, the United States has provided about \$20 billion in humanitarian response funding to the Middle East.⁶³

- The United States is the largest donor of humanitarian assistance to the **Syria crisis** and since FY2012 has allocated more than \$13 billion to meet

⁶² MEM grants support the Middle East Desalination Research Center (MEDRC) based in Muscat, Oman. According to the State Department, “MEDRC is one of two international institutions housed in the Arab world of which Israel is a member and can work with Arab partners.” See, Congressional Budget Justification for Foreign Operations, Appendix 2, FY2022.

⁶³ CRS calculation based on USAID Complex Emergency Factsheets.

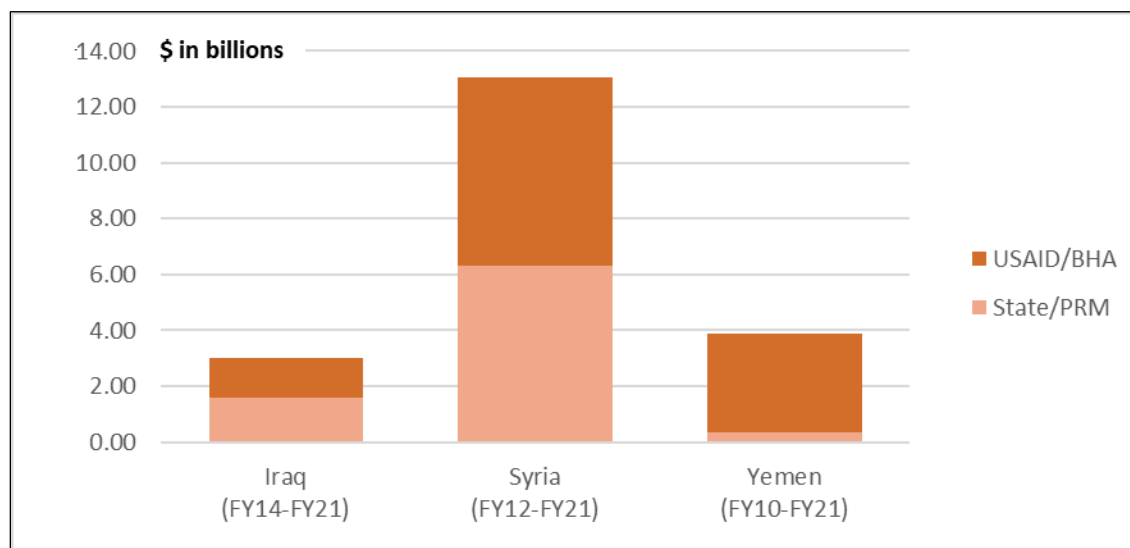
humanitarian needs using existing funding from global humanitarian accounts and some reprogrammed funding.

- According to the United Nations, **Yemen’s humanitarian crisis** is one of the worst in the world, with close to 80% of Yemen’s population of nearly 30 million needing some form of assistance. The United States, Saudi Arabia, the United Arab Emirates, and Kuwait are the largest donors to annual U.N. appeals for aid for Yemen. Since 2010, the United States has provided nearly \$4 billion in humanitarian aid for Yemen. Most of these funds are provided through USAID’s Bureau for Humanitarian Assistance to support the U.N. World Food Programme in Yemen.
- During the government of **Iraq’s confrontation with the Islamic State**, the United States was one of the largest donors of humanitarian assistance. Since 2014, it has provided nearly \$3 billion in humanitarian assistance for food, improved sanitation and hygiene, and other assistance for displaced and vulnerable communities.

The State Department and USAID provide this humanitarian assistance through implementing partners, including international aid organizations and nongovernmental organizations. Humanitarian assistance is primarily managed by USAID’s Bureau for Humanitarian Assistance (USAID/BHA) and the U.S. Department of State’s Bureau of Population, Refugees, and Migration (State/PRM) using “global accounts” (rather than bilateral assistance), such as IDA, FFP, and MRA.

Figure 5. Select U.S. Humanitarian Funding to Certain Middle East Crises

current U.S. dollars in billions



Source: USAID Complex Emergency Factsheets (as reported for Syria through June 3, 2021; Iraq through June 16, 2021; and Yemen through May 14, 2021).

Notes: USAID’s Bureau for Humanitarian Assistance (USAID/BHA). U.S. Department of State’s Bureau of Population, Refugees, and Migration (State/PRM). Total includes supplemental FY2020 funding through USAID/BHA and State/PRM for COVID-19 preparedness and response activities.

Select Foreign Aid Issues

Resumption of U.S. Aid to the Palestinians⁶⁴

From 2018 to early 2021, policy changes made by the Trump Administration, coupled with legislation passed by Congress halted various types of U.S. aid to the Palestinians. The Trump Administration withheld bilateral economic assistance, reprogrammed it elsewhere, and ceased requesting it altogether after Palestinian leadership broke off high-level political contacts in protest of President Trump's December 2017 recognition of Jerusalem as Israel's capital. In 2018, the United States suspended its contributions to UNRWA. In January 2019, after Congress passed the Anti-Terrorism Clarification Act of 2018 (ATCA, P.L. 115-253), the Palestinian Authority (PA) ceased accepting any U.S. aid, including security assistance and legacy economic assistance from prior fiscal years.⁶⁵

In January 2021, the Biden Administration announced its intent to “restore credible U.S. engagement with Palestinians” by renewing U.S. relations with the Palestinian leadership, reopening diplomatic missions closed by the Trump Administration, and restarting U.S. assistance programs that “support economic development and humanitarian aid for the Palestinian people.”⁶⁶ In March, the Biden Administration allocated \$15 million in International Disaster Assistance (IDA) for COVID-19 response needs and emergency food assistance in the West Bank and Gaza Strip. In April, Secretary of State Antony Blinken announced that in conjunction with Congress, the Biden Administration would restart major aid programs to the Palestinians to include:

- \$75 million in bilateral economic aid (FY2020 ESF) for the West Bank and Gaza;
- \$150 million in humanitarian assistance (MRA) for UNRWA;
- \$10 million for peacebuilding programs through USAID (DA).⁶⁷

Secretary Blinken also announced the “resumption of vital security assistance programs.”⁶⁸

In May 2021, several days after a cease-fire was reached between Israel and Hamas ending their 11-day conflict, Secretary Blinken announced another round of Palestinian aid to include: \$33 million for UNRWA, \$75 million in bilateral aid (FY2021 ESF), and \$5.5 million for Gaza from

⁶⁴ For more information, see CRS InFocus CRS In Focus IF10644, *The Palestinians: Overview, 2021 Aid, and U.S. Policy Issues*, by Jim Zanotti; CRS Insight IN11649, *U.S. Resumption of Foreign Aid to the Palestinians*, by Jim Zanotti and Rhoda Margesson; and CRS Report RL34074, *The Palestinians: Background and U.S. Relations*, by Jim Zanotti.

⁶⁵ ATCA provided for a defendant's consent to U.S. federal court jurisdiction over the defendant for lawsuits related to international terrorism if the defendant accepted U.S. foreign aid from any of the three accounts from which U.S. bilateral aid to the Palestinians has traditionally flowed (ESF, INCLE, and NADR). The PA made the decision not to accept bilateral aid, most likely to avoid being subjected to U.S. jurisdiction in lawsuits filed by U.S. victims of Palestinian terrorism. In December 2019, Congress passed the Promoting Security and Justice for Victims of Terrorism Act of 2019, or PSJVTA, as § 903 of the Further Consolidated Appropriations Act, 2020, P.L. 116-94. PSJVTA changes the legal framework applicable to terrorism-related offenses by replacing the provisions in ATCA that provided for consent to personal jurisdiction for accepting U.S. aid. However, because PSJVTA did include other possible triggers of consent to personal jurisdiction. See, CRS Report R46274, *The Palestinians and Amendments to the Anti-Terrorism Act: U.S. Aid and Personal Jurisdiction*, by Jim Zanotti and Jennifer K. Elsea.

⁶⁶ United States Mission to the United Nations, “Remarks at a UN Security Council Open Debate on the Situation in the Middle East, Ambassador Richard Mills, Acting Representative, January 26, 2021.

⁶⁷ U.S. Department of State, “The United States Restores Assistance for the Palestinians,” press statement, April 7, 2021.

⁶⁸ Ibid.

the IDA account. In July, the Administration contributed an additional \$135.8 million for UNRWA.

Historically, Congress has enacted numerous restrictions on U.S. aid to the Palestinians both in standing law and annual appropriations acts.⁶⁹ The Taylor Force Act or TFA (Div. S, Title X of P.L. 115-141) prohibits most ESF aid from directly benefitting the Palestinian Authority unless the Palestine Liberation Organization (PLO)/PA curtails domestically popular payments that arguably incentivize acts of terror. While the Biden Administration has claimed that all U.S. funds “will be administered in a way that benefit the Palestinian people — not Hamas” and will be “consistent with applicable U.S. law,”⁷⁰ some lawmakers have attempted to halt the resumption of U.S. assistance. After the Biden Administration announced its intention to resume aid, Senate Foreign Relations Committee Ranking Member Jim Risch and House Foreign Affairs Committee Ranking Member Michael McCaul issued a joint statement arguing that U.S. funding should be linked to PA concessions and UNRWA reforms and reportedly placed an informal congressional hold on the FY2020 ESF assistance.⁷¹ Also, 18 Senators sent a letter to Secretary Blinken urging him to pause the ESF until the Administration takes some steps to justify it in light of the TFA’s general restriction on ESF directly benefitting the PA.⁷² The letter also calls on the Administration to implement recommendations from a March 2021 Government Accountability Office (GAO) report to ensure that aid disbursements to implementing partner organizations, including sub-grantees, fully comply with anti-terrorism vetting requirements. In early June 2021, 145 House Democrats sent a letter to Senate Foreign Relations Committee Ranking Member Risch asking him to “release your hold on tens of millions of dollars in appropriated humanitarian aid that is so desperately needed to meet the needs of hundreds of thousands of Palestinian civilians rebuilding their lives in the wake of the fighting between Hamas and Israel earlier this month.”⁷³ In a June 15, 2021, response to that letter, according to press reports, Ranking Member Risch wrote that the continuing hold on a portion of the FY2020 ESF did not affect the humanitarian aid provided for Palestinians to UNRWA (via the MRA account) or from IDA. He also explained that the hold on what he characterized as “longer-term development projects” continues because of potentially differing views between the Administration and some Members about whether the ESF funds in question would directly benefit the PA.⁷⁴

Lebanon’s Economic Crisis⁷⁵

According to the World Bank, Lebanon’s ongoing economic collapse, a result of overlapping governance, currency, debt, fiscal, and banking crises, “is likely to rank in the top 10, possibly top 3, most severe crises episodes globally since the mid-nineteenth century.”⁷⁶ The Lebanese lira (also known as the pound), pegged to the dollar, has lost more than 90% of its value in black-market trading since October 2019. It dropped precipitously in March 2020, after the country

⁶⁹ See Sections 7037-7040, 7041(k), and 7048(d) of P.L. 116-260.

⁷⁰ *op.cit.*, Department of State, May 26, 2021.

⁷¹ Senate Foreign Relations Committee, “Risch, McCaul: Biden Administration Should Have Secured Concessions Before Resuming Assistance to Palestinians,” April 7, 2021.

⁷² Available online at https://www.cotton.senate.gov/imo/media/doc/palestine_letter.pdf.

⁷³ Available online at https://raskin.house.gov/_cache/files/4/6/46b7d344-a52a-4747-8cdd-49bcd9620ac/B649B27DDB83548BF673082A8A24EF97.final-raskin-letter-to-risch-re-gaza-aid.pdf.

⁷⁴ Available online at <https://freebeacon.com/wp-content/uploads/2021/06/210615-TO-House-of-Representatives-Jamie-Raskin-Response-to-Israel-Gaza-Letter-1.pdf>.

⁷⁵ For more information, see CRS Report R44759, *Lebanon*, by Carla E. Humud.

⁷⁶ The World Bank, *Lebanon Economic Monitor, Spring 2021: Lebanon Sinking (To the Top 3)*, May 31, 2021.

defaulted on \$31 billion in Eurobond debt; Lebanon had not previously defaulted on its foreign debt. Lebanon's debt-to-GDP ratio (which economists project to reach 194% by the end of 2021) is among the highest in the world.⁷⁷

Lebanon's currency depreciation has led to hyperinflation that has crippled the purchasing power of average citizens; it is estimated that more than half the population now lives below the poverty line.⁷⁸ The inflation rate rose tenfold in 2020 (from 10% in January 2020 to 120% in August 2020) and is projected to remain at 96.6% throughout 2021. Food price inflation has soared to more than 200% in 2021; in 2020, it briefly reached 400%.⁷⁹

Without a fully formed government that can undertake economic reforms sought by international financial institutions, Lebanon remains in stasis. In May 2020, the Lebanese government formally requested a \$10 billion loan from the International Monetary Fund (IMF). However, IMF talks over a potential rescue package for Lebanon have stalled, as Lebanese officials, among other disputes, have not provided all the documents considered necessary to conduct a forensic audit of Banque du Liban (BDL), Lebanon's central bank.⁸⁰ An external forensic audit would allow analysts to assess more accurately Lebanon's economic and financial losses, and would investigate potential fraud, negligence, missing funds, and bank compliance with Lebanese law. Talks also stalled over questions regarding the exchange rate, government finances, and banking reforms. U.S. and European officials have conditioned their support for an IMF program for Lebanon on the implementation of structural reforms. Many of the reforms sought by outside donors would require the formation of a new government.

According to one forecast from the Economic Intelligence Unit:

We expect that once a new government has been appointed and gained parliamentary support for its reform agenda, a short-term [International Monetary] Fund agreement will follow, probably in the third quarter of 2021. The next government will seek between US\$10bn and US\$15bn in financial assistance from the IMF. The Fund will only provide US\$3bn-5bn—with the remainder supplied by bilateral source—and disbursement will only commence once it sees a cohesive policy agenda with broad-based support. As a result, much will depend on the government's ability to draft a compelling blueprint that can achieve parliamentary support.⁸¹

Stabilization in Areas Liberated from the Islamic State

As Congress considers the President's FY2022 budget request for MENA, Members have continued to discuss what the appropriate level of U.S. assistance should be to stabilize and reconstruct areas recaptured from the Islamic State organization (IS, aka ISIS/ISIL). According to U.S. intelligence estimates, ISIS is "capable of waging a prolonged insurgency in Iraq and Syria and leading its global organization, despite compounding senior leadership losses."⁸² From FY2017 to FY2020, the State Department and USAID obligated nearly \$1 billion (see **Table 8**) from various accounts (ESF, INCLE, NADR, PKO, and FMF) as part of the "Relief and

⁷⁷ The World Bank, *Lebanon Economic Monitor, Fall 2020: The Deliberate Depression*, December 1, 2020.

⁷⁸ "ANALYSIS-Lebanon Frozen by Political Intransigence as It Hurtles Towards Collapse," Reuters, March 26, 2021.

⁷⁹ Emiko Terazono and Judith Evans, "Global Food Prices Post Biggest Jump in Decade," *Financial Times*, June 3, 2021.

⁸⁰ Nabil Makkari, "A tale of two audits," *Executive Magazine*, April – May 2021.

⁸¹ Economist Intelligence Unit, *Country Report, Lebanon*, generated on June 16, 2021.

⁸² Office of the Director of National Intelligence, *Annual Threat Assessment of the US Intelligence Community*, April 9, 2021.

Recovery Fund (RRF)”⁸³ to help areas liberated or at risk from the Islamic State and other terrorist organizations.⁸⁴

Table 8. Relief and Recovery Fund

current U.S. dollars in millions

	FY2017 actual	FY2018 actual	FY2019 actual	FY2020 actual	FY2021 (PSF) allocated	FY2022 (PSF) request
ESF	95.00	209.00	28.00	0.70	45.00	75.00
FMF	100.00	75.00	25.00	25.00	17.50	17.50
INCLE	15.00	25.00	25.00	19.44	5.00	10.00
NADR	-	50.00	23.00	23.50	10.00	0.00
PKO	25.00	80.00	40.00	40.00	12.50	12.50
Total	235.00	439.00	141.00	108.64	90.00	115.00

Source: Department of State, Foreign Operations and Related Programs Congressional Budget Justifications (FY2019-FY2022), Department of State, FY2021 Section 653(a) Allocation Report, and CRS calculations.

Notes: Pursuant to the Global Fragility Act (Title V, Division J, P.L. 116-94) the FY2021 Omnibus (Division K, P.L. 116-260) replaced the RRF with a new Prevention and Stabilization Fund (PSF).

In the 116th Congress, lawmakers replaced the RRF with a new “Prevention and Stabilization Fund” or PSF.⁸⁵ The PSF, which received a \$200 million per year authorization through FY2024, may provide assistance to “areas liberated or at risk from, or under the control of, the Islamic State of Iraq and Syria, other terrorist organizations, or violent extremist organizations, including for stabilization assistance for vulnerable ethnic and religious minority communities affected by conflict.”

For stabilization efforts in Iraq, USAID has used ESF and ESF-OCO (Overseas Contingency Operations) funds to contribute to the United Nations Development Program’s Funding Facility for Stabilization (FFS). To date, more than \$405 million in U.S. stabilization aid has flowed to liberated areas of Iraq through the FFS—which remains the main international conduit for post-IS stabilization assistance in liberated areas of Iraq. USAID is the largest donor to the FFS, which has received \$1.4 billion from 28 global donors since 2015.⁸⁶

The United States has provided more than \$1.3 billion in stabilization assistance for Syria since 2011.⁸⁷ Stabilization assistance focuses on projects in non-regime held areas, particularly those

⁸³ Funds designated for the Relief and Recovery Fund were subject to the authorities and availability of the specific accounts in which such funds were appropriated. For example, funds appropriated by acts for ESF, INCLE, and NADR are available for two fiscal years, while PKO and FMF funds are made available for one fiscal year, except for funds in those accounts that are designated as Overseas Contingency Operations funds, which are also available for two years.

⁸⁴ Prior to the creation of the RRF, Congress had already appropriated more than \$1 billion in Economic Support Fund-Overseas Contingency Operations (ESF-OCO) funding “for programs to counter the Islamic State of Iraq and the Levant, other terrorist organizations, and violent extremism, and address the needs of populations impacted by such organizations.” See, P.L. 114-254, Further Continuing and Security Assistance Appropriations Act. Congress has appropriated foreign assistance designated for the RRF in: P.L. 115-31 (FY2017 - \$169 million), P.L. 115-141 (FY2018 - \$500 million), P.L. 116-6 (FY2019 - \$200 million), and P.L. 116-94 (FY2020 - \$200 million).

⁸⁵ Pursuant to the Global Fragility Act (Title V, Division J, P.L. 116-94) the FY2021 Omnibus (Division K, P.L. 116-260), replaced the RRF with the PSF.

⁸⁶ See <https://www.usaid.gov/iraq/stabilization>.

⁸⁷ U.S. Department of State, “U.S. Relations With Syria,” Bilateral Relations Fact Sheet, January 10, 2021.

liberated from Islamic State control. It aims to prevent the resurgence of the Islamic State, and to enable the restoration of essential services—which would allow the safe return of displaced persons. The State Department also has described stabilization assistance as a “counterweight” to the destabilizing influence of Iran, Russia, and the Syrian government.⁸⁸ In 2020, State Department and USAID stabilization programs in Syria included vocational training, seed and fertilizer distribution, and the rehabilitation of several bakeries and a desalination plant.

Human Rights and Foreign Aid to MENA

In conducting diplomacy in the Middle East and providing foreign aid to friendly states, the United States has faced the challenge of balancing national security interests with the promotion of democratic principles. Executive branch officials and some Members of Congress have judged that ensuring stability and facilitating counterterrorism cooperation at times requires partnering with governments that do not meet basic standards of democracy, good governance, or respect for human rights.

Successive Administrations and Congress at times have used policy levers, such as conditional foreign aid, to try to promote changes in behavior from partner governments accused of either suppressing their own populations or committing human rights abuses in military operations. In some instances, policymakers have taken action intended to reinforce democratic principles in U.S.-MENA diplomacy and to comply with U.S. and international law, while preserving basic security cooperation.

Examples of provisions of U.S. law that limit the provision of U.S. foreign assistance in instances when a possible gross violation of human rights has occurred include, among others:

- **The Foreign Assistance Act (FAA)** of 1961, as amended, contains general provisions on the use of U.S.-supplied military equipment (e.g., Section 502B, Human Rights - 22 U.S.C. 2304). Section 502B(a)(2) of the FAA stipulates that, absent the exercise of a presidential waiver, “no security assistance may be provided to any country the government of which engages in a consistent pattern of gross violations of internationally recognized human rights.” As a general matter, the executive branch appears to have rarely restricted assistance pursuant to this provision, and there is no statutory requirement for the executive branch to notify Congress when it chooses to invoke 502B. Pursuant to Section 502B(c), Congress also may, through a resolution of the House or Senate or by request of the Senate Foreign Relations or House Foreign Affairs committees, require a report within 30 days from the Secretary of State concerning human rights in a specific country, including an assessment of whether extraordinary circumstances exist that necessitate a continuation of security assistance.⁸⁹ Congress, by joint

⁸⁸ Lead Inspector General for Operation Inherent Resolve, Quarterly Report to the United States Congress, October 1, 2020—December 31, 2020, February 9, 2021.

⁸⁹ In the 116th Congress, several lawmakers introduced resolutions that, among other things, would have required the Secretary of State to submit a report to Congress pursuant to section 502B(c), including: S.Res. 409 - A resolution requesting information on Turkey’s human rights practices in Syria pursuant to section 502B(c) of the Foreign Assistance Act of 1961; S.Res. 243 - A resolution requesting information on Saudi Arabia’s human rights practices in Yemen pursuant to section 502B(c) of the Foreign Assistance Act of 1961; S.Res. 754 - A resolution requesting information on the Government of Azerbaijan’s human rights practices pursuant to section 502B(c) of the Foreign Assistance Act of 1961; and S.Res. 169 - A resolution requesting a statement under section 502B(c) of the Foreign Assistance Act of 1961 with respect to violations of human rights by the Government of Saudi Arabia.

resolution, may act to terminate, restrict, or continue security assistance to such country.

- **The Arms Export Control Act (AECA)**, as amended, contains several general provisions and conditions for the export of U.S.-origin defense articles that may indirectly address human rights concerns.⁹⁰ For example, Section 4 of the AECA (22 U.S.C. 2754) states that defense articles may be sold or leased for specific purposes only, including internal security, legitimate self-defense, and participation in collective measures requested by the United Nations or comparable organizations. Section 3(c)(1)(B) of the AECA (22 U.S.C. 2753(c)(1)(B)) prohibits the sale or delivery of U.S.-origin defense articles when either the President or Congress find that a recipient country has used such articles in substantial violation of an agreement with the United States governing their provision or “for a purpose not authorized” by Section 4 of the AECA or Section 502 of the FAA.
- **Standard Terms and Conditions in a Letter of Offer and Acceptance (LOA)** Pursuant to the AECA, when a foreign nation purchases U.S. defense articles and services (using FMF or national funds), it must sign a Letter of Offer and Acceptance (LOA) with the United States government. The LOA lists the items and/or services, estimated costs, and the terms and conditions of sale. The standard terms and conditions permit the recipient government to use such items only for certain specified purposes such as legitimate self-defense or preventing the proliferation of weapons of mass destruction.⁹¹ Standard LOA language also includes the phrase: “The purchaser notes its obligations under International Humanitarian Law and Human Rights Law.”⁹²
- **The “Leahy Laws”** Section 620M of the FAA (22 U.S.C. 2378d) and 10 U.S.C. 362 prohibit U.S. security assistance to a foreign security force unit when there is credible information that such unit has committed a gross violation of human rights. The State Department and U.S. embassies overseas implement Leahy vetting to determine which foreign security individuals and units are eligible to receive U.S. assistance or training.
- **End-Use Monitoring** It is the statutory responsibility of the Departments of State and Defense, pursuant to the Arms Export Control Act (AECA), to conduct end-use monitoring (EUM) to ensure that FMS/Direct Commercial Sales (DCS) recipients use such items solely for their intended purposes. The AECA also provides authority to the President (through a presidential determination) and Congress (joint resolution) to prohibit the sale or delivery of U.S.-origin defense articles to a recipient country if it has used such articles “for a purpose not authorized” by the AECA or the FAA.⁹³

⁹⁰ See CRS In Focus IF11197, *U.S. Arms Sales and Human Rights: Legislative Basis and Frequently Asked Questions*, by Paul K. Kerr and Liana W. Rosen.

⁹¹ For a sample LOA, see Defense Security Cooperation Agency, Security Assistance Management Manual, available at <https://www.samm.dsca.mil/figure/figure-c5f4>.

⁹² op.cit., Security Assistance Management Manual.

⁹³ See CRS In Focus IF11197, *U.S. Arms Sales and Human Rights: Legislative Basis and Frequently Asked Questions*, by Paul K. Kerr and Liana W. Rosen and CRS In Focus IF10392, *Foreign Military Sales Congressional Review Process*, by Paul K. Kerr.

In addition to the U.S. Code, annual appropriations legislation contains several general and MENA-specific provisions that restrict aid to human rights violators.⁹⁴ Recent annual appropriations legislation conditioning U.S. aid to Egypt is one of the more prominent examples of how policymakers have attempted to leverage foreign aid as a tool to promote U.S. values abroad (see “Egypt” above).

Members of Congress and the broader foreign policy community continue to debate the efficacy of using foreign aid as leverage to promote greater respect for human rights in the Middle East and elsewhere.⁹⁵ In the 117th Congress, some House lawmakers have called for conditioning U.S. military aid to Israel based on its treatment of the Palestinians.⁹⁶ For the third consecutive Congress, Representative Betty McCollum has introduced legislation focused on Israel’s treatment of the Palestinians (H.R. 2590).⁹⁷ This legislation would, “notwithstanding any other provision of law,” prohibit foreign assistance funds to the Government of Israel from being used for, among other things, (1) “Supporting the military detention, interrogation, abuse, or ill-treatment of Palestinian children,” (2) “Supporting the seizure, appropriation, or destruction of Palestinian property and forcible transfer of civilians in the Israeli-controlled and occupied West Bank,” and (3) “Deploying, or supporting the deployment of personnel, training, services, lethal materials, equipment, facilities, logistics, transportation, or any other activity to territory in the occupied West Bank to facilitate or support further unilateral annexation by Israel.”⁹⁸

FY2022 MENA Legislative Summary

On July 6, 2021, the House Committee on Appropriations introduced and reported (H.Rept. 117-84) the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2022 (H.R. 4373). The bill passed the House by the Yeas and Nays 217 – 212 (Roll no. 243) on July 28, 2021. As of September 2, the Senate has not yet taken up its version of the bill. Summarized in **Table 9** are provisions related to the MENA region contained in the House bill text and accompanying report.

⁹⁴ For example, see Section 7008 of P.L. 116-94, the FY2020 Further Consolidated Appropriations Act. For background information on Section 7008, see CRS In Focus IF11267, *Coup-Related Restrictions in U.S. Foreign Aid Appropriations*, by Alexis Arief, Marian L. Lawson, and Susan G. Chesser.

⁹⁵ In 2021, the journal *Democracy in Exile*, published by the human rights organization known as Dawn (Democracy for the Arab World Now), published a series of articles on foreign aid conditionality in the Middle East. See, [https://dawnmena.org/dawns-advocacy/aid-conditionality/]

⁹⁶ Rebecca Kheel, “Progressives Ramp Up Scrutiny of US Funding for Israel,” *The Hill*, May 23, 2021.

⁹⁷ In the 115th Congress, Representative McCollum introduced H.R. 4391, Promoting Human Rights by Ending Israeli Military Detention of Palestinian Children Act, that would have, among other things, prohibited U.S. assistance to Israel (notwithstanding any other provision of law) from being used to support the military detention, interrogation, or ill-treatment of Palestinian children in violation of international humanitarian law. This bill was referred to the House Foreign Affairs Committee, and it did not see further committee or floor action. In the 116th Congress, Representative McCollum introduced a similar version of the legislation (H.R. 2407) that, rather than specifically addressing U.S. military assistance to Israel, would have altered Section 620M of the Foreign Assistance Act of 1961 (22 U.S.C. 2378d; commonly known as the “Leahy Law”) by prohibiting foreign assistance to a foreign country that may be used to support the military detention, interrogation, abuse, or ill-treatment of children in violation of international humanitarian law. H.R. 2407 in the 116th Congress also would have authorized \$19 million each year for nongovernmental organizations monitoring possible human rights abuses associated with reported Israeli military detention of Palestinian children. This bill also was referred to the House Foreign Affairs Committee, and it did not see further committee or floor action.

⁹⁸ Section 5 of H.R. 2590.

Table 9. FY2022 MENA Foreign Operations Appropriations

Country	Provisions in H.R. 4373 and H.Rept. 117-84
Egypt	<p>The Act provides not less than \$125 million in ESF, of which not less than \$40 million should be made available for higher education programs, including not less than \$15 million for scholarships, and not less than \$1.3 billion in FMF, provided that \$150 million of FMF funds shall be withheld from obligation until the Secretary of State certifies that the Government of Egypt is taking sustained and effective steps to, among other things, strengthen the rule of law, democratic institutions and, human rights in Egypt, implement reforms to protect civil liberties, hold Egyptian security forces accountable, investigate and prosecute cases of extrajudicial killing and forced disappearances, provide access for U.S. officials to monitor such assistance, and prevent the intimidation and harassment of American citizens. This certification shall not apply to funds appropriated for counterterrorism, border security, and non-proliferation programs, and may be waived if the Secretary determines that it is in the national security interest of the United States. An additional \$135 million in FMF, not subject to a waiver, is to be withheld until the Secretary of State determines and reports that the Government of Egypt is making progress in releasing political prisoners. An additional \$15 million in FMF, not subject to a waiver, is to be withheld until the Secretary of State determines and reports that the Government of Egypt has provided American citizens with fair and commensurate compensation for injuries suffered as a result of an attack against a tour group by the Egyptian military. The Act also includes authority for loan guarantees and financing for the procurement of defense articles to Egypt. The accompanying House report allocates \$3.5 million for NADR programs, and \$1.8 million for IMET.</p>
Iran	<p>Continues language from the prior year. Funds appropriated under the Diplomatic Programs, ESF, and NADR accounts shall be made available 1) to support U.S. policy to prevent Iran from achieving the capability to produce or otherwise obtain a nuclear weapon; 2) support an expeditious response to any violation of UNSC resolutions; 3) to support the implementation, enforcement, and renewal of sanctions against Iran; and 4) for democracy programs in Iran. The Act also requires a semi-annual report required by the Atomic Energy Act of 1954, and a report on sanctions.</p>
Iraq	<p>The Act makes funds available under Titles III and IV for bilateral economic and international security assistance, including in the Kurdistan Region of Iraq (KRI) and for the Marla Ruzicka Iraqi War Victims Fund (\$7.5 million); stabilization assistance, including in Anbar Province; justice sector strengthening (\$2.5 million); humanitarian assistance; and programs to protect religious and ethnic minority populations, and for scholarships (\$10 million). The House Report states that the Secretary of State “shall work with the Government of Iraq to ensure security forces reflect the ethno-sectarian makeup of the areas in which they operate....” The Act would prohibit funds appropriated for use to enter into a permanent basing rights agreement between the U.S. and Iraq. The accompanying report allocates funds from the following accounts: \$150 million in ESF, \$47.5 million in NADR, \$1 million in IMET, and \$250 million in FMF. The report also directs funds be made available under IDA and MRA accounts to support programs that address the needs of IDPs and refugees in Iraq. The Committee encourages the State Department to expedite the processing of Iraqi Special Immigrant Visa applications and to expand the days and hours of operation for consular services in Erbil in the KRI.</p>
Israel	<p>The Act provides \$3.3 billion in FMF and \$5 million in MRA for refugee resettlement. The report recommends \$50 million in ESF for the Nita M. Lowey Middle East Partnership for Peace Act regarding programs to promote reconciliation between Israelis and Palestinians.</p>
Jordan	<p>The Act provides not less than \$1.65 billion for assistance to Jordan, including not less than \$845.1 million for budget support for the Government of Jordan, \$425 million in FMF, and \$1.2074 billion in ESF. The Act also includes authority for loan guarantees for Jordan, and authorizes Foreign Military Financing direct loans for Jordan, not to exceed \$4 billion.</p>

Country	Provisions in H.R. 4373 and H.Rept. 117-84
Lebanon	<p>The Act makes funds available under Titles III and IV, and the Committee supports increasing assistance for Lebanon above the prior fiscal year. The Act specifies that INCLE and FMF funds may be made available for the Lebanese Internal Security Forces (ISF) and the LAF to address security and stability requirements in areas affected by the conflict in Syria. FMF funds may be used only to professionalize the LAF, to strengthen border security and combat terrorism, and to implement U.N. Security Resolution 1701. FMF funds may not be obligated for assistance for the LAF until the Secretary of State submits to the Committees on Appropriations a spend plan, including actions to be taken to ensure equipment provided to the LAF is only used for the intended purposes, not later than June 1, 2022. Aid shall not be made available for the ISF or the LAF if these entities fall under control by a foreign terrorist organization.</p>
Libya	<p>The Act makes available funds under Title III and IV for stabilization assistance for Libya, provided that the Secretary of State certifies that mechanisms are in place for monitoring, oversight, and control of such funds. The Committee recommends increased assistance for Libya above the prior fiscal year in support of a U.N.-facilitated, Libyan-led, inclusive, and negotiated political solution to conflict there.</p>
Morocco and Western Sahara	<p>The Act makes funds available under Title III for assistance for the Western Sahara, provided that the Secretary of State, in consultation with the USAID Administrator, consult with the Committees on Appropriations on the proposed uses of such funds within 90 days. The Act also states that FMF may only be used for the purposes requested in the Congressional Budget Justification, Foreign Operations, Fiscal Year 2017. The report allocates not less than \$10 million in DA, \$10 million in ESF, and \$10 million FMF.</p>
Saudi Arabia	<p>The Act continues prior year language specifying that no IMET funds may be made available for assistance for the Government of Saudi Arabia, and that none of the funds made available by this Act and prior Acts may be "obligated or expended by the Export-Import Bank of the United States to guarantee, insure, or extend (or participate in the extension of) credit in connection with the export of nuclear technology, equipment, fuel, materials, or other nuclear technology-related goods or services to Saudi Arabia unless the Government of Saudi Arabia—(A) has in effect a nuclear cooperation agreement pursuant to Section 123 of the Atomic Energy Act of 1954 (42 U.S.C. 2153); (B) has committed to renounce uranium enrichment and reprocessing on its territory under that agreement; and (C) has signed and implemented an Additional Protocol to its Comprehensive Safeguards Agreement with the International Atomic Energy Agency."</p>
Syria	<p>The Act provides funds under Titles III and IV for nonlethal stabilization assistance for Syria, including emergency medical and rescue response and chemical weapons use investigations, provided that the Secretary of State takes all practicable steps to ensure that mechanisms are in place for monitoring, oversight, and control of such funds. The Act prohibits any funds from supporting or otherwise legitimizing the government of Iran or proxy of Iran, furthering the strategic objectives of the Government of the Russian Federation, or for use in areas controlled by the Asad government.</p>
Tunisia	<p>The Act provides not less than \$197.1 million for Tunisia under Titles III and IV and prior Acts. The bill also includes authority for loan guarantees for Tunisia. The report allocates funds according to the following breakdown: \$45 million (DA), \$40 million (ESF), \$22 million (INCLE), \$2 million (NADR), \$2.3 million (IMET), and \$85 million (FMF).</p>

Country	Provisions in H.R. 4373 and H.Rept. 117-84
West Bank/Gaza	The Act makes available not less than \$225 million in ESF funds for the West Bank and Gaza. Prior to obligating ESF funds to the West Bank and Gaza, the Secretary of State shall report to the Committees on Appropriations that the purpose of this assistance is to “advance Middle East peace; improve security in the region; continue support for transparent and accountable government institutions; promote a private sector economy; or address urgent humanitarian needs.” No ESF funds shall be made available if the Palestinians obtain full membership at the United Nations outside an agreement negotiated with Israel or initiate an International Criminal Court investigation that subjects Israeli nationals to an investigation for alleged crimes against Palestinians, subject to waiver by the Secretary of State. Funds appropriated by this act are made available consistent with Section 1004(a) of the Taylor Force Act (Title X of Division S of P.L. 115-141). The Act also requires the Secretary of State to submit a report to Congress detailing steps taken by the PA to counter incitement of violence against Israelis and to promote peace with Israel.
Yemen	The Act makes Title III funds, funds under INCLE and NADR, and prior year funds available for health, humanitarian, and stabilization assistance for Yemen. The report directs the Secretary of State to continue pressing government officials in Saudi Arabia to unconditionally ease all restrictions on Yemen’s ports and airports and to enable the free flow of fuel, food, and medicine into and throughout Yemen.
Amendments Passed (H.Rept. 117-10)	
Israel	2. Bowman (NY), Malinowski (NJ), Nadler (NY): Increases and decreases funding by \$1 million for the Economic Support Fund, which funds the Nita M. Lowey Partnership for Peace Act, to express support for diplomatic efforts.
Yemen	5. Dingell (MI): Increases and decreases funds in the Department of State Administrative Account by \$1,000,000 to highlight opposition to U.S. political or diplomatic support for the Saudi blockade of Yemen.
Saudi Arabia	25. Ocasio-Cortez (NY): Increases and decreases funds in the Department of State Administrative Account by \$1,000,000 to highlight the need for stronger congressional oversight, robust human rights measures, and transparency in U.S. arms sales to countries such as Saudi Arabia.

Source: Department of State, Foreign Operations, and Related Programs Appropriations Act, 2022 (H.R. 4373) engrossed in the House (September 28, 2021), and accompanying report (H.Rept. 117-84).

Notes: For brevity, authors have paraphrased bill text and accompanying committee report. Amendments 5 and 25 were considered as part of en bloc amendment #3 to H.R. 4373 (H.Amdt. 91) which was agreed to by Yeas and Nays: 217 - 200 (roll call vote no. 241). Amendment 2 was considered as part of en bloc amendment #2 to H.R. 4373 (H.Amdt. 89) which was agreed to by voice vote.

Appendix A. Common Foreign Assistance Acronyms and Abbreviations

I206	Section 1206 of the National Defense Authorization Act (NDAA) provides the Secretary of Defense with authority to train and equip foreign military forces
CCF	Complex Crises Fund
CTPF	Counter-Terrorism Partnerships Fund
DA	Development Assistance
DOD	Department of Defense
DOS	Department of State
ERMA	Emergency Refugee and Migration Assistance
ESF	Economic Support Fund
ESDF	Economic Support and Development Fund (account requested by the Trump Administration to replace ESF and DA but not supported by Congress)
FMF	Foreign Military Financing
GHCS	Global Health Child Survival
IDA	International Disaster Assistance
IMET	International Military Education and Training
IMF	International Monetary Fund
INCLE	International Narcotics Control and Law Enforcement
JES	Joint Explanatory Statement
MCC	Millennium Challenge Corporation
MOU	Memorandum of Understanding
MRA	Migration and Refugee Assistance
NADR	Nonproliferation, Anti-Terrorism, Demining and Related Programs
NGO	Non-Governmental Organization
OCO	Overseas Contingency Operations
ODA	Official Development Assistance
PKO	Peacekeeping Operations
P.L. 480	Food for Peace/Food Aid
T&E	Train & Equip
TI	Transition Initiatives
USAID	U.S. Agency for International Development

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