

Proposed Appropriation Language

THE ASIA FOUNDATION

For a grant to The Asia Foundation, as authorized by The Asia Foundation Act (22 U.S.C. 4402), [~~\$19,000,000~~]*\$15,690,000*, to remain available until expended, as authorized. (*Department of State, Foreign Operations, and Related Programs Appropriations Act, 2010.*)

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Resource Summary

(\$ in thousands)

Appropriations	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Increase / Decrease
Funds	16,000	19,000	15,690	(3,310)

Program Description

The Asia Foundation (TAF) is a private, nongovernmental organization (NGO) that advances U.S. interests in the Asia-Pacific region. For 55 years, working through its network of 18 offices in Asia, TAF has been a well-recognized American organization, with programs grounded in Asia, helping to solve local problems in cooperation with Asian partners. TAF has local credibility, a nuanced understanding of the issues facing each country, and extensive access--to and relationships with--government, nongovernmental groups and the private sector. TAF programs and grants help develop institutions of democratic governance; support civil society development and peaceful conflict resolution; expand economic opportunity, including for women; and promote better understanding between the United States and countries of Asia. TAF operates throughout Asia, including in key countries, such as Afghanistan, Pakistan, Indonesia, and China. Under the Asia Foundation Act of 1983, appropriated funds are the Foundation's single most important funding source, enabling it to maintain its strategic presence in key countries in the region.

TAF's program priorities are developed in consultation with the Department of State and are closely aligned with U.S. foreign policy priorities and goals in Asia. Within the strategic goals of the Department, TAF focuses at the country and regional level to build democratic institutions, the rule of law, and a strong and vibrant civil society; prevent extremism; support the policies and institutions required for open markets, trade and investment; increase opportunities for women's participation and protect women's basic rights; and encourage stability and cooperative relations among nations in the Asia-Pacific region.

Democratic Institutions, the Rule of Law, and Civil Society

TAF's programs strengthen democratic institutions, governance and parliamentary processes, support democratic elections, foster accountability within governments, promote the rule of law, legal reform, and free and fair elections, and encourage a vibrant, tolerant civil society, including Muslim organizations working toward effective citizen participation in a democracy, developing strategies for conflict management and protecting human rights. TAF support extends beyond the formal structures of institutions by focusing on improving their performance and ability to deliver services.

Open Markets, Trade and Environmental Protection

TAF supports reform efforts that create more competitive markets, foster entrepreneurship, enhance the use of domestic capital, and attract vital foreign investment to Asian countries to bolster economic growth and create jobs. TAF's programs focus on removing barriers to economic growth through policy reform and expansion of the private sector.

Women's Political Participation

TAF has consistently advanced the role of women in Asian societies by increasing women's effective participation in political, economic and social life. Foundation programs build the capacity of women's organizations to increase access to education, combat trafficking through public awareness and help victims, reduce violence against women, protect women's basic rights, and help local civil

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society organizations and government to develop effective policies and strategies to protect women's rights.

Stable and Cooperative Relations among Nations in the Asia-Pacific Region

TAF contributes to regional stability by helping develop a more skilled and well-informed diplomatic corps, and through informal U.S.-Asian dialogue on issues such as democratization, development, human rights, civil society, and regional economic policy.

In addition, TAF expanded the ongoing efforts of Books for Asia, the Foundation's most well known English language book donation program, which provided over 900,000 volumes each year in total, over 45 million since 1954, to academic institutions, government agencies, and nongovernmental organizations. The Books for Asia program represents in-kind contributions. In FY 2009, TAF received more donated books and educational materials. As a result, the contributions expanded in value from \$38 million to \$40 million. TAF expects further expansion in contribution value to \$41 million in FY 2010.

Justification of Request

The Department's FY 2011 request of \$15.690 million results in a reduction of \$3.310 million below the FY 2010 Enacted Budget of \$19 million. This includes \$1.793 million for the Negotiated Indirect Cost Rate Agreement (NICRA), which covers certain operational costs for organizations that receive assistance from the Federal government.

With these funds, TAF will continue shipments of books to Asian countries to improve educational opportunity for thousands of Asia's youth, bolster technical capacity, and build libraries across Asia. In addition, the Foundation will build up programs in India, to encourage the country to play a positive regional role in South Asia, where relationships with its neighbors are contentious and complex. While many organizations support activities on U.S. - India relations, The Asia Foundation has a prominent role because of its presence in all of India's neighboring countries in South Asia, as well as the trust of the Foundation's partners, both governmental and non-governmental.

TAF will undertake activities in cooperation with Singapore to leverage resources for exchanges and training programs, particularly for Afghans through the Foundation's projects to support government employees from the Office of the President, Ministries of Foreign Affairs, Education, Agriculture and other departments of the government through other USG funded projects. Singapore is well known throughout the world for its excellent training facilities and efficient government administration and has an excellent reputation for all forms of mediation and arbitration. The Foundation plans to use facilities in Singapore for activities related to Pakistan, Nepal, and Afghanistan, such as training for decentralization in Nepal, Pakistan and Sri Lanka and for counter-corruption in Vietnam, Mongolia and Nepal. The Foundation has worked with the Government of Singapore and Singaporean institutions to provide co-funding for such programs. A Foundation presence and program will ensure counterpart funding and support for such programs from Singapore and other donors, by leveraging the Foundation's investment of U.S. dollars and enhancing the impact of these high-priority training programs.

TAF will continue its programs without interruption. Field operations cost more than maintaining offices in the United States. Increased operation and security costs have taken a toll on TAF, considering its staff and offices in Asia. Yet, despite increased costs, TAF's program-to-operating-cost ratio has declined and TAF's negotiated indirect cost rate of 12.9 percent continues to be low, compared to other organizations.

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Funds by Program Activity

(\$ in thousands)

Activities	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Increase / Decrease
Asia Foundation Operation	16,000	19,000	15,690	(3,310)
Total	16,000	19,000	15,690	(3,310)

Funds by Object Class

(\$ in thousands)

	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Increase / Decrease
4100 Grants, Subsidies & Contrb	16,000	19,000	15,690	(3,310)
Total	16,000	19,000	15,690	(3,310)