

# THE ASIA FOUNDATION

## *Resource Summary*

(\$ in thousands)

<b>Appropriations</b>	<b>FY 2011 Actual</b>	<b>FY 2012 Estimate</b>	<b>FY 2013 Request</b>	<b>Increase / Decrease</b>
Funds	17,864	17,000	15,400	(1,600)

### *Program Description*

The Asia Foundation (TAF) is a private, non-governmental organization (NGO) that advances U.S. interests in the Asia-Pacific region. For 57 years, working through its network of 17 offices in Asia, TAF has been a well recognized American organization, with programs grounded in Asia. TAF helps solve local and regional problems in cooperation with and in support of Asian partners. TAF has local credibility, a nuanced understanding of the issues facing each country, and extensive access to and relationships with host governments, local nongovernmental groups and the private sector. TAF operates throughout Asia, including key countries, such as Afghanistan, Pakistan, Indonesia, and China. TAF's longstanding field offices and country representatives are a unique and proven resource for the U.S. government, Congress, and the private sector. Authorized by the Asia Foundation Act of 1983, appropriated funds are the Foundation's single most important funding source, enabling it to maintain its strategic network throughout the region.

TAF's program priorities are closely aligned with U.S. foreign policy priorities and goals in Asia. Within the strategic goals and priorities of the Department of State, TAF focuses at the country and regional level to build democratic institutions and improve governance, the rule of law, and a strong and vibrant civil society; supports policies and institutions required for open markets, trade and environmental protection; increases opportunities for women's participation, empowerment and protection of basic rights; and encourages stability and cooperative relations among nations in the Asia-Pacific region through dialogue and leadership development. The Foundation's approach has always encouraged local ownership and capacity building to ensure sustainability. While keeping its operating costs low, TAF programs and exchanges have proven effective because TAF forms true partnerships with Asian public and private sector organizations to reform policies, and builds political will to improve governance and create more open societies. Programs provide training, technical assistance, exposure to new innovations and technology, and expand important public-private linkages. TAF carefully monitors programs to ensure their impact and effectiveness through working closely with partners, providing financial training for accountability and setting indicators and benchmarks through specific project frameworks that are monitored by TAF field office staff. TAF also uses empirical research to develop baselines for programs.

#### **Democratic Institutions, the Rule of Law, and Civil Society**

TAF's programs strengthen democratic institutions, governance and parliamentary processes, foster government accountability and improved performance, promote the rule of law, free and fair elections, and a vibrant, tolerant civil society, which includes Muslim organizations. TAF programs facilitate citizen participation, develop strategies for conflict management and protect human rights.

#### **Open Markets, Trade and Environment**

TAF supports reforms that create more competitive markets through advancing rule of law, intellectual copy rights protection, and breaking down regulatory barriers in China, Indonesia, Bangladesh and Vietnam, 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 help remove barriers to

## THE ASIA FOUNDATION

growth by using economic governance indices to assess the business climate using firm level surveys in Vietnam, Cambodia, Malaysia, Indonesia, and Bangladesh, and working with small business associations and governments to advance policy reform. TAF promotes economic and governance reform for environmental conservation and protection, including water rights.

### **Women’s Empowerment**

TAF’s programs support opportunities for women’s participation in political processes, economic empowerment, and protection of women’s rights, including countering trafficking, and combating gender based violence. TAF also supports increased educational opportunities, including vocational training and expanded understanding of women’s roles and rights under an Islamic framework in South Asia.

### **Regional Cooperation among Nations in the Asia-Pacific Region**

TAF contributes to regional stability through training and educational opportunities that develop a more skilled and well-informed diplomatic corps, regional programs and informal U.S.-Asian dialogue on issues such as democratization, human rights, civil society, climate change and regional economic policy. TAF is the only American NGO to convene dialogues for emerging donors in Asia, including India, China, Thailand, Korea, and Malaysia. This effort helps establish transparent and coordinated donor practices and programs, an effort backed by the United States.

In addition, TAF will continue its support for Books for Asia, its best known and highly regarded English language book donation program. Books for Asia has provided over 950,000 volumes each year, over 45 million since 1954, to academic institutions, government agencies, and nongovernmental organizations. TAF also contributes to American Corners locations throughout Asia in cooperation with U.S. Embassy initiatives.

Apart from the appropriated funds, other TAF sources of revenue are tied to specific projects. The summary table below on sources of revenue reflect TAF project funding in FY 2011 actual and FY 2012 estimate as requested in the Joint Explanatory Statement (House Report 112-331) accompanying the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2012 (Title I,P.L. 112-74).

### *Sources of Revenue*

(\$ in thousands)

Funding Source	FY 2011 Actual	FY 2012 Estimate
Appropriated Funds	17,864	17,000
USAID non-Afghanistan	25,411	39,632
USAID Afghanistan	14,136	30,431
Other US Government (DOL, DOS)	6,324	5,401
Multilateral	3,783	3,181
Other Bilateral Government	36,012	36,149
Private Individuals and Corporations	6,218	6,731
In-Kind Contributions (Books for Asia)	41,367	30,920
<b>Total</b>	<b>151,115</b>	<b>169,445</b>

# THE ASIA FOUNDATION

## *Justification of Request*

The FY 2013 Budget Request: \$15.4 million is \$2.5 million below its FY 2011 actual level and reflects a \$1.6 million decrease from TAF's FY 2012 Enacted level. Although field operation and security costs are increasingly expensive, TAF has managed to maintain its field office network and a low program to operating cost ratio. TAF also works hard to leverage funds from other sources, raising four dollars for every appropriated dollar it receives from other bilateral and multilateral sources and private sector for programs that advance U.S. interests in Asia. TAF's low operating costs are reflected by TAF's Negotiated Indirect Cost Rate Agreement (NICRA). The NICRA covers certain operational costs for organizations that receive Federal Government assistance. At 13.98 percent of direct costs, the NICRA rate for TAF is considered low among international non-governmental organizations. In a recent survey of the NICRAs of 29 international NGOs, TAF ranked the fifth best for its low indirect cost rate.

With the \$15.4 million request in FY 2013, TAF will sustain its programs with Asian government and non-government organizations to improve governance, expand the rule of law and civil society, increase economic opportunity and reform, improve environmental governance, build opportunities for women's participation and empowerment, and facilitate peaceful regional relations.

TAF activities will include building the capacity of government leaders at the central and local level in Afghanistan, Nepal, Indonesia and China to improve governance, transparency, and accountability through improved financial management, service delivery, public participation and training. TAF will support programs to increase political and economic opportunities for women throughout Asia, particularly in Afghanistan, Indonesia, Vietnam, and China, and will increase programs to counter trafficking and gender based violence in Cambodia, Laos, Mongolia, Thailand, and Pakistan. TAF will seek to bolster its conflict management programs. They have successfully brought together government and civil society in mediation, traditional tribal dispute resolution, and peace processes in trouble spots such as Afghanistan, Pakistan, Mindanao in the Philippines, Timor Leste, Nepal, Sri Lanka, and southern Thailand. TAF will initiate environmental governance programs in the Lower Mekong region, India and Mongolia and support local government training in Nepal, Pakistan and Sri Lanka, and counter-corruption in Vietnam, Mongolia, and Nepal. TAF will also expand its well recognized public opinion surveys in Afghanistan, Thailand, and Sri Lanka, and the economic governance indices in Indonesia, Cambodia, Bangladesh, and Sri Lanka. TAF will continue its series of emerging donor dialogues, to engage Korea, India, China, Malaysia, and Thailand on issues of strategic planning, development, and accountability to help these countries develop their own aid programs. TAF will continue Books for Asia to increase educational opportunity for thousands of Asia's youth, bolster technical capacity, and build libraries across Asia.

## *Funds by Program Activity*

(\$ in thousands)

<b>Activities</b>	<b>FY 2011 Actual</b>	<b>FY 2012 Estimate</b>	<b>FY 2013 Request</b>	<b>Increase / Decrease</b>
Asia Foundation Operation	17,864	17,000	15,400	(1,600)
<b>Total</b>	<b>17,864</b>	<b>17,000</b>	<b>15,400</b>	<b>(1,600)</b>

# THE ASIA FOUNDATION

## *Funds by Object Class*

(\$ in thousands)

	<b>FY 2011 Actual</b>	<b>FY 2012 Estimate</b>	<b>FY 2013 Request</b>	<b>Increase / Decrease</b>
4100 Grants, Subsidies & Contributions	17,864	17,000	15,400	(1,600)
<b>Total</b>	<b>17,864</b>	<b>17,000</b>	<b>15,400</b>	<b>(1,600)</b>