

This file contains some of the numerous documents obtained through GAP's Foundation for the Future FOIA request, including:

- S1, S3-S6, S7 (which is the same document as N190C), S8, S10
- E2, E25, E27, E84, E108, E116, E123, E154, E172, E176
- N4, N85, N87B, N95, N95B, N96, N115, N148, N246

Some of these documents were only partially released and therefore contain redactions made by the State Department.

Yellow highlights and comments have been added by GAP.

A full set of the documents obtained by GAP (785 pages) is available upon request. Please email your request for documents to [shelleyw@whistleblower.org](mailto:shelleyw@whistleblower.org)

**The Eurasia Foundation**  
**Proposal to Support the Design and Launch of a New Foundation**  
**for the Broader Middle East and North Africa**

N958

**Submitted to the Bureau of Near Eastern Affairs**

**Budget Notes**

**Overview**

The Eurasia Foundation (EF) requests support from the Bureau of Near Eastern Affairs in the amount of \$560,092 over 6 months to establish a private foundation with a mission to assist citizens throughout the Broader Middle East and North Africa (BMENA) region to participate more fully in the economic and political development of their countries. Understanding the need for the rapid deployment of an operational foundation, most activities and costs will be concentrated in the first six months of the program.

Since EF's inception in 1993 when it emerged as one of the first non-governmental organizations operating an open-door grant program in the Newly Independent States of the former Soviet Union (NIS), EF has awarded over 7,500 grants, more than 450 loans, and implemented technical assistance operating programs totaling almost \$275 million. EF was created to respond rapidly to foster the development of civil society and support democratic and economic reform in the highly volatile NIS after the fall of the Soviet Union.

EF has established a comprehensive set of policies and procedures that govern financial, administrative, programmatic, and grant management functions. These policies and procedures, which have been reviewed by EF's external auditors as well as various federal regulatory institutions, provide assurance that donor's funds will be stewarded with the highest possible level of financial, ethical and managerial standards. EF undergoes annual financial audits in addition to annual audits of our federally funded programs. Additionally, EF's department of internal audit consists of a staff of three auditors that regularly visit all offices and projects to ensure accurate reporting and compliance with EF's policies and procedures.

The narrative below provides details on the underlying costing principles of this budget:

**Budget Format**

The budget contains the following sheets:

- A. Summary Budget
- B. Detailed Budget

Note that the budget is segregated into the following components:

- Program Implementation/Core Deliverables – This component includes all costs associated with completing the deliverables outlined in our proposal.
- State Department Advisor Costs – This component includes all travel and incidental costs for the State Department advisor and consultant.

### **Detailed Budget Program Implementation**

These costs include personnel and associated office costs required to support the activities described in the proposal.

#### *Personnel costs (budget lines 1.1.1 to 1.1.10)*

This budget assumes 2 staff will be devoted 100% to this program, and further assumes existing EF staff will devote varying levels of effort (LOE) to this program. Existing staff are included in the budget at their current salary levels. Provision for the two additional staff members is included at market rates for similar positions. EF allocates all personnel costs on a direct-cost basis to projects based on actual hours devoted to each activity as documented by approved timesheets.

Of the staff that will work full-time on this program, the project coordinator, a current EF staff person, will provide daily administrative and logistical support to the project, and provide administrative support to the State Department Advisor. The project manager will coordinate and organize the activities of the program, accessing the appropriate EF staff member for specific expertise, will be responsible for production of all documents, materials and deliverables, and will ensure that the project goals and deadlines are met. The project manager will serve as the primary link between State Department and EF staff and facilitate the transfer of EF's institutional knowledge.

#### *Fringe Benefits (budget lines 1.2.1 to 1.2.1)*

The budget includes a provision for fringe benefits for all staff at 23% of salary expense, which includes payroll taxes, life and health insurance, pension expense, SOS insurance, and transportation allowance.

*Professional Services (budget lines 2.1.1 – 2.4.1)* - This provision includes the cost of professional services at international rates for translators (policies and procedures manuals), and legal fees (due diligence on registration issues) that EF may employ to assist in some of the deliverables.

*Office costs (budget lines 3.1.3)* – The budget includes a pro-rata share of rent for EF's existing conference room, which will be occupied by the State Department advisors, as well as associated communications and supply costs, which would be charged to the program on a direct-cost basis.

### **State Department Advisor's Budget**

As requested by the State Department, the budget includes a provision for the incremental costs that EF will incur on behalf of the advisor. **This includes the cost of a consultant that the advisor may employ, as well as the travel costs to Europe and to the region for the advisor and the consultant.**

#### *Consulting (budget line 4.1.1)*

The advisor has identified a consultant which she may invite to assist her with specific research and tasks on a part-time basis. The budget therefore includes a provision for up to 48 days of this individual's time (up to 2 days a week for the first six months of the project). As this individual has not yet been specified, we have estimated the rate conservatively to ensure that the budget provides sufficient funding for this individual.

*Travel costs (budget lines 5.1.1 to 5.2.1)*

Only travel for the State Department advisor and her consultant is included in this budget.

EF's general travel policies provide for economy-fare air transportation, however, due to the distance and frequency of the anticipated trips, and because the advisor is not an EF employee, for purposes of this budget and in accordance with State Department travel regulations which permit business class travel for trips exceeding 14 hours, we have provided for business class air travel in this budget. Should any EF staff member be asked to travel under this award, we would apply EF standard travel policy to these trips (i.e. EF staff would travel economy class). The budget provides for 10 trips for the advisor and consultant from Washington to the BMENA region, with possible stopovers in Europe as required. While this budget costs all trips at business class fare, trips less than 14 hours will be via economy air transportation.

EF's travel policies provide for direct reimbursement for lodging up to the State Department rate and a per diem allowance for meals and incidental costs, which are also based on the State Departments rates. The budget provides for 10 trips averaging 7 days in length.

The budget also includes a modest provision of \$4,800 in local travel and meeting expense for taxis and business meetings that the Advisor may conduct when in Washington.

*Office Costs (budget lines 6.1.1 to 6.1.2)*

The budget provides for desk and chair sets, 1 printer and 2 laptop computers for the advisor and her consultant for use in the office and while on travel. EF will provide an existing photocopy machine for their office space.

*Indirect Costs (Budget line 8.0)*

In accordance with EF's Negotiated Indirect Cost Rate Agreement, a provision for indirect costs at 12.7% of total direct costs excluding grants or contracts in excess of \$500,000 is included in this budget.

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United States Department of State

Washington, D.C. 20520

S1

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**ACTION MEMO FOR THE SECRETARY**

FROM: NEA – David Welch

SUBJECT: Letter to Senator Mitch McConnell on the Foundation for the Future

**Recommendation**

That you sign the attached letter to Senator McConnell seeking his support to amend the law authorizing the Foundation for the Future.

Approve \_\_\_\_\_ Disapprove \_\_\_\_\_

**Background**

We seek Senator McConnell's support, as the Chairman of the Senate Appropriations Subcommittee on State, Foreign Operations, and Related Programs, to amend Section 534(k) of the 2006 Foreign Operations, Export Financing, and Related Programs Appropriations Act (Public Law 109-102), so that we will be able to contribute financially to the Foundation for the Future.

The FY 06 appropriations act included language that we requested for both the Fund and the Foundation for the Future providing that they be established and operated pursuant to longstanding authorities provided for the Eastern European enterprise funds under the 1989 SEED Act. These authorities have been used for other similar funds that the U.S. has wished to capitalize with significant infusions of cash. These authorities include some that are highly desirable, such as that allowing a fund to retain interest, or to be capitalized by an endowment from the USG, while remaining autonomous from the USG. Given this autonomy, the SEED Act authorities also required that the majority of the Board of Directors of the Foundation be American citizens. In the context of Foundation, however, we realize now that this particular requirement is not as appropriate as it would be for a Fund to promote private enterprise development. In fact, the Foundation board's greatest strength lies in its multinational character. The diverse board with strong regional representation has guaranteed wide support for the Foundation from Europe and the broader Middle East. To date, other governments have pledged over \$22 million to the Foundation; the SEED Act requirements place those

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commitments in jeopardy. We believe that the majority-American requirement could undermine the Foundation as originally conceived.

In the attached letter, you ask for Senator McConnell's assistance in amending Public Law 109-102, as well as the FY 07 Senate bill during conference so as to permit the Foundation not to be governed by the SEED Act requirements. Tabs 2 and 3 would be provided to staff concurrently with the delivery of your letter.

H notes that in seeking this change, we will likely encounter criticism from Members who would prefer to see majority American participation in and control over a board receiving considerable American financial support. Furthermore, Senator McConnell's staff cannot make any commitment to this fix beyond talking with the Senator about it. As the Department will need to press a number of similar requests to improve provisions in the FY2007 appropriations bill (if it were to move forward) and in further Continuing Resolutions during the current fiscal year, we will have limited opportunities to plead only the highest priority items. This request should be seen in that light.

Attachments:

- Tab 1 – Letter to the Honorable Mitch McConnell, United States Senate
- Tab 2 – Board of the Foundation for the Future 
- Tab 3 – Proposed Legislative Revisions

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Approved: NEA/FO – Jim Jeffrey *9*

Drafted: NEA/PI – Andrew Mosley, ext. 6-8573

Cleared:

NEA/FO – Scott Carpenter	<i>ok</i>
NEA/PI – Greta Holtz	OK
L/LFA – Meg Pickering	OK
S/P – Ash Jain	OK
P – Herro Mustafa	OK
H – Betty McCutchan	OK
S/ES-CR – Brenda Horton	OK

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Dear Mr. Chairman:

I am writing to seek your support for the Foundation for the Future, a crucial initiative launched last year in Bahrain in support of reformers across the broader Middle East. In FY 2006, you included such authority as we had requested for both the Foundation and the Fund to promote private enterprise development, although the authority for the Fund was not adopted in conference. At that time we had requested that these entities be established pursuant to special authorities in the 1989 SEED Act designed for such funds. These authorities permit such entities to capitalize large infusions of U.S. Government cash as endowments and retain interest thereon, but also require that these autonomous entities nonetheless have a board consisting of a majority of Americans.

We now realize, however, that the Foundation needs to have a much more diverse board, truly reflective of the region and committed to political and economic reform. Otherwise, the Foundation could be undermined by the requirement that it have a board with an American majority. We have in fact gathered an impressive board for the foundation comprising representatives largely from the region. Moreover, we are admirably represented and well served by the American board member, Justice Sandra Day O'Connor, who is very active on both the board and its executive committee.

I am therefore seeking your support to provide relief from this requirement, with respect to both the funds available for this Foundation under the FY 2006 act and in any FY 2007 act that may be passed. My staff will contact yours concerning ways of achieving this, and also to provide short biographies of the board members.

The Honorable

Mitch McConnell, Chairman,

Subcommittee on State, Foreign Operations,  
and Related Programs,

Committee on Appropriations,  
United States Senate.

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Thank you in advance for your consideration and support.

Sincerely,

Condoleezza Rice

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S1C

Tab 3**Proposed revision to the 06 Act, if in a Continuing Resolution:**

**Option I.** "Sec.XXX. Section 534(k) of P.L. 109-102 is amended by in the second proviso by striking 'shall' and inserting 'may'."

**Option II.** "Sec.XXX. Section 534(k) of P.L. 109-102 is amended by in the second proviso after 'section' by inserting ', except that such entity may be organized and operated under other laws'".

**FY 07 Senate bill amendment:**

**Option I.** If the Senate bill were to be amended, this amendment would allow both 06 and 07 funds to be excepted from the American majority requirement by amending Sec. 534(j) of the Senate bill to read as follows in relevant part (additions italicized, deletions not shown):

"Funds appropriated by this Act *or Public Law 109-102* under the heading 'Economic Support Fund' for the Middle East Partnership Initiative, may be made available.....Provided further, That provisions contained in section 201 of the ... (SEED) Act ... [either replace "shall" with "may" or at the end of this proviso insert, ', except that such entity may be organized and operated under other laws'".

**Option II.** This amendment is designed only to give relief for the 07 funds, by amending the second proviso in sec. 534(j) under the bill, either by striking "shall" and inserting "may", or after "section" by inserting ", except that any foundation or entity to support democracy may also be organized and operated under other laws".

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4/13: Cable sent to Ops for transmission 200606347 Rev 3  
at 7:20 pm by RMH

ORIG TO OPS.  
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Washington, D.C. 20520

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2006 APR 13 12:12:31

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SME 4/14

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**ACTION MEMO FOR THE SECRETARY**

FROM: NEA - David Welch

SUBJECT: Response to Yemeni FM Al-Qirbi on Political Party Representation  
on the Foundation for the Future Board

**Recommendation:**

That you approve the attached cable responding to FM Al-Qirbi.

Approve  Disapprove \_\_\_\_\_

4/13/06

**Background**

In his letter of March 18, Al-Qirbi contends that political parties should be represented on the board of the Foundation for the Future and complains about the board selection process. This view is likely shaped by Yemeni consternation that members of the ruling General Peoples Council party are barred from sitting on the Foundation board because they are in the government. Your letter rebuts his assertions, reiterates support for the rule barring government officials, and details the measures undertaken to ensure the transparency of the selection process.

**Attachments:**

- Tab 1 - Cable response to Yemeni FM Al-Qirbi letter
- Tab 2 - Incoming letter

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Drafted: NEA/ARPI - SSteinger  
Cleared: NEA- GGray ok  
NEA - SCarpenter ok  
NEA/ARPI - SWalker ok  
P:TBradely:ok  
D:AJost ok  
S/P:ADehgan - ok  
E:SNewhouse - ok

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INITIALS	
APPR:	NEA:GG ...
DRAFT:	NEA:SS ok
CLR 1:	NEA:SW ok
CLR 2:	NEA:SC ok
SES:	<i>wp</i>

CP

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S/ES-O:

S3A

4/10/06 NEA/ARPI:SSTEINGER 202-647-6558  
NEA:GGRAY S:THE SECRETARY NEA:SCARPENTER  
NEA/ARP:SWALKER P:TBRADLEY D:AJOST  
S/ES:ENFITZSIMMONS S/ES-O:CTRIBBLE

IMMEDIATE SANAA

RELEASED IN FULL

E.O. 12958: N/A

TAGS: PREL, OPDC, KDEM, KMPI, KMCC, YM

SUBJECT: RESPONSE TO FM AL-QIRBI'S MARCH 18 LETTER TO  
SECRETARY RICE

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1. Please deliver the following message from Secretary Rice in response to Foreign Minister Al-Qirbi's March 18 letter. There will be no signed original.

2. Begin Text:

Dear Mr. Minister:

Thank you for your letter of March 18. The United States appreciates your government's strong support for the Foundation for the Future, and your staunch commitment to the BMENA process. Yemen has been a constructive partner during this important time in the Foundation's development. I agree that governments and civil society organizations from the region must remain actively engaged in the Foundation's early stages.

The question of government representation on the board was discussed among Foundation partners last year at the November Forum for the Future meeting in Bahrain, and at the December planning meeting at the Dead Sea. The partners agreed that in order to ensure that the

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Foundation's activities are independent of government influence, no government officials would serve on the board. All Foundation partner governments, however, have been given the opportunity to nominate a board member so that their interests are represented.

To ensure transparency, we asked an independent selection committee to develop a proposal for board membership, to be approved by contributing governments. The committee has made itself available to comments and suggestions throughout the selection process, and the Department of State has sent regular updates to all the Foundation partners. We look forward to the establishment of the board and election of a chair so that the board can make final decisions on the most important matters, including the Foundation's location, charter, staffing, and policy and procedures.

Thank you again for Yemen's strong support for the Foundation for the Future. I look forward to working with you further as the Foundation is established over the next few months.

Sincerely,

Condoleezza Rice

END TEXT. YY

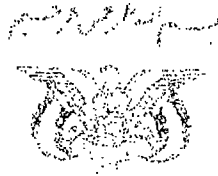
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EMBASSY OF  
THE REPUBLIC OF YEMEN

2319 WYOMING AVENUE, N.W.,  
WASHINGTON, D.C. 20008

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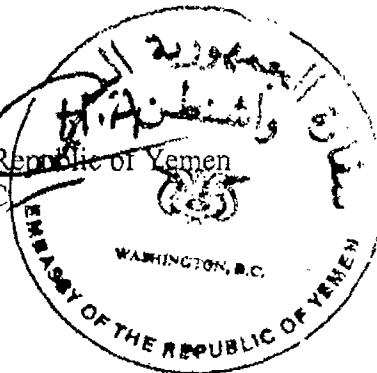
S3B

سفارة الجمهورية اليمنية  
واشنطن

The Embassy of the Republic of Yemen in Washington, D.C. presents its compliments to the State Department, and has the honor to enclose herewith a copy of the letter of H.E. Abubakr A. Al-Qirbi, Minister of Foreign Affairs and Expatriates Affairs of the Republic of Yemen sent to the Honorable Condoleezza Rice, Secretary of State. The letter is regarding the Foundation of the Future.

The Embassy of the Republic of Yemen avails itself of this good opportunity to renew to the State Department, the assurances of its highest consideration.

March 22, 2006  
Embassy of the Republic of Yemen  
Washington, D.C.



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REPUBLIC OF YEMEN  
Ministry of Foreign Affairs  
The Minister



الجمهورية اليمنية  
وزارة الخارجية  
الوزير

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H.E. Condoleezza Rice  
Secretary of State  
Washington, D.C.,  
U.S.A.

200606347  
530

March 18, 2006

Excellency,

In view of the strong bilateral relations between our two countries, I am writing to share some views regarding the process of establishing the Foundation of the Future which has reached advanced stages. The existence of such foundation in the BMENA region will indeed reinforce Democratization and Human Rights principles. However, in order to reach that goal, a strong presence of the region in the whole process should be ensured putting in mind that the object of this initiative are the peoples of the region. Geographic and gender representation should be taken into consideration among others.

Excellency, as we all know political parties are part of the civil society organizations, and should be treated as such and thus shouldn't be excluded from the membership of the board for the Foundation. Another point of concern to us is that a number of decisions are being taken without full participation and open debate to reach a decision. Many of the decisions concerning the Foundation for the Future are taken without the participation of the members of the forum. This I feel will reflect on the commitment of the participating countries.

I can assure you, Excellency, that our government is fully committed to further improve our shared commitment towards Democracy and Human Rights issues, which is of our mutual interest, and this is what prompted me to share these views with your Excellency.

Please accept, Excellency, our highest esteem.

  
Dr. Abubaker Al-Qirbi

Minister of Foreign and Expatriates Affairs  
Republic of Yemen

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200610952 Rev 2

United States Department of State

Washington, D.C. 20520

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**ACTION MEMO FOR THE SECRETARY**

FROM: NEA – David Welch

SUBJECT: Call to Justice O'Connor on the BMENA Foundation for the Future

**Recommendation**

That you call Justice O'Connor at your earliest convenience to encourage her to serve as the U.S. representative to the BMENA Foundation for the Future.

Approve

*[Signature]*  
MAY 26 2006

Disapprove

**Background**

Before her departure on maternity leave, Liz Cheney asked former Supreme Court Justice Sandra Day O'Connor to serve as the U.S. nominee to the board of the BMENA Foundation for the Future. Justice O'Connor said that she was very interested, but had questions about the Foundation's mission and how the board would function. We have offered an NEA briefing to her to address her inquiries, which we hope will occur the week of May 29.

In the meantime, Elliott Abrams, Dan Fried, and I believe that a call from you would move her to accept our nomination. Her participation would send an important signal to the BMENA region of our commitment. The lack of a U.S. nominee has held up the formation of the Foundation's board for several weeks, and other donors are becoming anxious. It is important that we finalize the board in the next two weeks to ensure that the first board meeting occurs in late June, before the region's summer doldrums.

Attachments:

Tab 1 – Proposed talking points for phone call

Tab 2 – Foundation concept paper and timeline

UNITED STATES DEPARTMENT OF STATE

REVIEW AUTHORITY: SHARON E AHMAD

DATE/CASE ID: 19 SEP 2008 200703339

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Drafted: NEA/PI -- Blake Thorkelson, x68307

Approved: NEA -- Gordon Gray - OK

Cleared: NEA/PI -- Jim Bean -- OK

D -- Steve Epstein -- OK

P -- Toby Bradley -- OK

S/P -- Alex Dehgan -- OK

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United States Department of State

Washington, D.C. 20520

www.state.gov

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JAN 24 2007



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**ACTION MEMO FOR THE SECRETARY**

FROM: NEA – David Welch *DLW*

SUBJECT: Letters to Members of Congress on the Foundation for the Future

**Recommendation**

That you sign the attached letters to Senator Leahy, Senator Gregg, Representative Lowey, and Representative Wolf seeking their support to add a provision on the Foundation for the Future to the FY 2007 Continuing Resolution. AC 1/3

Approve CR Disapprove \_\_\_\_\_

**Background**

*JAN 31 2007*  
We seek the support of key appropriators to amend Section 534(k) of the 2006 Foreign Operations, Export Financing, and Related Programs Appropriations Act (Public Law 109-102), so that we will be able to contribute financially to the Foundation for the Future.

The FY 06 appropriations act included language that we requested for both the Fund and the Foundation for the Future providing that they be established and operated pursuant to longstanding authorities provided for the Eastern European enterprise funds under the 1989 SEED Act. The SEED Act authorities required that the majority of the Board of Directors of a foundation be American citizens. We realize now that this particular requirement would hinder the work of the Foundation for the Future, which needs a diverse regional board to promote effectively private enterprise development. In fact, the Foundation board's greatest strength lies in its multinational character. The diverse board with strong regional representation has guaranteed wide support for the Foundation from Europe and the broader Middle East. To date, other governments have pledged over \$22 million to the Foundation; the SEED Act requirements place those commitments in jeopardy. We believe that the majority-American requirement could undermine the Foundation as originally conceived.

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In the attached letters, you ask for assistance in providing relief from SEED Act requirements, with respect to both funds available for the Foundation for the Future under the FY 2006 act and in any FY 2007 Continuing Resolution that may be passed.

Attachments:

- Tab 1 – Letter to the Honorable Patrick Leahy, United States Senate
- Tab 2 – Letter to the Honorable Judd Gregg, United States Senate
- Tab 3 – Letter to the Honorable Nita Lowey, United States House of Representatives
- Tab 4 – Letter to the Honorable Frank Wolf, United States House of Representatives
- Tab 5 – Board of the Foundation for the Future
- Tab 6 – Proposed Legislative Revisions

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Drafted: NEA/PI – Andrew Mosley, ext. 6-8573

Cleared: NEA/FO – Scott Carpenter  
H – Jeffrey Bergner OK  
NEA/PI – Jim Bean OK  
NEA/PI – Blake Thorkelson OK  
L/LFA – Meg Pickering OK  
S/P – Ash Jain OK  
P – Dana Linnet OK  
H – Carol Schwab OK  
F – Ann Phillips OK

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ORIG LTRS/COPY OF ACTMEM RECEIPTED TO H STAFF ASSISTANT  
FOR APPROPRIATE HANDLING  
ORIG ACTMEM/COPY OF LTRS TO IPS  
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THE SECRETARY OF STATE

WASHINGTON

January 31, 2007 RELEASED IN FULL

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Dear Senator Gregg:

I am writing to seek your support for the Foundation for the Future, a crucial initiative launched in December 2005 in Bahrain in support of reformers across the broader Middle East. In FY 2006, Congress included the authority as we had requested for both the Foundation and the Fund for the Future to promote private enterprise development, although the authority for the Fund was not adopted in conference. At that time we had requested that these entities be established pursuant to special authorities in the 1989 SEED Act designed for such funds. These authorities permit such entities to capitalize large grants of U.S. Government assistance as endowments and retain interest thereon, but also require that these autonomous entities nonetheless have a board consisting of a majority of Americans.

We now realize, however, that the Foundation needs to have a much more diverse board, truly reflective of the region and committed to political and economic reform. Otherwise, the Foundation could be undermined by the requirement that it have a board with an American majority. We have in fact gathered an impressive board for the Foundation comprising representatives largely from the region. Moreover, we are admirably represented and well served by the American board member, Justice Sandra Day O'Connor, who is very active on both the board and its executive committee.

I am therefore seeking your support to provide relief from this requirement, with respect to both the funds available for this Foundation under the FY 2006 act

The Honorable /

Judd Gregg,

Subcommittee on State, Foreign Operations, and Related Programs,  
Committee on Appropriations,  
United States Senate.

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-2-

and in any FY 2007 act that may be passed. My staff will contact yours concerning ways of achieving this aim, and also to provide short biographies of the board members.

Thank you in advance for your consideration and support.

Sincerely,

A handwritten signature in cursive script, appearing to read "Condoleezza Rice", written in dark ink. The signature is fluid and stylized, with a long horizontal flourish extending to the right.

Condoleezza Rice

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Tab 6

In the FY 2007 Continuing Resolution include the following requested proviso:

“Provided further, That when applying Section 534 of Public Law 109-102 to funds appropriated by this resolution and by Public Law 109-102, the authority and conditions of the second proviso of subsection (k) may be applied as appropriate or such foundation or entity may also be established and operated under other law.”

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200703036 Rev. 1

United States Department of State

Washington, D.C. 20520



2007 MAR -7 P 12:15

FEB 27 2007

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## INFORMATION MEMO FOR THE SECRETARY

FROM: NEA – David Welch *for*

SUBJECT: U.S. Contribution to the Foundation for the Future

The Foundation for the Future's Executive Committee asked BMENA Coordinator Scott Carpenter to provide an update on the U.S. contribution at the Committee's regularly scheduled meeting on February 21. Despite our ongoing efforts, Congress has yet to take action to ensure that the Foundation is not hindered by a SEED Act provision requiring a board consisting of a majority of Americans. This provision prevents us from fulfilling our \$35 million pledge.

The Executive Committee, including U.S. board member Sandra Day O'Connor, expressed deep concern about the impact that the lack of a U.S. contribution would have on its fundraising efforts. The United States would lose credibility, and other donors may rethink their pledges. Scott briefed on our efforts to amend the legislation, including your January 31 letter to the chairs and ranking members of the key Congressional committees, Jeff Bergner's discussion with HACFO Chair Nita Lowey, and regular NEA contact with key Hill staffers.

While the Executive Committee appreciated the update, Justice O'Connor impressed on us the importance of tracking this legislative fix closely, and she offered to help by calling Senator Biden. Scott assured the committee that we will do everything possible to include the necessary language in the FY 2007 Supplemental Bill. He spoke with Congresswoman Lowey's staffer on February 23 and has sent her information on why a delay in this legislative change will threaten the Foundation and, by extension, U.S. image. H indicates that the supplemental will be finished on the House side early in the week of February 26.

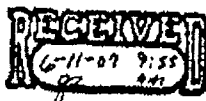
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United States Department of State

Washington, D.C. 20520

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**ACTION MEMO FOR HENRIETTA FORE, ACTING DIRECTOR OF U.S. FOREIGN ASSISTANCE (F)**

THROUGH: F – Dirk Dijkerman, Chief Operating Officer

cc: Phyle

FROM: NEA – David Welch *web for*

SUBJECT: MEPI FY 2006 ESF Allocation for the Foundation for the Future

**Recommendations**

That you approve the notification and obligation of \$21,300,000 in FY 2006 ESF and FY 2006 Supplemental ESF by the Middle East Partnership Initiative (MEPI) for the Foundation for the Future.

Approve ✓ *HH* Disapprove \_\_\_\_\_

**Background**

*6-12-07*

We seek to obligate up to \$21,300,000 in FY 2006 and FY 2006 Supplemental MEPI Economic Support Funds to the Foundation for the Future. The Foundation was launched by the Secretary at the Bahrain Forum for the Future in 2005. It was created to support democracy, governance, and human rights in the Middle East region with a focus on grant-making that aids reform in the areas of free media; the rule of law, including an independent judiciary; governance and accountability; and women's empowerment.

The United States has pledged \$35 million to the Foundation. The FY 2006 Foreign Operations Appropriations Act provided that up to \$35 million in ESF may be made available to the Foundation only to the extent that the Foundation has commitments from sources other than the United States Government to at least match the funds provided under the act. As of June 1, 2007, a total of \$22.26 million has been pledged by other governments. MEPI has already obligated \$921,064 in FY 2005 funds for a grant to the Eurasia Foundation to help establish

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the Foundation. If you approve this recommendation, MEPI will have notified all of its FY 2006 ESF.

Attachments:

Tab 1 – Additional Background

Tab 2 – CN Transmittal Sheet and Project Descriptions

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Drafted by: NEA/PI – Andrew Mosley, ext. 6-8573

Cleared by: NEA/FO – JJeffrey - ok  
NEA/FO – Scott Carpenter – ok  
NEA/PI – Greta Holtz - info  
NEA/PI – Jim Bean - info  
D – Aaron Jost - ok  
F – Emily Waechter - ok  
L/LFA – Meg Pickering – ok  
S/P – Suzanne Maloney - ok  
P – Herro Mustafa - ok  
PA – Justin Higgins - ok  
H – Betty McCutchan – ok  
NEA/RA – Tom Hill - ok  
NEA/PPD – Pen Agnew – ok  
NEA/ARP – Steven Walker - ok  
NEA/ELA – Stephanie Williams – ok  
NEA/I-ASSIST – Laird Treiber - ok  
NEA/I-ECON – Todd Schwartz - ok  
NEA/IR – Barbara Leaf - info  
NEA/IPA – Nicole Shampaine - ok  
NEA/MAG – Jen Gavito – ok  
NEA/PI - Barbara Hibben – info  
NEA/PI – Blake Thorkelson - ok  
NEA/PI – Anna Mary Portz – ok  
SCA – Kim Archea - ok  
USAID/ANE – David McCloud – ok  
DRL – Cheryl Clayton - ok  
E – Steve Newhouse - ok

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Additional Background

- In the NEA Region, a total of \$1,346,400,000 in FY 2006 ESF was allocated.
- In FY 2006, a total of \$108,900,000 in ESF was allocated for the Middle East Partnership Initiative (\$110,000,000 less the 1% rescission). \$99,000,000 was provided in regular FY 2006 ESF and \$9,900,000 was provided in FY 2006 Supplemental ESF.
- In June 2006, the Secretary tasked MEPI to administer an additional \$13,477,620 in FY06 ESF for strengthening Palestinian democracy and civil society.
- In this memo a total of \$21,300,000 in FY 2006 ESF is requested for one political pillar program. \$11,400,000 is from regular FY 2006 ESF and \$9,900,000 is in FY 2006 Supplemental funding.
- The Deputy Secretary and the Director of U.S. Foreign Assistance have already approved \$87,600,000 in FY 2006 ESF. Upon approval of this request, MEPI will have notified all of its \$108,900,000 in FY 2006 ESF.
- These funds were allocated to promote the President's policy of expanding freedom and democracy throughout the Middle East and North Africa by supporting political, economic, and educational reform efforts and the empowerment of women.

## Legal Considerations:

- Section 534(k) of the FY2006 FOAA provided that up to \$35 million may be made available, including as an endowment, notwithstanding any other provision of law and following consultations with the Committees on Appropriations, to establish and operate a Middle East Foundation whose purpose is to support democracy, governance, human rights, and the rule of law in the Middle East region.
- Such funds may be made available to the foundation only to the extent that it has commitments from sources other than the foundation to at least match the ESF. Accordingly, since the foundation has received \$22.26 million in commitments from other donors, we may match that amount.

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- Section 534(b) also provides that section 201 of the Support for Eastern European Democracy (SEED) Act of 1989 shall be deemed to apply to the foundation. One provision of section 201, subsection 201(d)(3)(B), however, required that a majority of the Board of Directors of the foundation, be U.S. citizens. As this provision is inconsistent with a major purpose of the Foundation, which is to draw on regional leadership and capacity to assist in running the foundation, Congress deleted this requirement in section 6801(b) of the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007 (signed by the President, May 24, 2007). We will ensure, through the arrangements used to provide this funding for the foundation and prior to obligation, that all other applicable provisions in section 201 of the SEED Act will be complied with, along with the final proviso of section 534(k), which terminates the foundation's authority to provide assistance at the end of FY10.
- Prior to the initial obligation of funds, section 534(k) provides that the Secretary of State shall take steps to ensure, on an ongoing basis, that none of these funds are provided to or through any individual or group the management of the foundation knows or has reason to believe, advocates, plans, sponsors, or otherwise engages in terrorist activities. Prior to providing the funding to the foundation, we will ensure, through the arrangements used to provide this funding to the foundation and prior to obligation, that steps are in place to ensure that the foundation will carry out this requirement.
- Pursuant to section 634A of the Foreign Assistance Act of 1961, as amended, and sections 515 and 596 of the FY 2006 FOAA, we are required to provide Congressional notification 15 days in advance of obligation.
- We will design and monitor all program activities to ensure that no assistance is provided to ineligible recipients.

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**CONGRESSIONAL NOTIFICATION TRANSMITTAL SHEET**

We wish to inform you of the intent to obligate Economic Support Funds from the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2006, (P.L. 109-102) on behalf of the Agency listed below. This notification is being submitted on behalf of the Bureau of Near Eastern Affairs.

- Department of State - \$21,300,000

The funds will be used for the Middle East Partnership Initiative (MEPI) to promote political, economic, and educational reform and women's empowerment in the Middle East and North Africa through the Foundation for the Future.

The attached notification is being sent to Congress on Obligations may be incurred beginning fifteen days after this date.

Sincerely,

Jeffrey T. Bergner  
Assistant Secretary  
Legislative Affairs

Enclosure:  
As stated.

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**UNITED STATES DEPARTMENT OF STATE  
CONGRESSIONAL NOTIFICATION**

PROGRAM: U.S.-Middle East Partnership Initiative (MEPI)

APPROPRIATION CATEGORY: FY 2006 Economic Support Funds (ESF)

PROJECT TITLE: Sixth Tranche of MEPI FY 2006 ESF Projects

INTENDED FY 2007 OBLIGATION: \$21,300,000

This notification is submitted pursuant to section 634A of the Foreign Assistance Act of 1961, as amended, and sections 515 and 596 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2006 (P.L. 109-102).

This is to advise that the United States Department of State intends to obligate \$21,300,000 in FY 2006 Economic Support Funds (ESF) for the U.S.-Middle East Partnership Initiative (MEPI) program. These funds will assist the Foundation for the Future to support democracy, governance, human rights, and the rule of law in the Middle East region and meet the U.S. Government's commitment to the Foundation. The Foundation's charter states that it focuses on grant-making that aids reform in the areas of free media; the rule of law, including an independent judiciary; governance and accountability; and women's empowerment.

These funds will support 1 political pillar project (\$21,300,000).

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**Project Description****Region-wide****Project Title:** Foundation for the Future**Budget:** \$21,300,000 (\$22,260,000 pledged by others - \$921,064 previously contributed through the Eurasia Foundation)**Contact Person:** NEA/PI Blake Thorkelson

**Project Description:** MEPI will provide funds to the Foundation for the Future, whose purpose is to support democracy, governance, human rights, and the rule of law in the Middle East region. The Foundation is a multilateral, not-for-profit entity with a focus on grant-making in support of democracy and reform. It was launched by Secretary Rice and other Foreign Ministers at the Forum for the Future in November 2005 in Bahrain. The Foundation's distinguished board, which includes former Justice Sandra Day O'Connor, held its first meeting in Doha, Qatar, on July 15-16, 2006, and has held two more meetings since then. The board has is initiating programs in the areas of free media; the rule of law, including an independent judiciary; governance and accountability; and women's empowerment. The Foundation will work in subject areas where other institutions are not already active. More information on the Foundation can be found at its website at [www.foundationforfuture.org](http://www.foundationforfuture.org).

The United States has pledged \$35 million to the Foundation. The Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2006, provided that funds may be made available to the Foundation only to the extent that the Foundation has commitments from sources other than the United States Government to at least match the funds provided under the act. A total of \$22.26 million has been pledged by other governments, including the European Commission (1 million Euros or approximately \$1.26 million), Spain (\$1 million), the United Kingdom (\$1 million), Switzerland (\$1 million), Denmark (\$2 million), Netherlands (\$1 million), Greece (\$1.5 million), Turkey (\$500,000), Jordan (\$1 million), Qatar (\$10 million), and Bahrain (\$2 million).

MEPI has previously provided \$921,064 to the Eurasia Foundation to support the initial activities of the Foundation. Because Eurasia is knowledgeable in the development and management of multilateral grant-making foundations, and in absence of Foundation staff, Eurasia is advising both the State Department and the

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new board by assisting with the initial board meetings, draft documents and policies, and registration of the Foundation in Washington and in the BMENA region. The amount notified here, combined with the funds already provided to Eurasia, make up the \$22.2 million allowable for the Foundation at this time under the Act's requirements for matching funds. The Foundation's board plans to approach additional governments and the private sector to raise funds to match the full \$35 million the United States has pledged.

The Foundation Board, chaired by Anwar Ibrahim, the former deputy prime minister and finance minister of Malaysia, has established oversight and internal controls as one of the Foundation's highest priorities. The Board established a Finance and Audit committee chaired by Naguib Sawiris, Chairman of Orascom Telecom in Egypt. The draft policies and procedures prepared for the board by Eurasia include best practices in the areas of internal controls, disclosures, record keeping, segregation of duties, conflict of interest, financial management, and external audit. These policies are drawn from those that Eurasia uses internally, and reflect U.S. standards. Overhead expenses will deliberately be kept low to ensure that most of the Foundation's funds can support civil society programs and organizations.

This project supports MEPI's objective to increase citizens' demands for political freedoms and strategies to consolidate recent gains where countries have expanded the space for popular participation in governance and to push funding directly to local non-governmental and civil society organizations.

Program Monitor: NEA/PI Blake Thorkelson

Time Frame: June 2007 – September 2010

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Washington, D.C. 20520

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**INFORMATION MEMO FOR THE SECRETARY**

FROM: NEA – David Welch

SUBJECT: Update on the BMENA Foundation for the Future

Our initial contribution of \$21.3 million to the Broader Middle East and North Africa (BMENA) Foundation for the Future was transferred to the Foundation's bank account on August 8. The contribution, which comes from NEA's Middle East Partnership Initiative, was made possible after a legislative change in the FY 2007 Emergency Supplemental removed a SEED Act provision requiring a board with Americans in the majority. We have informed Justice O'Connor, the U.S. board member, of the funds transfer. Our contribution should encourage other donors to fulfill their own commitments. We have pledged a total of \$35 million to the Foundation and plan to contribute the remaining \$13 million in FY 2008.

The Foundation announced the first five grants totaling \$400,000 at its board meeting in Bahrain on May 29:

- Regional Civil Society Resource Institute in Morocco
- Middle East Center for Media Excellence in Lebanon
- Women's Human Rights Education Program in Lebanon
- Promoting the Independence of the Egyptian Judiciary
- Institutional Support for the Palestinian Central Elections Commission (temporarily suspended)

The board is making modest initial commitments to these projects and will follow up with more funds after a year. It expects to announce further grants at its next board meeting this fall and highlight its work at December's Forum for the Future.

The Foundation has opened offices temporarily in Amman and hopes eventually to move to Beirut. Chairman Anwar Ibrahim has hired a chief financial officer and chief operating officer, and a region-wide search is underway to find a new president to replace Bakhtiar Amin, who resigned in February.

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Drafted: NEA/PI – Blake Thorkelson, x68307

Approved: NEA – David Welch

Cleared:	NEA/FO- David Satterfield	OK
	NEA/FO –Scott Carpenter	OK
	NEA/PI – Ken Gross	OK
	D – Aaron Jost	OK
	P – Herro Mustafa	OK
	E – Jeff Young	OK
	S/P – Ash Jain	OK
	DRL – Joseph Barghout	OK
	EUR – Jeff Giaque	OK
	SCA – Manny Micaller	OK

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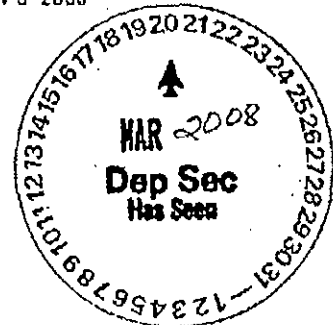
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## ACTION MEMO FOR THE DEPUTY SECRETARY

FROM: NEA - David Welch *for*  
H - Jeffrey T. Bergner *for*

SUBJECT: Designation of the Foundation for the Future

### Recommendation

That you designate the Foundation for the Future as the "Middle East Foundation" for the purposes of the 9/11 Commission Act of 2007 (P.L. 110-53), and that you authorize notification to relevant members of Congress.

Approve

*JN*  
*3/20/08*

Disapprove

### Background

Designating the Foundation for the Future as the Middle East Foundation would provide additional authorities to the Foundation, such as including organizations in Afghanistan and Pakistan as potential Foundation beneficiaries and removing the requirement for matching funds from other governments. The mission of the Foundation, which is headquartered in Amman, is to support NGOs working for democracy and reform in the Broader Middle East. The Foundation meets the qualifications set out in the law, including being a private, nonprofit organization incorporated in the District of Columbia. It is the best qualified organization to receive designation. You may exercise this authority pursuant to State Department Delegation of Authority No. 245.

*JA*  
*3*

The intent of the legislation is to provide additional flexibility for the Foundation's efforts to support reformers in the region. With these additional authorities, the Foundation will be able to expand its scope into South Asia. We also would be able to fulfill the Secretary's pledge of \$35 million, likely through FY09 and FY10 Middle East Partnership Initiative (MEPI) funds, without a requirement that the funds be matched by other donors.

### Attachments:

Tab 1 - Designation

Tab 2 - Transmittal Letters

Tab 3 - Section 2021 of Public Law 110-53

UNITED STATES DEPARTMENT OF STATE  
REVIEW AUTHORITY: SHARON E AHMAD  
DATE/CASE ID: 19 SEP 2008 200703339

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Approved: NEA – David Welch OK

Drafted: NEA/PI – Blake Thorkelson, x68307

Cleared: NEA – Kent Patton OK  
NEA/PI – Ken Gross OK  
D – Aaron Jost OK  
P – Maren Brooks OK  
S/P – Ash Jain OK  
L – Meg Pickering OK  
H – Jennifer Butte-Dahl OK  
F – Emily Wacchter OK  
SCA – Manny Micaller OK  
S/ES-CR – Brenda Horton OK  
DRL – Barks-Ruggles OK

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SIDA

**Designation of the Middle East Foundation**

Pursuant to the authority vested in me as Deputy Secretary of State, including by the Implementing Recommendations of the 9/11 Commission Act of 2007 (Public Law 110-53) ("the Act") and State Department Delegation of Authority No. 245 of April 23, 2001, I hereby designate the Broader Middle East and North Africa (BMENA) Foundation for the Future, a private, nonprofit organization incorporated in the District of Columbia, as the "Middle East Foundation" for the purposes of Section 2021(b)(1) of the Act.

3/20/08

Date

John D. Negroponte

John D. Negroponte  
Deputy Secretary of State

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United States Department of State

Washington, D.C. 20520

510 B

Dear Mr. Chairman:

Pursuant to Section 2021(b)(1) of the Implementing Recommendations of the 9/11 Commission Act of 2007 (Public Law 110-53), I am hereby transmitting the designation by the Deputy Secretary of State of the Broader Middle East and North Africa (BMENA) Foundation for the Future, a private, nonprofit organization incorporated in the District of Columbia, as the "Middle East Foundation."

Sincerely,

Jeffrey T. Bergner  
Assistant Secretary  
Legislative Affairs

Enclosure:  
As stated.



The Honorable  
Joseph R. Biden, Jr., Chairman,  
Committee on Foreign Relations,  
United States Senate.

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**Implementing Recommendations of the 9/11 Commission Act of 2007  
(P.L. 110-53)**

510N

**SEC. 2021. MIDDLE EAST FOUNDATION.**

(a) Purposes- The purposes of this section are to support, through the provision of grants, technical assistance, training, and other programs, in the countries of the broader Middle East region, the expansion of--

- (1) civil society;
- (2) opportunities for political participation for all citizens;
- (3) protections for internationally recognized human rights, including the rights of women;
- (4) educational system reforms;
- (5) independent media;
- (6) policies that promote economic opportunities for citizens;
- (7) the rule of law; and
- (8) democratic processes of government.

(b) Middle East Foundation-

(1) DESIGNATION- The Secretary of State is authorized to designate an appropriate private, nonprofit organization that is organized or incorporated under the laws of the United States or of a State as the Middle East Foundation (referred to in this section as the 'Foundation').

(2) FUNDING-

(A) AUTHORITY- The Secretary of State is authorized to provide funding to the Foundation through the Middle East Partnership Initiative of the Department of State.

Notwithstanding any other provision of law, the Foundation shall use amounts provided under this paragraph to carry out the purposes specified in subsection (a), including through making grants, using such funds as an endowment, and providing other assistance to entities to carry out programs for such purposes.

(B) FUNDING FROM OTHER SOURCES- In determining the amount of funding to provide to the Foundation, the Secretary of State shall take into consideration the amount of funds that the Foundation has received from sources other than the United States Government.

(3) NOTIFICATION TO CONGRESSIONAL COMMITTEES- The Secretary of State shall notify the appropriate congressional

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committees of the designation of an appropriate organization as the Foundation.

(c) Grants for Projects-

(1) FOUNDATION TO MAKE GRANTS- The Secretary of State shall enter into an agreement with the Foundation that requires the Foundation to use the funds provided under subsection (b)(2) to make grants to persons or entities (other than governments or government entities) located in the broader Middle East region or working with local partners based in the broader Middle East region to carry out projects that support the purposes specified in subsection (a).

(2) CENTER FOR PUBLIC POLICY- Under the agreement described in paragraph (1), the Foundation may make a grant to an institution of higher education located in the broader Middle East region to create a center for public policy for the purpose of permitting scholars and professionals from the countries of the broader Middle East region and from other countries, including the United States, to carry out research, training programs, and other activities to inform public policymaking in the broader Middle East region and to promote broad economic, social, and political reform for the people of the broader Middle East region.

(3) APPLICATIONS FOR GRANTS- An entity seeking a grant from the Foundation under this section shall submit an application to the head of the Foundation at such time, in such manner, and containing such information as the head of the Foundation may reasonably require.

(d) Private Character of the Foundation- Nothing in this section shall be construed to--

(1) make the Foundation an agency or establishment of the United States Government, or to make the officers or employees of the Foundation officers or employees of the United States for purposes of title 5, United States Code; or

(2) impose any restriction on the Foundation's acceptance of funds from private and public sources in support of its activities consistent with the purposes specified in subsection (a).

(e) Limitation on Payments to Foundation Personnel- No part of the funds provided to the Foundation under this section shall inure to the benefit of any officer or employee of the Foundation, except as salary or reasonable compensation for services.

(f) Retention of Interest- The Foundation may hold funds provided under this section in interest-bearing accounts prior to the disbursement of such

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funds to carry out the purposes specified in subsection (a), and may retain for such purposes any interest earned without returning such interest to the Treasury of the United States. The Foundation may retain and use such funds as an endowment to carry out the purposes specified in subsection (a).

(g) Financial Accountability-

(1) INDEPENDENT PRIVATE AUDITS OF THE FOUNDATION-

The accounts of the Foundation shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The report of the independent audit shall be included in the annual report required by subsection (h).

(2) GAO AUDITS- The financial transactions undertaken pursuant to this section by the Foundation may be audited by the Government Accountability Office in accordance with such principles and procedures and under such rules and regulations as may be prescribed by the Comptroller General of the United States.

(3) AUDITS OF GRANT RECIPIENTS-

(A) IN GENERAL- A recipient of a grant from the Foundation shall agree to permit an audit of the books and records of such recipient related to the use of the grant funds.

(B) RECORDKEEPING- Such recipient shall maintain appropriate books and records to facilitate an audit referred to in subparagraph (A), including--

- (i) separate accounts with respect to the grant funds;
- (ii) records that fully disclose the use of the grant funds;
- (iii) records describing the total cost of any project carried out using grant funds; and
- (iv) the amount and nature of any funds received from other sources that were combined with the grant funds to carry out a project.

(h) Annual Reports- Not later than January 31, 2008, and annually thereafter, the Foundation shall submit to the appropriate congressional committees and make available to the public a report that includes, for the fiscal year prior to the fiscal year in which the report is submitted, a comprehensive and detailed description of--

- (1) the operations and activities of the Foundation that were carried out using funds provided under this section;

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(2) grants made by the Foundation to other entities with funds provided under this section;

(3) other activities of the Foundation to further the purposes specified in subsection (a); and

(4) the financial condition of the Foundation.

(i) Broader Middle East Region Defined- In this section, the term 'broader Middle East region' means Afghanistan, Algeria, Bahrain, Egypt, Iran, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Pakistan, Qatar, Saudi Arabia, Syria, Tunisia, United Arab Emirates, West Bank and Gaza, and Yemen.

(j) Repeal- Section 534(k) of Public Law 109-102 is repealed.

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FM AMEMBASSY MANAMA

TO SECSTATE WASHDC IMMEDIATE 2353

INFO ARAB LEAGUE COLLECTIVE PRIORITY

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SENSITIVE

E.O. 12958: N/A

TAGS: PREL, ECON, KMPI, ECIN, BA, XF, XG, CA, JA

SUBJECT: FORUM FOR THE FUTURE MAY 10 STEERING COMMITTEE  
MEETING

REF: MANAMA 675

Sensitive but unclassified; please protect accordingly. Not  
for Internet distribution.-----  
Summary  
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1. (SBU) Bahrain hosted a meeting of the G8/Broader Middle East and North Africa (BMENA) Forum for the Future (FfF) Steering Committee May 10 that included representatives of the U.S., UK, Russia, Morocco, Jordan, and Egypt. The

UNITED STATES DEPARTMENT OF STATE  
CLASSIFIED BY DEPT. OF STATE, L. HEDGBETH, DAS, A/ISS  
REVIEW AUTHORITY: SHARON E AHMAD  
CLASSIFICATION: CONFIDENTIAL REASON: 1.4(B), 1.4(D)  
DECLASSIFY AFTER: 17 MAY 2015  
DATE/CASE ID: 19 DEC 2008 200703339

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parties discussed preparations for the FfF meeting, to be co-chaired by Bahrain and the UK on November 11-12, 2005 in Manama, including achieving progress on G8/BMENA initiatives, the role of civil society and business at the Forum, new initiatives including the Foundation for the Future and Fund for the Future, and participants. The representatives requested a role for the BMENA process at the July G8 Summit in Gleneagles, Scotland to highlight continued attention on reform in the Middle East. The Arab participants emphasized that the governments had an obligation to show their peoples concrete results from their enhanced partnership with the G8 countries. End Summary.

-----  
Participants  
-----

2. (SBU) Bahraini Minister of State for Foreign Affairs/Information Minister Mohammed Abdul Ghaffar chaired a May 10 meeting of the G8/BMENA Forum for the Future steering committee in Manama. Participants included:

Bahrain: Abdul Ghaffar; MFA Assistant Under Secretary for Coordination and Follow Up Shaikh Abdul Aziz bin Mubarak Al Khalifa; MFA Director for Bilateral Affairs Ambassador Dhafer Al Umrani; Finance Ministry Director for Economic Planning Yousuf Humood

U.S.: NEA PDAS Elizabeth Cheney; Ambassador Monroe; NEA DAS Scott Carpenter

UK: FCO Head of Engaging with the Islamic World Group Ambassador Frances Guy; Ambassador to Bahrain Robin Lamb; FCO Head of Policy Team Michael Nevin

Jordan: Finance Minister Bassem Awadallah; Ambassador to Bahrain Hussein Al Majali

Egypt: Investment Minister Mahmoud Mohieldine; Ambassador to Bahrain Azmy Khalifa; MFA National Coordinator for Development Initiatives in the Middle East Shabaan Mohammed Shabaan

Russia: MFA Missions Ambassador Sergi Kerpitchinco; Ambassador to Bahrain Yuri Antonov

Morocco: MFA General Director for Bilateral Relations Yousuf Al Emrani; Ambassador to Bahrain Al Yazid Al Kadiri.

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4. (SBU) [REDACTED] echoed these ideas, saying that "our people" expect results from the region's partnership with the G8. The participants must show real, tangible progress that affects regular people's lives. The Fff should

be more than just a housekeeping review of programs; there should be additional project proposals. Switching gears, [redacted] said that the 2004 G8 Summit in Sea Island, Georgia showcased a commitment from the top political leadership for reform in the region. He recognized that the UK has a full agenda for the Gleneagles Summit, but stressed that the G8 would not send the right message to the region if Middle East reform was not discussed. Renewing focus on reform would provide more meaning for the November Fff meeting.

Pressing for BMENA Presence at G8 Summit in UK

5. (SBU) NEA PDAS Cheney said there should be a high level event at Gleneagles so that the G8 is seen to be directly involved in reform in the Middle East. This would give the Bahrain meeting an umbrella of global support and encourage other European countries to contribute financially or politically to the initiative. Bahrain, Morocco, and Egypt all stated their support for this idea. The UK [REDACTED] [REDACTED] had received the message and would convey it back to London. (Note: Per reftel, [REDACTED])  
[REDACTED]  
[REDACTED]. End Note.)

6. (SBU) [ ] reviewed ongoing activities related to BMENA initiatives. [ ] the UK held a meeting of finance ministers on the margins of the World Bank/IMF meetings in Washington in April 2005. There will be a similar meeting on

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the margins of the Bank/Fund meetings this fall. The Arab Business Council will meet with government representatives soon in Jordan. Jordan will host an education ministerial at the Dead Sea after the World Economic Forum meetings in May.

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Democracy and Civil Society Initiatives  
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7. (SBU) [ ] explained action related to democracy and civil society. Yemen, Italy, and Turkey are leading the Democracy Assistance Dialogue (DAD) with the participation of other G8 and BMENA countries. They have teamed up with NGOs from the three countries, most prominently with Italian organization "No Peace Without Justice." The DAD has two major themes: women in the political process, and political pluralism. The governments and NGOs plan to hold meetings on these subjects before November so they can provide a report at the FfF.

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8. (SBU) [ ] continued that the civil society dialogue is built around four themes: transparency and anti-corruption, led by the UK; rule of law (U.S.); women and employment (Bahrain); and human rights (not yet assigned; UK in touch with Qatar about taking it on). The UK envisions a series of civil society meetings and events built around these themes taking place in the period leading up to the FfF. At the Forum, a few NGO representatives involved in each theme would report progress made in these areas and issue recommendations for government action. [ ] said there is no need for a big civil society meeting at the time of the FfF because NGOs will have been involved in earlier meetings on the four thematic areas.

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9. (SBU) DAS Carpenter added that countries must be consistent in how they deal with civil society and make clear how they will be involved in the Forum meetings. It should be up to the NGOs themselves to decide who will represent them in Bahrain. [ ]

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[ ] suggested that the organizers include NGOs in the planning process so there are no surprises.

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Business To Play a Role  
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10. (SBU) [ ] noted that, in the context of civil society participation at the Forum, it was important that business play a role. At the recent Community of Democracies conference in Chile, [ ] suggested that business groups

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and corporations participate because economic and political

development and reform go together. [REDACTED]

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[REDACTED] business people needed to understand that peaceful demonstrations and rallies were part of political openness, and investors should not run away from emerging democracies in the developing world that permit public expression of political views.

11. (SBU) [REDACTED] said that the parties could adopt a similar approach for business as that for civil society. Business groups could hold meetings on their own and then report their findings to the FfF. [REDACTED] stated that the Arab Business Council had been active on economic reform, and the Economic Research Forum had been supportive of the Alexandria meetings on reform. The themes for business activities could be investment and corporate governance and, he suggested, BMENA activities could be coordinated with the OECD, which also focuses on these issues. [REDACTED] suggested that BMENA also "build a bridge" to the Barcelona process.

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12. (SBU) [REDACTED] said that the FfF should adhere strictly to the idea of regional projects rather than single country projects. The Forum should ensure that the efforts and projects are sustainable, decisions are transparent, and all participating countries have access to the initiatives. To address sustainability, the parties should consider creating a secretariat to promote follow up. The secretariat does not have to be large or expensive, but would fill a need in promoting the regional initiatives.

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Foundation and Fund for the Future  
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13. (SBU) PDAS Cheney stated that the U.S. would like Forum participants to announce two deliverables at the November meetings. They are the Foundation for the Future and the Fund for the Future. The Foundation would coordinate projects on democracy, political reform, and civil society in the region. As a result of our experience and conversations with the UK and EU, she said, our thought is to create an entity outside of official government donor channels which is multilateral, has a clear mandate, and whose members of the board of directors come from BMENA and donor countries. Initial funding should be \$60 million, of which the U.S. would provide \$35 million. The U.S. will distribute a proposal on the structure of the Foundation and the board.

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We will work with the World Bank on having a Bank official seconded to the Foundation to work on its establishment. Cheney stressed that the Foundation should be viewed as a response to addressing the needs of the people of the region.

14. (SBU) The Fund for the Future would be a venture capital fund serving as a complement to the Foundation. Its target customers would be entrepreneurs and small business owners. The board of the Fund would also be composed of representatives from the BMENA and donor countries. The participating countries would need to discuss staffing and location of the headquarters of the Fund.

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Coordinate Fund with Ongoing Activities  
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15. (SBU) [ ] said the creation of the Foundation and Fund is extremely important and represented an incentive for other donors to come forward. Noting that U.S. initiatives are often misunderstood in the Middle East, he said that parties would have to coordinate on a public rollout to describe the mandate clearly and emphasize that it is responding to needs in the region. [ ] also expressed support for the concept of a Fund. He noted that there were already several microfinance programs in the region and the FfF countries should ensure that the Fund did not duplicate efforts. He said that microfinance generally provided lending to small and micro-enterprises and focused on poverty alleviation. A more appropriate long term focus for the Fund would be financing for innovation sectors that contribute to the creation of a market-based economy.

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16. (SBU) [ ] agreed on the need to coordinate the Fund

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with other activities, and mentioned both the Network of Funds and financing available as part of the Barcelona process. PDAS Cheney said that there were differences between the Fund and other projects but concurred that it needed to be coordinated, particularly with Barcelona. She noted that the announcement of the Foundation and the Fund at the November Forum meetings should be done jointly between the BMENA and G8 countries so it can be characterized as a multilateral (vice U.S.) initiative responding to the region's needs. [ ] stressed that the projects should not leak to the press and should only be revealed at the Forum meeting.

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Participation and Communique  
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17. (SBU) [ ] asked whether more than one minister from each country should attend the Forum. [ ] envisioned a meeting of foreign ministers. [ ] recommended that each country be given the latitude to decide which minister to send as head of delegation, depending on the issues to be addressed.

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18. (SBU) [ ] said that for the 2004 FfF, the co-chairs (U.S. and Morocco) decided which countries to invite. They had agreed it was better to have countries inside rather than outside the BMENA initiative, and so had invited Iran, Libya, and Syria. They did not invite Sudan, however, because of serious policy concerns related to Darfur. [ ] said that Bahrain and the UK would sort out the invitation list based on the principle that all should be invited except if outstanding political issues prevented it.

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19. (SBU) [ ] said that the participants were "lucky" in Rabat to have been able to issue a communique at the end of the conference. He suggested that this time the participants prepare a draft communique ahead of time so they could negotiate and agree on final language before the conference.

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20. (U) PDAS Cheney cleared this cable.

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ACTION EUR-00

INFO	LOG-00	AF-00	AID-00	ACQ-00	CIAE-00	DODE-00	EB-00
	VC-00	TEDE-00	INR-00	IO-00	L-00	VCE-00	AC-00
	NEA-00	NSAE-00	NSCE-00	OIC-00	OMB-00	PA-00	PM-00
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	T-00	EVR-00	SA-00	R-00	ECA-00	IIP-00	PMB-00
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FM AMEMBASSY LONDON

TO SECSTATE WASHDC IMMEDIATE 8577

INFO AMEMBASSY AMMAN IMMEDIATE

AMEMBASSY ANKARA IMMEDIATE

AMEMBASSY ATHENS IMMEDIATE

AMEMBASSY BAGHDAD IMMEDIATE

AMEMBASSY BEIRUT IMMEDIATE

AMEMBASSY BERN IMMEDIATE

AMEMBASSY CAIRO IMMEDIATE

AMEMBASSY COPENHAGEN IMMEDIATE

AMEMBASSY DAMASCUS IMMEDIATE

AMEMBASSY KHARTOUM IMMEDIATE

AMEMBASSY LISBON IMMEDIATE

AMEMBASSY MADRID IMMEDIATE

AMEMBASSY MANAMA IMMEDIATE

AMEMBASSY MOSCOW IMMEDIATE

AMEMBASSY RABAT IMMEDIATE

AMEMBASSY ROME IMMEDIATE

USEU BRUSSELS IMMEDIATE

USLO TRIPOLI IMMEDIATE

RELEASED IN PART  
B1, 1.4(B), 1.4(D)

C O N F I D E N T I A L LONDON 007921

E.O. 12958: DECL: 09/26/2015

TAGS: PREL, PHUM, KDEM, KMPI, KAPO, BA, JO, LY, MO, RS, SY, UK

SUBJECT: (C) FORUM FOR THE FUTURE MEETING, SEPTEMBER 9, 2005, LONDON, UK

Classified By: CHARLES SKINNER, POLCOUNS, REASONS 1.4 B, D

1. (C) Summary: Representatives of the U.S., UK, Bahrain, Egypt, Jordan, Morocco, and Russia met September 9 in London to discuss the agenda for the November 11-12 Forum for the Future Meeting in Manama. Meeting participants agreed on an agenda outline, the importance of civil society participation, and the need to show concrete results, including through a "Bahrain Declaration" to be issued at the end of the November 12 Ministers' Meeting. Separately, UK, U.S., Bahraini and Moroccan delegates discussed the status of

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the proposed entrepreneurial centers planned in Bahrain and Morocco. End summary.

### 2. (SBU) Participants:

#### Bahrain

H.E. Shaikh Abdul Aziz bin Mubarak Al Khalifa, Assistant Under Secretary for Information and Follow Up  
H.E. Shaikh Khalid bin Ahmed Al Khalifa, Bahraini Ambassador to the UK  
Mr. Abdulla Abdullatif, Counsellor, Bahraini Embassy

#### Egypt:

H.E. Dr. Mahmoud Mohieldin, Minister of Investment  
H.E. Mr. Gehad Madi, Egyptian Ambassador to the UK  
Ambassador Mohammed Shaaban, Assistant to the Foreign Minister  
Mr. Ameen Hassan, Third Secretary, Egyptian Embassy

#### Jordan:

Mr. Omar al-Wir, Policy Assistant, King Abdulla II Fund for Development  
Mr. Mohammed Zenai, Deputy Chief of Mission, Jordanian Embassy

#### Morocco:

Dr. Youssef Amrani, General Director of Bilateral Relations, Ministry of Foreign Affairs  
H.E. Mr. Mohammed Belmahi, Moroccan Ambassador to the UK

#### Russia:

Mr. Oleg B. Ozerov, Deputy Director, Department of Middle East and North Africa, Ministry of Foreign Affairs  
Ms. Nina Monakhova, Assistant to Mr. Ozerov

#### United Kingdom

Ms. Frances Guy, Head, Engaging with the Islamic World Group, Foreign and Commonwealth Office  
Mr. Michael Nevin, Engaging with the Islamic World Group, Foreign and Commonwealth Office,  
Mr. Joe Bolton, Engaging with the Islamic World Group, Foreign and Commonwealth Office

#### United States

Ms. Elizabeth Cheney, Principal Deputy Assistant Secretary of

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State for Near Eastern Affairs

Mr. Kurt Volker, Principal Deputy Assistant Secretary of  
State for European Affairs

Mr. Scott Carpenter, Deputy Assistant Secretary of State for  
Near Eastern Affairs

Ms. Leslie Tsou, First Secretary, American Embassy

3. (C) After introductory remarks by Bahraini Head of  
Delegation Shaykh Abdulaziz, UK Head of Delegation Frances  
Guy updated participants on G8 BMENA activities. Discussion  
then turned to planning for the November 11-12 Forum for the  
Future Meeting to be held in Manama, Bahrain. Shakyh  
Abdulaziz emphasized that the November meeting must produce

concrete results, and that there must be strong civil society  
participation. PDAS Cheney agreed that the meeting must  
demonstrate concrete actions, and that civil society  
participation is important. She suggested the agenda be kept  
relatively simple, and stick to the main focuses: women's  
empowerment; transparency and corruption; human rights; and  
rule of law. Ms. Guy stressed that the dynamic between the  
governments and civil societies represented at the meeting  
should be cooperational, not confrontational. [REDACTED]

4. (C) PDAS Cheney briefed meeting participants on both the  
Fund for the Future and the Foundation for the Future. She  
noted that [REDACTED] had expressed a desire to contribute to  
both the Fund and the Foundation, and was interested in  
attending the November meeting. PDAS Volker said that [REDACTED]  
was also interested, while [REDACTED] was reticent,  
preferring to concentrate on the Barcelona Process, but could  
provide oral support. Meeting participants agreed that  
countries who wished to attend the meeting should be invited,  
as long as they pledged to provide concrete support. (Note:  
Since the London meeting, USG has secured financial pledges  
for the Fund and Foundation from: [REDACTED])

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5. (C) PDAS Cheney said the U.S. hopes that countries with recent positive democratic experiences, [REDACTED] [REDACTED] would be allotted time during the Forum to report the positive steps they have taken toward democracy and reform. She described a final ceremony in which ministers would sign a clear statement of the principles of the Forum, possibly to be called the "Bahrain Declaration" or the "Manama Declaration." [REDACTED]

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[REDACTED] expressed concern that signing a document might be considered legally binding and would possibly be subject to scrutiny from lawyers in capitals, leading to tedious negotiation over wording. PDAS Cheney and Ms. Guy promised to circulate a draft text and to consider different options, including signing or affirmation of a Chairman's statement.

6. (C) On the format of the November meeting, participants agreed not to hold breakout discussion sessions with ministers on November 12, but to consider the idea with senior level officials on November 11. Participants also agreed that the meeting should end in the early afternoon if possible. On invitations, Shaykh Abdulaziz said most had already gone out.

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[REDACTED] Shaykh Abdulaziz confirmed all meetings would take place at the Ritz Carlton Hotel in Bahrain. He said he would revise the draft agenda and send it out to meeting participants.

7. (C) On the margins of the Steering Committee, the U.S., UK, Bahraini and Moroccan delegations discussed the Regional Centers for Entrepreneurial Excellence, slated to be established in Bahrain and Morocco. [REDACTED]

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the U.S. said it would distribute business plans to the G8 along with indications of where support is most needed. All participants agreed to renew their efforts, with the goal of announcing the launch of the centers at the November meeting in Bahrain.

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<http://www.state.sgov.gov/p/eur/london/index.cfm>

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RELEASED IN PART  
B1, 1.4(B), 1.4(D)

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ACTION NEA-00

INFO	LOG-00	NP-00	AF-00	AID-00	CEA-01	CIAE-00	COME-00
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	EB-00	EUR-00	EXIM-01	E-00	FAAE-00	VC-00	FRB-00
	H-00	TEDE-00	INR-00	IO-00	ITC-01	VCE-00	M-00
	AC-00	NSAE-00	NSCE-00	OMB-00	NIMA-00	ACE-00	SCT-00
	FMPC-00	SP-00	SSO-00	SS-00	STR-00	TRSE-00	BEG-00
	R-00	EPAE-00	IIP-00	SCRS-00	DSCC-00	PRM-00	DRL-00
	G-00	NFAT-00	SAS-00	SWCI-00	/003W		

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FM AMEMBASSY LONDON

TO SECSTATE WASHDC IMMEDIATE 8621

INFO AMEMBASSY ANKARA PRIORITY

AMEMBASSY CAIRO PRIORITY

AMEMBASSY COPENHAGEN PRIORITY

AMEMBASSY MADRID PRIORITY

AMEMBASSY MANAMA PRIORITY

AMEMBASSY MOSCOW PRIORITY

AMEMBASSY RABAT PRIORITY

AMEMBASSY ROME PRIORITY

USEU BRUSSELS PRIORITY

C O N F I D E N T I A L LONDON 007949

SENSITIVE

STATE FOR NEA/FO, NEA/PI, EUR/UBI

E.O. 12958: DECL: 09/28/2015

TAGS: PREL, ECON, KMPI, KDEM, KMEPI, OTRA, MA, UK

SUBJECT: BMENA: BRITISH POLITICALLY SUPPORT FOUNDATION FOR  
THE FUTURE, BUT NEED MORE DETAILS FOR FINANCIAL SUPPORT

Classified By: Charles Skinner, PolCouns, Reasons 1.4 (B,D)

1. (C) SUMMARY AND EMBASSY COMMENT. British officials support the broad ideas behind the Foundation for the Future, but have misgivings about some of the details--or perceived lack thereof--in the proposal. [REDACTED]

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UNITED STATES DEPARTMENT OF STATE  
CLASSIFIED BY DEPT. OF STATE, L. HEDGBETH, DAS, A/ISS  
REVIEW AUTHORITY: SHARON E AHMAD  
CLASSIFICATION: CONFIDENTIAL REASON: 1.4(B), 1.4(D)  
DECLASSIFY AFTER: 29 SEP 2015  
DATE/CASE ID: 06 AUG 2008 200703339

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END SUMMARY AND COMMENT.

2. (U) An NEA delegation composed of NEA/FO Senior Advisor King Mallory and NEA/PI contractors Ahmed Dabbous and Shaha Riza, accompanied by Poloff, met with HMG officials to discuss the Fund and Foundation for the Future. In attendance for the UK side were Michael Nevin, deputy head of the Policy Team of the Engaging with the Islamic World Group at the Foreign and Commonwealth Office (FCO); Joe Bolton and Miriam Gonzalez (a Spanish national on secondment from one of the European institutions), also members of the Engaging group; and Mirza Jahani, a governance advisor at the Department for International Development (DFID).

3. (C) The UK officials generally appeared to support the concept and goals of the Foundation for the Future, but they also expressed concern about some points

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The NEA delegation noted that because one of the Foundation's goals is to promote regional ownership, the West cannot flesh out too many details or Arab countries will not sign on. Instead, the U.S. and other donor countries should set out broad guidelines and let the Foundation's future board and chairperson craft the actual structure.

4. (C) While agreeing that the Foundation must allow Arab countries to take ownership, the HMG officials said they need more detail to persuade their ministers to commit funding to the initiative and expected that other countries would want the same; they seemed particularly interested in learning more about how the USG has presented this to Congress.

5. (SBU) Our HMG interlocutors also questioned whether the Foundation has enough regional backing to ensure that it has the appropriate indigenous imprint, given that it has more Western than Arab backers at present. They appreciated the

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U.S. vision for the management structure--especially the focus on ensuring that the chairperson is someone who has stature with both governments and civil society, and that the majority of the board are people of regional stature--but asserted that this structure could make it difficult to win the support of some Arab governments, particularly is those governments are to contribute money. [ ] noted that one possibility would be to have a steering committee for governments, which would function solely in a consultative fashion. One of the HMG officials suggested that a hybrid entity be considered, which would enjoy some of the privileges and protections of government-sponsored entities.

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6. (SBU) [ ] the UK believes the U.S. must coordinate or even merge its efforts with those of the Westminster Foundation for Democracy and Saad Eddin Ibrahim, to ensure that there are not competing proposals. (Riza met

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earlier that day with Westminster's chief executive, David French, to discuss that organization's program.)

7. (SBU) The UK officials had several questions about the financial aspects of the Foundation, including the \$60 million funding target. [ ] noted that if the Foundation is dependent on a constant inflow of donor money--rather than an endowment--it must be designed to ensure that the board maintains its independence and the Foundation its sustainability. He also said it would be important to have a strong local philanthropy component, especially to make it more palatable to Western donors and show that the wealthier citizens of the region are taking an active role. The group also asked where the Foundation headquarters would be located and how local laws would affect its functions and projects it could fund.

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8. (SBU) The FCO and DFID also questioned the idea of "launching" the Foundation in November in Bahrain; [ ] explained that it would be less a "launch" than an "announcement," with a high-level document to define its broad theme and principles and the countries funding it. [ ] suggested that the West seek a middle ground, perhaps by "launching" an 18-month preparatory phase to lay the groundwork for the Foundation; this also could help embed the program more and ensure that it does not lose momentum under the Russian presidency of the G8 next year.

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10. (SBU) As for the Rabat meeting, [ ] was disappointed that the U.S. will not have ministerial-level attendance there and said it was unclear if Minister of State Kim Howells, who handles the Middle East portfolio, would follow through on his announced attendance. [ ] also said Rabat should include a clear recommendation calling for institutional support for civil society organizations--such as the proposed Foundation.

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11. (SBU) The group also briefly discussed the Fund for the Future. [ ] said DFID supported the idea--especially the focus on using it as a way to bring about changes in private sector laws--but that it was unlikely that HMG would be able to offer any funding for it.

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ACTION NEA-00

INFO	LOG-00	NP-00	AID-00	AMAD-00	AEX-00	A-00	CCO-00
	CIAE-00	CPR-00	INL-00	DIM-00	DODE-00	WHA-00	DS-00
	EAP-00	EUR-00	OIGO-00	UTED-00	H-00	TEDE-00	INR-00
	IO-00	LAB-01	L-00	M-00	DCP-00	NSAE-00	NSCE-00
	OMB-00	NIMA-00	EPAU-00	PA-00	GIWI-00	PRS-00	IRM-00
	SSO-00	SS-00	USSS-00	SA-00	FMP-00	R-00	EPAE-00
	SCRS-00	DSCC-00	PRM-00	DRL-00	G-00	SAS-00	SWCI-00

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 FM AMEMBASSY MANAMA  
 TO SECSTATE WASHDC IMMEDIATE 3399  
 INFO ARAB LEAGUE COLLECTIVE PRIORITY  
 EUROPEAN POLITICAL COLLECTIVE PRIORITY  
 AMEMBASSY ANKARA PRIORITY  
 AMEMBASSY ISLAMABAD PRIORITY  
 AMEMBASSY KABUL PRIORITY  
 AMEMBASSY OTTAWA PRIORITY  
 AMEMBASSY TOKYO PRIORITY

RELEASED IN PART  
 B6

UNCLAS MANAMA 001676

STATE FOR NEA, EUR

E.O. 12958: N/A  
 TAGS: OVIP (RICE, CONDOLEEZZA), KDEM, KMPI, EAID, PREL,  
 PGOV, PHUM, BA, AF, CA, JA, PK, TU  
 SUBJECT: FORUM FOR THE FUTURE: NOVEMBER 11 SENIOR  
 OFFICIALS MEETING

1. (U) SUMMARY: The Senior Officials Meeting of the BMENA Forum for the Future on November 11 finalized preparations for the Ministerial session the following day. Representatives of governments, civil society and the private sector reviewed progress on BMENA initiatives undertaken since last December's Forum in the areas of education, economy and democracy. There was general agreement that considerable progress had been made, with perhaps the most significant achievement being the cooperative atmosphere of constructive dialogue that has developed between civil society and governments. The USG explained plans to launch the Foundation for the Future (to support civil society) and the Fund for the Future (to support SMEs) on the margins of the Ministerial session. END SUMMARY.

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 Overview

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2. (U) The second annual Forum for the Future opened November 11 in Manama, Bahrain, with a Senior Officials Meeting to finalize preparations for the Ministerial meeting November 12. The Forum includes government representatives from the G8 and the countries of the Broader Middle East and North Africa (BMENA) as well as civil society and business representatives involved in BMENA activities. The Senior Officials Meeting was divided into four broad themes: Knowledge and Education; Finance Ministers Report; Civil Society and the Democracy Assistance Dialogue (DAD); and discussion of the Foundation for the Future and Fund for the Future.

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### Knowledge and Education

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3. (U) Delegates provided an update on the Education Framework for Action, created at the May 2005 Dead Sea Ministerial in Jordan. Since that meeting, BMENA governments and their G-8 partners have held regular dialogues intended to move the agenda forward in three main areas: education quality, use of technology in the classroom, and inclusion of all segments of society, particularly women and girls. The Egyptians announced that they would host the next Ministerial, planned for May 2006 in Sharm el-Sheikh.

4. (U) The second segment focused on the elimination of illiteracy, with presentations made by the governments of Algeria and Afghanistan. Department of Education Deputy Chief of Staff Robin Gilchrist reaffirmed the U.S. commitment to work with countries in the region that make education reform a priority. This includes political commitment at the highest levels to provide quality education for every citizen in each country. She cited the No Child Left Behind Act, launched four years ago in the United States, as an example. Gilchrist further introduced the Global Learning Portal, a network to assist Arab educators to provide reliable educational resources at the national and international levels.

5. (U) The third segment centered on promoting youth skills for employment through a program called technical and vocational education and training (TVET). Delegates from Japan and Jordan discussed results from the G8-BMENA TVET workshop they co-sponsored in September, including identification of the major challenges facing the region. To address such problems as rising unemployment (which the

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Jordanian delegate said now totals 12.5 million people in Arab countries, including 32 percent of youth) and increasing poverty of semi-skilled workers, the German delegation explained the development of new training systems commensurate with today's complex work environment and the need for demand-driven rather than supply-driven training models.

6. (U) In the final segment, delegates from Morocco and Bahrain reported on the status of the two Entrepreneurship Centers planned in those countries. Conceived during the first Forum in Rabat, the proposed regional centers for training and supporting entrepreneurs have yet to be launched. The delegates reported that business plans have been completed and administrative structures have been put in place, but the question of financing for the two institutes has delayed their opening. Delegates from the US and UK, two

countries which have already provided financial support to establish the Centers, encouraged others government to contribute to the Centers.

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Outcome of Finance Ministers Meetings  
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7. (U) The UK provided an overview of discussions by BMENA Finance Ministers over the past year and turned to representatives of groups undertaking specific BMENA initiatives: The Arab Business Council (ABC), Arab Monetary Fund, International Finance Corporation (IFC), Consultative Group to Assist the Poor (CGAP), and UNDP. The ABC representative outlined five key challenges to improving the business environment in the region: job creation, pluralism, education, anti-corruption, and peace. The ABC is undertaking initiatives to address some of these, including the creation of country-specific National Competitiveness Councils and a G8-BMENA Investment Task Force. The ABC representative complained that the vision and mission of the Forum for the Future was unclear to business and asked for greater clarity on how the Forum would address issues of interest to the private sector.

8. (U) The IFC outlined progress in setting up the Private Enterprise Partnership (PEP MENA), including nine country offices and 59 projects. The OECD reported on the two rounds of Working Group meetings held in several sectors and plans for a Ministerial meeting on investment to be held in Jordan in 2006. UNDP plans to hold a meeting in Egypt in 2006 to

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