

THE ASIA FOUNDATION

Resource Summary

(\$ in thousands)

| Appropriations | FY 2012 Actual | FY 2013 CR ⁽¹⁾ | FY 2014 Request | Increase/Decrease From FY2012 |
|----------------|-------------------|------------------------------|--------------------|----------------------------------|
| Enduring Funds | 17,000 | 17,104 | 17,000 | 0 |

(1) The FY 2013 CR is based on the annualized continuing resolution calculation for FY 2013 (P.L. 112-175).

Program Description

The Asia Foundation (TAF) is a private, non-governmental organization (NGO) that advances core U.S. interests in the Asia-Pacific region. For 59 years, working through its network of 17 offices in Asia, TAF has been a well recognized American organization solving 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, extensive access, and strong relationships with host governments, local NGOs 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, which seek TAF's expertise to deliver programs and rapidly respond to urgent needs. Authorized by the Asia Foundation Act of 1983, annual 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 of the Department of State, TAF focuses on country and regional programs that build democratic institutions and improve governance, the rule of law, and foster a strong and vibrant civil society; support economic reform policies and institutions required for open markets and trade; increase opportunities for women's participation, empowerment and protection of basic rights; advance environmental governance and protection; and encourage stability and regional cooperation 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, build political will to improve governance, and create more open societies. Programs provide training, technical assistance, and exposure to new technology, while expanding important public-private linkages. TAF carefully monitors programs to ensure their impact and effectiveness. This is achieved by 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, such as surveys and focus groups, to develop baselines for programs.

Democratic Institutions, the Rule of Law, and Civil Society

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

Economic Reform, Open Markets, and Trade

TAF supports reforms that create more competitive markets through advancing rule of law, protection of intellectual property rights, and encouraging transparency and open government in China, Indonesia, Bangladesh, and Vietnam. TAF also supports reforms that foster entrepreneurship, enhance the use of

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domestic capital, and attract vital foreign investment to Asian countries to bolster economic growth and create jobs. TAF's programs help identify and remove barriers to growth by using economic governance indices to assess the business climate. Through firm level surveys in Vietnam, Cambodia, Malaysia, and Indonesia, TAF works with small business associations and governments to advance policy reform.

Women's Empowerment

TAF's programs support opportunities for women's participation in political processes, economic empowerment, and protection of women's rights. Programming includes topical areas such as countering trafficking and combating gender based violence. TAF programs enhance economic opportunities for women entrepreneurs. TAF also supports increased educational opportunities for girls and women in Afghanistan, including vocational training and expanded understanding of women's roles and rights under an Islamic framework in South Asia.

Environment

TAF's programs ensure sustainability of the environment and natural resources critical to Asia's development. TAF works with civil society, government and private sector groups to strengthen the institutions and processes through which environmental resources are managed to improve environmental policy and governance. Programs include responsible mining in Mongolia, public participation in decision making in Vietnam, natural disaster preparedness training in China and the Pacific.

Regional Cooperation among Nations in the Asia-Pacific Region

TAF contributes to regional stability through training and educational opportunities. These efforts develop a more skilled and well-informed diplomatic corps, improve regional programs, and foster stronger 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 45 million volumes since 1954, to academic institutions, government agencies, and NGOs. For its Books for Asia program, TAF tracks its performance through their ability to increase access to information on democratic principles and governance through English language materials, as measured by the annual number of books distributed. (See indicator featured in the Performance section of this chapter.) TAF set a baseline level of distributing 692,456 books in FY 2012 with planned targets of 700,000 books to be distributed in both FY 2013 and FY 2014. TAF also contributes to American Centers in 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 reflects estimated TAF project funding in FY 2012 and FY 2013 as requested in the House Committee on Appropriations Report of the FY 2013 State, Foreign Operations and Related Programs appropriations bill.

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Sources of Revenue

(\$ in thousands)

| Funding Source | FY 2012 Actual | FY 2013 Estimate |
|--|----------------|------------------|
| Direct Appropriations | 17,000 | 17,000 |
| USAID-non-Afghanistan | 29,150 | 34,200 |
| USAID Afghanistan | 25,150 | 17,300 |
| Other U.S. Government | 6,000 | 4,990 |
| Multilateral | 3,870 | 1,650 |
| Other Bilateral Government | 32,710 | 52,670 |
| Private Individuals / Corporations | 7,750 | 5,050 |
| In-Kind Contributions (Books for Asia) | 41,120 | 27,150 |
| TOTAL | 162,750 | 160,010 |

Performance

English language materials are in high demand all throughout Asia. TAF's Books for Asia program distributes thousands of books written in English to schools, universities, libraries, civil society organizations, and government institutions across 20 countries. These books provide readers with a better understanding of democratic principles, governance, law, economics, and other key topics. This program serves as an effective outreach and public diplomacy tool and provides readers with greater exposure to the United States.

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| Strategic Goal 3: Expand and sustain the ranks of prosperous, stable and democratic states by promoting effective, accountable, democratic governance; respect for human rights; sustainable, broad-based economic growth; and well-being | | | | | | | | |
|--|----------------|--|----------------|----------------|----------------|--|------------------------|----------------|
| Strategic Priority | | Good Governance | | | | | | |
| Active Performance Indicator | | NEW APP INDICATOR: Increase access to information on democratic principles and governance through English language materials, as measured by the annual number of books distributed through the Asia Foundation's Books for Asia program. | | | | | | |
| Prior Year Results and Ratings | | | | | FY 2012 | | Planned Targets | |
| FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 | Target | Result and Rating | FY 2013 | FY 2014 |
| N/A | N/A | N/A | N/A | N/A | Baseline | 692,456 books (baseline) New Indicator, No Rating | 700,000 books | 700,000 books |
| Impact | | N/A, Baseline year | | | | | | |
| Methodology | | Annually, the Asia Foundation has a financial statement and A-133 audit performed by an independent certified public accounting firm. The Books for Asia program is explicitly addressed in this audit. This audit is conducted in accordance with generally accepted accounting principles (US GAAP). The audit encompasses a review of the inventory of the Books for Asia assets in the U.S. and Asia and program activities. | | | | | | |
| Data Source and Quality | | The data source for this indicator is an annual audit that encompasses a review of the inventory of the Books for Asia assets in the U.S. and Asia and the activity of the Books for Asia program including distribution of books to Asian institutions. The data quality for this indicator is high and reviewed by an independent auditor annually. | | | | | | |

Justification of Request

The FY 2014 Budget Request of \$17 million reflects TAF's FY 2012 enacted level and is a \$1.6 million increase above the FY 2013 request level. This increase in the request will enable TAF to sustain programs that align with the Administration's "Asia Rebalancing" initiative, with specific focus on key countries of national interest. 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 works hard to leverage funds from other sources. From bilateral and multilateral agencies and the private sector, TAF raises four dollars for every dollar of direct appropriations it receives, specifically directed towards programs that advance U.S. interests in Asia. TAF's low operating costs are reflected by TAF's Negotiated Indirect Cost Rate Agreement (NICRA). At 14.96 percent of direct costs, the NICRA rate for TAF is considered low among international NGOs. For nine consecutive years, TAF has received the highest rating for financial management, transparency, and accountability from Charity Navigator, an independent nonprofit evaluator.

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With the \$17 million request in FY 2014, TAF will sustain its programs with Asian governments and NGOs to improve democratic 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 cooperation.

TAF will undertake a robust program in Burma to support the following: democratic governance reform, strengthening of civil society, conflict management in ethnic areas, building foreign affairs capacity for Burma's chairmanship of ASEAN in 2014, and education through the Books for Asia program with the American Center. In Afghanistan, Nepal, Indonesia, and China, TAF will work towards improving governance, transparency, and accountability. This will be achieved 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, Pakistan, Bangladesh, Indonesia, Vietnam, and China, and will increase programs to counter trafficking and gender based violence. TAF will further seek to bolster its conflict management programs. These programs have successfully brought together government and civil society in mediation, traditional tribal dispute resolution, and peace processes in trouble spots such as Afghanistan, Mindanao in the Philippines, Timor Leste, Nepal, Sri Lanka, and southern Thailand. TAF will initiate environmental governance programs in the Lower Mekong region, Indonesia, India, and Mongolia. TAF will 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, Malaysia, Cambodia, Bangladesh, and Sri Lanka. TAF will continue its series of emerging donor dialogues to share strategies with Korea, India, China, Malaysia, and Thailand to cooperate with these countries as they develop their own aid programs. TAF will continue the Books for Asia program in order to increase educational opportunities for thousands of Asia's youth, to bolster technical capacity, and to help grow the capacity of libraries across Asia.

Funds by Object Class

(\$ in thousands)

| The Asia Foundation (TAF) | FY 2012 Actual | FY 2013 CR | FY 2014 Request | Increase/Decrease From FY2012 |
|--|-------------------|---------------|--------------------|----------------------------------|
| 4100 Grants, Subsidies & Contributions | 17,000 | 17,104 | 17,000 | 0 |
| Total | 17,000 | 17,104 | 17,000 | 0 |