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reach conclusions on its series of workshops and seminars held on governance issues since 2003. EB PDAS Greenwood expressed USG support for these initiatives, noting MEPI funding of PEP MENA and consideration of funding for CGAP. He explained the USG's strong interest in promoting SMEs in the region, which is why we are pressing for creation of the Fund for the Future. Finally, Greenwood stressed the need to explore ways for government officials to interact with the business community regarding these initiatives, pointing out that it is the private sector that will ultimately create new jobs.

Civil Society Thematic Meetings

9. (U) Civil Society representatives reported on the results of four thematic meetings held under the BMENA umbrella over the past year: Women's Empowerment, Transparency, Human Rights, and Rule of Law. The October meeting on Women's Empowerment in Manama identified 22 specific areas for potential action to strengthen the status of women as equal partners, many of which will constitute the agenda for a follow-up meeting in 2006. The Transparency representative noted the need for a working group to study how corruption is preventing countries from reaching the UN's Millennium Challenge goals. She also reported on the transparency meeting's call for the creation of a foundation to support civil society activities as well as establishing an NGO tasked with coordinating follow-up by civil society on anti-corruption issues.

10. (U) The Human Rights representative noted that one individual [REDACTED] had been prevented from attending the human rights thematic meeting and pointed out that this had a negative impact on the credibility of the BMENA process. Following this intervention, the Bahraini chair responded that participants in the thematic meetings were supposed to represent organizations and large numbers of people, not just themselves, which was the case of the individual in question.

The Human Rights rep reviewed priorities that emerged from the thematic meeting: reforming legislation on the registration and operation of NGOs, obstacles to freedom of expression and assembly, and an end to emergency laws and other extraordinary legislation. The Human Rights meeting had recommended creating networks of NGOs to monitor and report on these priority issues and financing public information campaigns in support of human rights issues.

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11. (U) The Rule of Law (ROL) representative reported that its September meeting in Jordan had operated from the basis that civil society was interested in dialogue and not

confrontation to resolve issues, but needed the freedom to operate, which is often not the case around the region. The ROL thematic meeting made specific recommendations on improving NGOs' ability to register and operate without administrative or judicial review. It also stressed the importance of judicial independence and called for the end of extraordinary courts and the simplification of rules and procedures in the judicial system.

Democracy Assistance Dialogue

12. (U) Interventions by government and civil society coordinators of the Democracy Assistance Dialogue (DAD) from Italy, Turkey, and Yemen all stressed the tremendous progress made since the DAD's launch at the Rabat Forum for the Future last year. The new spirit of cooperation and dialogue between government and civil society represents a true watershed for the BMENA region. The Turkish reps reported on efforts in support of women's empowerment and plans to hold the next meeting in 2006 with specific emphasis on gender equality. Italian NGO President Emma Bonino described the platform for action developed at the September meeting in Rabat, which should form the basis for further government-civil society cooperation.

13. (U) Several civil society representatives took the floor and echoed their satisfaction with the improved nature of cooperation with governments in the year since the DAD was launched. They all stressed concerns, however, about the lack of a mechanism to ensure follow-up on recommendations coming out of meetings with civil society. Almost all of the civil society and government reps during this session praised the creation of the Foundation for the Future as providing civil society with the financial ability to play its full role in the political process.

Foundation for the Future

14. (U) NEA DAS Carpenter opened a session on the establishment of the Foundation for the Future and the Fund for the Future, both of which were scheduled to be formally

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announced by Secretary Rice the following day on the margins of the Ministerial. The Foundation will be an international, not-for-profit institution promoting freedom and democracy in the broader Middle East by issuing grants to NGOs, civil society organizations, individuals, and academic institutions. The Fund will provide equity to small-to-medium sized enterprises to support entrepreneurship and create jobs. A Draft Charter of Principles shaping the establishment of the Foundation was distributed for discussion, with the hope that more governments would commit to be partners in this project.

15. (U) A Kuwaiti government representative raised a question that was of interest and concern to other delegates; namely, with governments being called on to finance the Foundation, yet civil society organizations running its operations, what provisions would be put in place to ensure that those organizations do not undermine their own governments? The Egyptian delegation also noted that many countries have regulations on the funding of civil society groups, which would need to be reflected in the final agreement. DAS Carpenter closed the session by stating that the Foundation would be a completely independent organization with an independent board. He added that the USG was committed to work together with governments from the region and elsewhere and civil society organizations to jointly develop a mechanism to support the growth of civil society in the region.

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ORIGIN NEA-00

RELEASED IN FULL

INFO	LOG-00	AID-00	AMAD-00	CIAE-00	DODE-00	WHA-00	PDI-00
	DS-00	EAP-00	EUR-00	UTED-00	H-00	TEDE-00	INR-00
	LAB-01	NSAE-00	ISN-00	EPAU-00	GIWI-00	P-00	SP-00
	IRM-00	SSO-00	SS-00	SA-00	FMP-00	R-00	EPAE-00
	SCRS-00	DSCC-00	PRM-00	DRL-00	G-00	NFAT-00	SAS-00
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SOURCE: CBLEXCLS.006198

DRAFTED BY: NEA/PI:BTHORKELSON -- 11/22/2005 776-8307

APPROVED BY: NEA:ELCHENEY

NEA: SCOTT CARPENTER

D: ROB WALLER

P: TOBY BRADLEY

S/P: SUZANNE MALONEY

EUR: CHRIS DOUGHERTY

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FM SECSTATE WASHDC

TO AMEMBASSY ANKARA PRIORITY

AMEMBASSY ATHENS PRIORITY

AMEMBASSY BERN PRIORITY

AMEMBASSY BUDAPEST PRIORITY

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AMEMBASSY KABUL PRIORITY

AMEMBASSY MOSCOW PRIORITY

AMEMBASSY OTTAWA PRIORITY

AMEMBASSY TOKYO PRIORITY

UNCLAS STATE 212973

E.O. 12958: N/A

TAGS: PREL, KDEM, KMPI

SUBJECT: NEXT STEPS ON THE FOUNDATION FOR THE FUTURE

REF: A. STATE 190538

B. STATE 190544

C. STATE 190583

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1. Summary. The Secretary joined government and civil society partners to announce the Foundation for the Future at the Forum for the Future in Manama on November 12. Next steps include collecting nominations for the Foundation's Chair, and a meeting hosted by Jordan in mid-December to discuss the Foundation structure and potential Chair nominees. Post is requested to share next steps with host government. See paragraph 5.

2. At the Forum for the Future in Manama on November 12, the Secretary joined other NEA and EUR partner governments and civil society representatives to announce the Foundation for the Future. The Foundation will be an international, not-for-profit institution. It will promote freedom and democracy in the broader Middle East by providing funding to local NGOs, civil society organizations, individuals, and academic institutions. It will be led by a chairperson from the region and a board of directors comprised of prominent individuals (no government representatives) from the region and partner states.

3. To date, the following governments have committed funds to the Foundation: United States (\$35 million), European Commission (1 million Euros), Spain (\$1 million), United Kingdom (\$1 million), Switzerland (\$1 million), Denmark (\$2 million), Netherlands (\$1 million), Greece (\$1.5 million), Turkey (\$500,000), Italy (TBD), Hungary (in kind), Jordan (\$1 million), Qatar (\$10 million), and Bahrain (\$1 million).

4. Next steps on the Foundation include the following. All posts may draw on this information in response to host country inquiries.

--November 28: NEA PDAS Liz Cheney will brief political counselors from EU-25 countries at the UK Embassy in Washington.

--Late November: EUR will brief ambassadors from Foundation partner countries from the EUR region. NEA will brief all NEA ambassadors.

--December 5: Deadline for nominations for the Foundation Chair.

--Mid-December: Jordan will host a meeting of senior officials to finalize the Foundation Charter Principles, discuss potential Foundation Chairs, and discuss the Foundation's structure and next steps.

--O/A January 15, 2006: Announcement of Foundation Chair.

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--O/A January 15-February 15: Partner countries and civil society nominate other board members to Chair

--March: First full board meeting; board votes on charter, bylaws, and other related documents

--April: Foundation begins recruiting grant proposals from civil society

--June: Second board meeting; first issuance of grants

5. Action request for all action addressees. Post is requested to deliver the following points to host government:

--The Foundation for the Future was announced at the Forum for the Future in Bahrain on November 12. Secretary Rice joined representatives of civil society other partner countries in launching the Foundation. Partner countries have already committed over \$56 million, and we appreciate your government's contribution to make this important initiative a success. The Foundation will be a critical tool to supporting greater freedom and democracy in the Broader Middle East, and its strength will come from its roots in civil society itself.

--We want to update you on next steps on the Foundation. We encourage you to submit nominations for a potential board chair by December 5. The Chair should come from the Broader Middle East region, be a credible leader of reform, and be trusted by both governments and civil society. **Nominations can be submitted through the Embassy or directly to Shaha Riza (sriza@worldbank.org) and Blake Thorkelson (thorkelsonbk@state.gov).**

--Jordan will host in mid-December a meeting of senior officials from Foundation partner countries to finalize the Foundation's Charter Principles, discuss potential Foundation Chairs, and discuss the Foundation's structure and next steps. The U.S. will issue invitations in late November, and we hope your government will be able to attend.

--We expect that the Chair will be announced in mid-January. From mid-January to mid-February, partner countries are encouraged to submit names of other potential board members to the Chair. The first full board meeting will occur in March.

End points.

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6. Point for all posts if asked about reports that Egypt derailed an agreement to fund NGOs at the Forum:

--The Forum did not issue the Bahrain Declaration which focused on reform commitments by governments, due to specific objections regarding funding of civil society organizations that were not officially recognized by host governments.

--We are disappointed that a consensus could not be reached at the Forum regarding the funding of NGOs in the region. That said, the Forum advanced the cause of reform in the region, and we will continue to work bilaterally and multilaterally to build upon the success achieved at this conference.

7. Any questions should be directed to NEA/PI officer Blake Thorkelson.

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	MEDE-00	EAP-00	EB-00	EUR-00	UTED-00	VCI-00	FSI-00
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	GIWI-00	SCT-00	ISNE-00	SP-00	IRM-00	SSO-00	SS-00
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SOURCE: DISKETTE.044672

DRAFTED BY: R:MBUSSE:VRN -- 12/09/05 202-647-9199

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R:DSMITH SES:ELMARTINEZ

S/ES-O:MTOLLIVER DRL:SLOHMANN

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TO ALL DIPLOMATIC AND CONSULAR POSTS COLLECTIVE IMMEDIATE

USLO TRIPOLI

UNCLAS STATE 222349

FOR AMBASSADORS AND PAOS FROM UNDER SECRETARY KAREN HUGHES

E.O. 12958: N/A

TAGS: KPAO, PREL

SUBJECT: ECHO CHAMBER - HUMAN RIGHTS DAY

1. Saturday December 10, International Human Rights Day, provides an opportunity to highlight the leading role of the United States in promoting and protecting human rights. Around the world and at home, the United States promotes common values and internationally agreed-upon human rights standards.

2. We encourage you to schedule media and other public outreach events to highlight International Human Rights Day.

3. Key points:

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-- The United States honors and celebrates International Human Rights Day. President Bush has proclaimed that human rights are the non-negotiable demands of human dignity: the rule of law, limits on the power of the state, respect for women, private property, free speech, equal justice, and religious tolerance.

-- Democracy and human rights go hand in hand. On December 15, the Iraqi elections will reverberate throughout the region. On December 19, the Afghan people will again show their appetite and aptitude for democracy by seating the new parliament they elected in September. Human rights, not brutal oppression, will define the future in both nations.

-- The United States also partners with other nations to promote human rights, through such organizations as the Community of Democracies and the U.N. Democracy Fund. Last month, the United States joined many other nations to create the **Foundation for the Future** and the Fund for the Future to support democratic reform and human rights in the Broader Middle East and North Africa. The United States is working with our U.N. allies to create a more effective Human Rights Council.

Minimize considered.

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ACTION NEA-00

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	NSAE-00	NSCE-00	OIC-00	PA-00	GIWI-00	PRS-00	P-00
	SCT-00	DOHS-00	FMPC-00	SP-00	IRM-00	SSO-00	SS-00
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FM AMEMBASSY TUNIS
TO SECSTATE WASHDC IMMEDIATE 9337
INFO THE MIDDLE EAST PARTNERSHIP INITIATIVE PRIORITY
AMEMBASSY ANKARA PRIORITY
AMEMBASSY BERLIN PRIORITY
AMEMBASSY ISLAMABAD PRIORITY
AMEMBASSY KABUL PRIORITY
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AMCONSUL ISTANBUL PRIORITY
USEU BRUSSELS PRIORITY

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B1, 1.4(B), 1.4(D)

C O N F I D E N T I A L TUNIS 002706

NEA FOR CHENEY, CARPENTER

E.O. 12958: DECL: 12/15/2015
TAGS: KDEM, KMPI, EAID, EUN, PHUM, PREL
SUBJECT: BMENA: CIVIL SOCIETY ENGAGED; GOVERNMENTS SHOWING
TRUE COLORS

Classified By: Peter Mulrean, Director MEPI Regional Office, reasons 1.
4 b and d

1. (C) Summary: A month after the Forum for the Future in Bahrain, Arab civil society reps are eager to engage further in the BMENA process, though they remain confused about how best to do that, and skeptical of their governments, commitment to real change. Civil society participation at the Forum was significant and constructive, a major improvement over last year,s event.

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2. (U) Summary Cont,d. Currently, our civil society contacts are focused on the launching of the Foundation for the Future, though individuals seem obsessed with the politics of who,ll be on the board and other institutional minutiae, perfect grist for their well-developed conspiracy-theory mills. Looking ahead, they express concerns about the Russian G8 Presidency,s commitment to BMENA and the lack of a clear mechanism to maintain momentum and to allow for civil society input into the overall process. Finally, while Arab civil society is starting to acknowledge that BMENA may have positive lasting power, they stress that the general public in the Arab world remains blissfully ignorant. End Summary.

3. (U) This cable was prepared by the MEPI Regional Office in Tunis, based on observations at the Forum for the Future and discussions with civil society contacts who have participated in the Forum and/or the Democracy Assistance Dialogue. They represent politically active NGOs in the democracy and human rights fields.

Who,s Talking

4. (U) More than 40 representatives of civil society were seated at the table at the Forum for the Future Ministerial in Manama November 12. During a two-hour session on civil-society issues, they dominated discussion, both reporting on activities of the past year and challenging governments to move forward on reform. Their approach was constructive and generally avoided both provocation and sanctimonious lecturing. This was a major advance since the December 2004 Forum in Rabat, where civil society did not feel it had been treated respectfully by the host, raised a fuss in the media and nearly boycotted the ministerial. Credit for this progress goes to the Bahraini government, which went to great lengths to be inclusive; a host of BMENA-related civil-society events held throughout the year; and a more mature approach by civil society reps, who have begun to see BMENA as a serious process of engagement and not a one-off platform for grandstanding. All our interlocutors praised the Forum as setting a precedent for dialogue between civil society and government and for putting sufficient

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pressure on Arab governments to show up. They still believe that, while their governments may now be willing to sit politely and listen, their leaders are not -- with a few exceptions -- committed to genuine change.

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Foundation: Devil in Details, Conspiracies Abound

7. (SBU) Civil society reps were pleased with the announcement of the Foundation for the Future. At USG urging, they called for the creation of such a foundation during the Democracy Assistance Dialogue (DAD - BMENA civil society meetings held over the past year) in Venice and Rabat and, therefore, feel a certain sense of ownership. They are concerned that the process for selecting the Foundation board and setting its operating procedures does not appear transparent. Underlying this anxiety is a penchant for conspiracy theory and hurt pride among NGO leaders who see the selection of the Foundation's board as an "anointment"

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by the West of the leaders Arab civil society. This has led one Forum participant to comment, "we would all be better off if a Pakistani or Turk were Chairman of the board." The lead NGOs in the DAD process (Yemeni, Italian, Turkish) have developed credibility among their confreres over the past year, according to our contacts. When we explained that these groups were involved in the process of establishing the Foundation, this went a long way towards easing some of their fears.

Other Concerns: Representation, Russians

8. (U) The question of who rightfully represents civil society in the BMENA process continues to rankle many in civil society who feel that the lack of an identified group to represent civil society as a whole diminishes their role in helping to shape BMENA events like the Forum and to follow-up on those events. Many call for establishing a secretariat or at least an official network that could be the interlocutor with governments on these matters. They point to recommendations by civil society reps at the first two Forums, which have no mechanism for follow-up. They note as well that there were civil society events parallel to the Forum in both Bahrain and Qatar, both of which also made different sets of recommendations for strengthening civil society in the BMENA context. Links between these events and other parts of the BMENA process, such as the DAD, were either unclear or non-existent. Despite these complaints, however, our interlocutors admit that the BMENA process has come a long way in a year in engaging civil society and that it is probably better to allow the civil society "leaders" to emerge rather than to enter into a divisive process of selection.

9. (U) Several civil society reps cited concerns about the sustainability of BMENA progress under the Russian G8 Presidency, which takes up the reins in January. Arab governments, they say, feel very comfortable with Russia's views on democracy and civil society and will be happy to let the Forum and other events be hijacked by regional issues and, in particular, the peace process.

10. (U) The bottom line for Arab civil society on BMENA seems to be increasing appreciation, but also wariness about sustainability in the face of strong resistance from

governments in the region. To maintain momentum, activists

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say four things are necessary. First, the U.S. and other G8 governments should apply continuous and consistent pressure on Arab governments, publicly and privately, to undertake political reform. Second, the DAD and other BMENA parallel activities should continue, with as much interaction as possible with governments of the region. Third, there needs to be a structured process for civil society to have input into the overall BMENA process, helping to shape the agenda, and not just react to it.

11. (U) Finally, our contacts tell us there is a great need for a coordinated public awareness campaign about both the values underlying BMENA and its process of bringing together Arabs and the G8, governments and civil society, all in support of those values. At least the human rights and democracy elements of Arab civil society are beginning to acknowledge that BMENA may have positive lasting power. The general public, however, remains blissfully ignorant and most of the governments of the region would probably prefer to keep it that way.

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ACTION NEA-00

INFO	LOG-00	AID-00	AMAD-00	CIAE-00	INL-00	DODE-00	DS-00
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	IRM-00	SSO-00	SS-00	R-00	SHEM-00	SCRS-00	DSCC-00
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FM AMEMBASSY ABU DHABI

TO SECSTATE WASHDC PRIORITY 3446

INFO GULF COOPERATION COUNCIL COLLECTIVE PRIORITY

RELEASED IN PART
B1, 1.4(D)

C O N F I D E N T I A L ABU DHABI 000417

STATE FOR NEA/PI, NEA/ARPI, NEA/FO, DRL/PHD, S/P
PLEASE PASS USAID FOR ANE/NEA, DCHA/DG

E.O. 12958: DECL: 02/08/2016

TAGS: KMPI, KDEM, PHUM, PGOV, AE, BA, MU, QA, KU, SA

SUBJECT: RESTRICTIVE LAWS HAMPER MEPI GOALS AND ACTIVITIES
IN THE GULF

Classified By: MEPI Regional Office Director Hans Wechsel, reasons 1.4
(b) and (d).

1. (U) This message from the MEPI Regional Office has been
cleared by Embassies Abu Dhabi, Doha, Kuwait, Manama, and
Muscat.

2. (SBU) Summary: Restrictive laws that limit the
establishment, funding, and activities of NGOs and other
civil society groups have been and will continue to be a
major impediment for MEPI efforts - and later those of the
Foundation for the Future - to seek and support the growth of
democracy in Gulf countries. (An appendix summarizing each
Gulf country's legal restrictions on civil society has been
included.) Legal restrictions and governmental control over
civil society at times are used to hamper some civil society
activities that are key to advancing MEPI projects and goals.
Furthermore, the current governmental stifling of civil
society limits the number and strength of voices that would
compete with the voices of extremism.

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End

Summary.

The shallow end of the MENA civil society pool

4. (SBU) In a recent effort to identify local groups that could conceivably undertake small to medium-scale MEPI-funded projects, posts and the Abu Dhabi RO identified twice as many groups in Yemen and Jordan than in the six Gulf countries combined. While the developing status of both of those countries is a key factor in the existence of larger civil society communities there, so is the approach of those host governments' toward the establishment of civil society groups. Yemen has the most liberal (though still flawed) legal requirements in the sub-region. Jordan's law gives the government - like Gulf governments - broad discretion over the establishment of civil society groups. Unlike Gulf governments, however, Jordan generally uses that discretion to let civil society groups proliferate.

5. (SBU) In the Gulf, the financial and administrative requirements for licensing an NGO or professional association are more extensive than other sub-regions of the MENA, and are far more onerous than Western standards. Even when those obstacles can be surmounted, the government often uses its broad discretion to prevent licensing. In Qatar, for example, post officials and Qatari contacts estimate that less than 15 percent of applications to establish new civil society groups have been approved. In the UAE, the first &NGO8 (other charitable and educational civil society organizations exist) has yet to be established, and at least two applications known to Embassy officials have been pending for more than a year. Only a handful of "NGOs" exist in Saudi Arabia, and they can only be established by royal decree.

Can local groups accept USG funding?

6. (SBU) Official NGOs are not the only possible recipients of MEPI funds. Other types of civil society organizations, such as professional associations, community groups, and universities are also potential recipients. Whether an official NGO or some other kind of civil society group; local

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groups in five Gulf countries cannot accept USG funds without the host government's written permission. (Note: The exception is Bahrain, where groups are required to inform the government of their intention to accept USG (and other foreign) funding. The GOB can disallow the group accepting USG funds, but no government response signals consent. Some groups choose to request and receive government permission to accept U.S. funds so they do not run into problems in the future. End Note) Several representatives of civil society groups in Gulf countries have cited the necessary governmental approval of MEPI funding as a reason for either limiting the activities proposed, or not submitting a proposal to MEPI at all.

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U.S.-based groups are also stymied by law

8. (SBU) With limited options for supporting democratic change through direct funding of local groups, MEPI often funds U.S.-based organizations instead. These organizations can then hire local representatives, partner with local groups, or provide services directly to individual program participants. Many of these U.S.-based organizations still need some kind of presence on the ground, however, to implement their projects effectively. Like the establishment

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of local NGOs, the ability of foreign or international NGOs to establish a branch office or resident representative in Gulf countries is also hampered by restrictive laws and/or broad governmental discretion.

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Don't get "political"

12. (U) Whether directly funded or just partnered with an U.S. implementer, civil society groups in every Gulf country are legally prohibited from engaging in "political" activities. Other vague prohibitions for civil society groups include undermining "national unity", "social peace", and even "harmony". Sanctions if the government deems that a group has violated these provisions range from shutting down

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the organization to jailing its leadership.

13. (SBU) Such actions are rare, but occur enough - including in the past year - that the possibility creates some degree of "self-censorship" among most civil society groups. With the exception of Bahrain, where there has been more political space for civil society than elsewhere in the Gulf, most groups in the Gulf are cautious about advocating

reform positions on highly political issues that are critical of government policy. Combined with the above-mentioned requirement for governmental approval of foreign funding, MEPI is unlikely to get many proposals from local groups that are significantly more forward-leaning on political reform issues than their host governments.

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Mosque-based "civil society"

15. (SBU) The ability to organize and get messages out is central to any group's ability to influence issue debates and affect public opinion. Without a free and vibrant civil society, however, it is difficult to for groups in the Gulf to form and affect public opinion. Islamic extremists, meanwhile, are able to spread their ideas through existing networks.

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Aim programming at liberalizing civil society laws

17. (SBU) All of the Gulf posts' democracy strategies rightly call for strengthening civil society, and MEPI has some programs available to the Gulf that can contribute to that. The key to broadly strengthening civil society in the Gulf, however, is liberalization of the laws that govern its establishment, funding, and activities. With or without MEPI support, civil society will not be a significant force for democratic reform in the Gulf unless the legislative ties that bind it are loosened.

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ACTION NEA-00

INFO LOG-00 AID-00 AMAD-00 CIAE-00 DODE-00 PDI-00 DS-00
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 FM AMEMBASSY SANAA
 TO SECSTATE WASHDC PRIORITY 3681

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SENSITIVE

FOR NEA DAS SCOTT CARPENTER FROM THE AMBASSADOR

E.O. 12958: N/A
 TAGS: PREL, KDEM, EAID, YE
 SUBJECT: FM ASKS AGAIN IF POLITICAL PARTY OFFICIAL CAN BE
 NAMED TO FOUNDATION FOR THE FUTURE BOARD

REF: A. STATE 59569
 B. 05 SANAA 3443
 C. AMBASSADOR - DAS CARPENTER EMAIL OF 4-20-06

1. (U) This is an action request. Please see paragraph four.

2. (SBU) Ambassador delivered ref A letter from the Secretary during a meeting with FonMin Abu Bakr al-Qirbi on April 15. After reading the letter, the Minister replied that it still was not clear to the Republic of Yemen Government (ROYG) whether it can or cannot nominate

[REDACTED] as a Director of the Foundation for the Future.

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3. (SBU) After the meeting, the Foreign Ministry sent a diplomatic note to the Embassy, stating that the "Ministry would like to reconfirm that the Yemeni vision does not require the governments' representatives to participate in the Board of Directors of the Foundation for the Future, but it aims not to exclude the political candidates, taking into consideration that the political parties are part of the civil society organizations."

4. (SBU) ACTION REQUEST AND RECOMMENDATION: Post requests Department's assistance in providing a response to Minister

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Qirbi's request. As noted in ref B, post strongly endorsed
[redacted] candidacy as Chairman of the Board for
the Foundation for the Future based on his reformist
credentials. As he is not a government official, we
recommend that the Department allow Yemen to nominate him as
a Foundation Director.
Krajeski

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ORIGIN NEA-00

INFO	LOG-00	AID-00	AMAD-00	CIAE-00	COME-00	INL-00	DODE-00
	DOTE-00	PDI-00	DS-00	EB-00	FAAE-00	VCI-00	H-00
	TEDE-00	INR-00	IO-00	VCIE-00	DCP-00	NSAE-00	ISN-00
	NSCE-00	OIC-00	NIMA-00	GIWI-00	P-00	ISNE-00	DOHS-00
	FMPC-00	SP-00	IRM-00	SSO-00	SS-00	TRSE-00	NCTC-00
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	DRL-00	G-00	SAS-00	FA-00	SWCI-00	/000R	

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SOURCE: CBLEXCLS.004803

DRAFTED BY: NEA:JSCARPENTER -- 09/28/2006 202-647-7168

APPROVED BY: NEA:CDWELCH

DRL: BLOWENKRON

DRL: EBARKES-RUGGLES

P: SFAGIN

S/P: SKRASNER

NSC: EABRAHMS

DESIRED DISTRIBUTION:

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TO ALL NEAR EAST COLLECTIVE PRIORITY

C O N F I D E N T I A L STATE 163041

E.O. 12958: DECL: 09/28/2016

TAGS: PREL, KPAO, KDEM, KMPI, ECON

SUBJECT: PRESIDENT BUSH: "AMERICA HAS MADE A CHOICE: WE
WILL STAND WITH THE MODERATES AND REFORMERS.

Classified By: A/S David Welch for reasons 1.4 (b) and (d).

1. (U) Summary. Against the backdrop of the conflict in Lebanon and Iraq, and other challenges to U.S. interests in the broader Middle East, it is of greatest importance that we remain focused on our long-term strategic objectives in winning the global war on terrorism. One of the key ways we will achieve these objectives is by promoting reform that will lead to greater freedom and opportunity for the people of the region. Action request: See paragraph 7. End Summary.

2. (U) In recent weeks, including in speeches at the State Department and the United Nations, President Bush has reiterated strongly our unyielding commitment to the forward strategy of freedom in the broader Middle East. The security of U.S. citizens -- and the well-being of the people of the

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region -- depends upon addressing the root causes of terrorism and supporting the democratic and economic transformation of the Middle East and North Africa. The status quo is clearly unsustainable.

3. (U) To our friends in the Middle East -- including the 12 million Iraqis who cast ballots for freedom in the face of extremism, the Lebanese who ended over a decade of Syrian occupation, the Palestinians who voted in free and fair elections to oust a corrupt government, the Kuwaiti women who voted and ran for parliament for the first time in June, and the millions of other citizens in the region who aspire to freedom and opportunity -- the President has stated, "This government isn't going to quit."

4. (U) We are under no illusion that the road forward for freedom in the Middle East is an easy or short one. But we cannot shy away from the responsibility of meeting the threats of Islamist terrorism and authoritarianism, which have led to decades of unfulfilled potential, tragedy and unrest.

5. (U) In addition to taking on terrorists directly, we also will continue to address the sources of frustration and anger that have aided the terrorists in their mission, including uncompetitive economies, education systems inadequate to the challenges of 21st century, and social and political constraints to the participation of broad swaths of the population in public life. We must use the tremendous assets of our democratic experience and economic prosperity to support reform in the Middle East for the good of all its inhabitants, and our own national security.

ACTION REQUEST:

6. (U) Our Ambassadors, Embassy and USAID personnel in the Middle East, as our frontline diplomats carrying out the full spectrum of our foreign policy goals, including the implementation of the freedom agenda and the global war on terrorism, must daily confront the challenges to our policy. The President and Secretary expect of us that we will press ahead with our efforts to make clear our determination and unwavering support to the Middle East's reformers whether they are in civil society, media, politics, education, or the private sector. Request that you raise the points in the President's speeches and in this cable with appropriate contacts. In doing so, please draw on the following talking points:

z The argument that democratic changes are destabilizing

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the region is based on a false assumption, that our previous policies had achieved stability in the Middle East.

z Our goal is to help build a more tolerant and hopeful society that honors people of all faiths and promotes peace.

z Democracy cannot be imposed, and every nation that travels the road to democracy moves at a different pace, reflecting its own culture and traditions.

z The US will support the moderates and reformers who are working for change in the Middle East.

z The US is not engaged in a war with Islam. Americans respect Islam.

z The US is committed to a Palestinian state that has territorial integrity and will live in peace with the State of Israel.

7. (U) Our national security interests in the Middle East are many, and our strategy for supporting democracy does not disregard our security or economic interests. When these interests appear to come into conflict, we will continue to pursue productive security and economic relationships, without abandoning our commitment and proactive efforts to support democratic change. We will work with governments that will work with us in good faith to advance democracy in their countries, but we will not give governments a veto over our support for democratic forces and reform. As the President stated at the UN General Assembly, "America has made a choice: we will stand with the moderates and reformers." The President's entire UN speech covering Middle Eastern issues and our democracy agenda, in particular, can be found at <http://www.state.gov/p/io>.

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9. (U) At the upcoming Forum for the Future in Amman tentatively set for this December, under the auspices of the G-8's Broader Middle East and North Africa initiative, we will clearly reiterate our commitment to this agenda of freedom to both governments and reformers alike. Working with our G-8 allies and partners in the region, we will follow up this message with vigor through BMENA activities and programs including the Foundation for the Future. In the process we will strive for consensus on our vision and acceptance

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amongst the region,s governments, while making it understood that our efforts reflect a fundamental recognition that our security and national interests are directly undermined by the democratic deficit that has too long characterized the Middle East.

10. (U) It is clear that the strength of our commitment to the principles of freedom and democracy is currently being tested. We see this in the persecution and oppression of civil society activists and reformers; in restrictive NGO laws that prohibit the activities of peaceful local associations and U.S.-based democracy promotion organizations; and official prohibitions against freedom of speech, association, and assembly. We must be prepared to resist these challenges to the Freedom Agenda, whatever the source or form. The region,s democratic and economic potential and our national security demand it.

11. (U) In the President,s words, you "can be confident of the outcome because we know and understand the unstoppable power of freedom... Now is the time to be firm." Thank you again for your dedication.

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E.O. 12958: N/A
TAGS: OVIP (RICE, CONDOLEEZZA), PREL, ECON, KMPI, JO
SUBJECT: Secretary Rice's December 1, 2006, Participation
in the Forum for the Future

1. (U) Sensitive but unclassified: Please handle accordingly.
2. (U) December 1, 2006; 0900-1330; Dead Sea, Jordan.
3. (U) Participants:

U.S.
The Secretary
DAPDNSA Elliott Abrams, NSC
U/S Karen Hughes, R
A/S David Welch, NEA
A/S Dan Fried, EUR
A/S Barry Lowenkron, DRL
DAS Scott Carpenter, NEA

OTHER COUNTRIES

Afghan Ambassador to Egypt Mohammed Raheem
Algerian Minister of Labor and Social Security Tayeb Louh

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Bahraini FM Khalid Al-Khalifa
Canadian Deputy FM Peter Harder
Danish FM Per Stig Moller
Egyptian FM Ahmed Aboul Gheit
EU High Representative Javier Solana
French MFA Ambassador Jean-Claude Cousseran
German FM Frank-Walter Steinmeier
Greek FM Dora Bakoyannis
Iraqi FM Hoshiyar Zebari
Italian FM Massimo D'Alema
Japanese Senior Vice-Minister Katsuhito Asano
Jordanian FM Abdel-Elah Al-Khatib
Kazakh FM Kasymzhomart Tokayev
Moroccan Acting FM Al Tayeb Al Fahri
Netherlands MFA Director-General Henriette van Lynden
Omani FM Yousef Bin Alawi
Pakistani Minister of State for Foreign Affairs Makhdum
Bakhtyar
Qatari Assistant FM Mohammed Al-Rumaihi
Russian FM Sergei Lavrov
Saudi FM Saud Al-Faisal
Spanish FM Miguel Moratinos
Sudanese FM El Wasilia Al Samani
Swiss Deputy State Secretary Anton Thalmann
Turkish BMENA Coordinator Omur Orhun
United Arab Emirates FM Adbullah Al-Nahyan
United Kingdom FM Margaret Beckett
Yemeni FM Abu Bakr Al-Qirbi

4. (SBU) SUMMARY. The Secretary joined other ministers from the Broader Middle East, the G8, and Europe in the third Broader Middle East and North Africa (BMENA) Forum for the Future. In her intervention, the Secretary stressed the importance of democratic reform and the rule of law and congratulated the board of the Foundation for the Future on its progress. A number of countries stated that the time had come to explore ways to establish follow-up mechanisms between yearly Forum ministerials. In other sessions of the Forum, representatives of the Democracy Assistance Dialogue, the four thematic Civil Society Dialogues, and BMENA governments made presentations on progress on these initiatives over the past year. In the Chair's Summary issued at the end of the Forum, Jordan offered to work with G8 and BMENA governments to decide on a suitable host for the 2007 Forum. END SUMMARY.

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SECRETARY'S INTERVENTION

5. (SBU) Jordan and Russia co-hosted the 2006 Forum at the King Hussein Conference Center at the Dead Sea under the theme of "Political and Economic Empowerment." The Secretary made her intervention during the session on Governance and Rule of Law. She opened by complimenting the civil society representatives on their presentations, which identified three priorities: effective, inclusive, and impartial government institutions; ensuring that those institutions are accountable, transparent, and empowering; and nurturing civil society to bring new energy and ideas to old challenges. While civil society representatives hold strong views on other U.S. policies, we all agree on the importance of reform. The Secretary noted the beginnings of democracy in Lebanon, Iraq, and the Palestinian territories; gains by reformists in Kuwait and Bahrain; and moves toward human and social development in Morocco, Saudi Arabia, and Jordan. She called on all reformers, in and out of government, to build effective institutions of democratic states.

6. (SBU) The Secretary noted that discussions of reform are taking place in a regional context, and that the Israeli-Palestinian conflict is an important issue for many participants. She reaffirmed President Bush's and her own personal commitment to making progress toward resolving the conflict.

7. (SBU) The Secretary commended the president of the Foundation for the Future. She noted the recognition by Arab experts that the challenges of poverty, violence, and the lack of freedom, combined with a young population, is creating an "impending disaster scenario," that the Foundation can help combat. She highlighted Turkey as the first government to make its contribution, and noted that the Foundation has a distinguished board, including former U.S. Supreme Court Justice Sandra Day O'Connor and former Malaysian Deputy Prime Minister Anwar Ibrahim. The Secretary cited the Foundation as an achievement of our partnership with reformers in the region, and thanked those working to build this and similar institutions. In closing, the Secretary discussed her own experiences growing up in Birmingham, Alabama, during racial segregation. Her ancestors were constitutionally defined as three-fifths of a person. Yet strong American institutions allowed the United States to evolve into a society in which all citizens can be full participants.

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8. (SBU) Comment. The Secretary's intervention was well received, with several delegations commenting afterward on the strength of her personal reflections on growing up in the segregated South and her reaffirmation of the U.S. commitment to Israeli-Palestinian peace. [redacted]

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[redacted] of the Foundation for the Future also thanked the U.S. delegation for the Secretary's strong statement on the Foundation. End comment.

OPENING SESSION

9. (U) In the opening session, [redacted] called on governments to join together to empower and fund registered non-governmental organizations (NGOs) working toward reform and called for a mechanism to measure progress on reform goals. [redacted]

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[redacted] said that a priority of Russia's G8 presidency was to support sustainable development in the BMENA region while recognizing unique traditions and national identities. He noted the G8-BMENA Education and Finance Ministerials held in Sharm El-Sheikh, Egypt, in May 2006, and the Democracy Assistance Dialogue (DAD) meetings in Istanbul, Ankara, and Sanaa. He called for the resumption of the Middle East Peace Process and engaging all key regional players to "achieve fair balance of interests."

10. (U) [redacted] noted the contribution of civil society organizations and said that Bahrain is convinced of the value of engaging these groups. He congratulated the board of the Foundation for the Future on making the vision of governments and civil society a reality. He said that the G8-regional partnership is coming of age and cited the Center for Entrepreneurial Excellence in Bahrain. Finally, [redacted] called for studying a formal mechanism to follow up the BMENA initiatives. [redacted] also stated that the partnership needs to go beyond rhetoric and show concrete results.

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11. (U) In a later intervention, [redacted] affirmed the [redacted] policy of homegrown, evolutionary reform that guarantees success while preserving social cohesion. He cited the principles of national sovereignty and non-interference and noted "the negative consequences of imposing models of western

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democracy which, more often than not, led to wars and civil strife." Speaking on Iraq, [] quoted Henry Kissinger's question, "Do you conduct foreign policy as a prophet or as a statesman?" and said that Western calls for human rights in the region is demeaned by neglect of the plight of the Palestinian people, "the greatest human rights violation in the modern history of our people." He called for an honest effort to solve real problems rather than patronizing attitudes about reforms.

12. (U) In other later interventions, Qatar, Yemen, and the United Arab Emirates offered to host the 2007 Forum for the Future. []

[] said that it had coordinated its request with Germany, the 2007 G8 presidency country, and that other countries had expressed support.

POLITICAL EMPOWERMENT SESSION, DEMOCRACY ASSISTANCE
DIALOGUE, AND CIVIL SOCIETY DIALOGUES

13. (U) Opening the session on Political Empowerment, []

[] discussed the Forum's overall themes and Jordan's recent political and economic reforms under the "Kuluna Al Urdun" ("We Are All Jordan") initiative. Jordan has submitted new municipalities, political parties, and press laws to Parliament; increased judicial independence; created a National Human Rights Center; enacted a financial disclosure law for public officials; and created an Anti-Corruption Commission.

14. (U) The primary focus of this year's Forum was the work of the four thematic civil society dialogues and the three Democracy Assistance Dialogues. Under the chapeau of political participation, elections, and media; governance and rule of law; and women's and youth empowerment, these

dialogues presented recommendations and key objectives for reform in these areas.

15. (U) The Democracy Assistance Dialogue (DAD), launched at the G8 Sea Island Summit in 2004, is led by three governments--Italy, Yemen, and Turkey--and three NGOs--No Peace without Justice (Italy), the Human Rights Information and Training Center (Yemen), and the Turkish Economic and Social Studies Foundation (TESEV). DAD partners presented their work and ideas in the fields of

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political pluralism and elections, women's empowerment, and freedom of speech. These presentations were based largely on previous work completed by DAD meetings in Yemen, Turkey, and Italy over 2006 and reference documents are available on the DAD website launched at the Forum, www.dadinitiative.org/.

16. (U) Four thematic civil society dialogues presented recommendations at the Forum in the areas of the rule of law, the legal environment for NGOs, youth empowerment, and transparency and corruption. In each case, civil society representatives reached these recommendations following separate meetings that included representatives of non-governmental organizations from across the Middle East and North Africa. The recommendations of the four dialogues are not yet online but are available from NEA/PI.

17. U) In addition to the four thematic presentations, representatives of a "parallel civil society meeting" presented their findings in these seven areas (the four civil society themes and the three DAD themes). The parallel civil society meeting was held in Amman over the course of the two days preceding the Forum, with participation of more than 200 activists and civil society leaders from Jordan as well as the rest of the BMENA region. Their recommendations overlapped significantly with the recommendations made by the thematic dialogues and the DAD. These recommendations are also available from NEA/PI.

----- EDUCATIONAL AND ECONOMIC EMPOWERMENT SESSION -----

18. (U) Egypt and Russia briefed the Forum on the G8-BMENA Education and Finance Ministerials held on the margins of the World Economic Forum meeting in Sharm El-Sheikh, Egypt, in May 2006. The Finance Ministerial reviewed progress on initiatives launched at the 2004 G8 Sea Island Summit, including the Network of Funds, Investment Task Force, the Private Enterprise Partnership for the Middle East and North Africa (PEP-MENA) at the International Finance Corporation, and the microfinance initiative. At the Education Ministerial, participants heard a report from the Educational Reform Task Force and focused on the themes of information and communications technology (ICT) in education, quality and relevance, technical and vocational education and training (TVET), and literacy. Egypt and the UK were named to co-chair the Task Force.

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19. (U) Jordan and Japan made presentations on the Technical and Vocational Education and Training (TVET) Working Group's activities. The TVET Working Group has met twice since the last Forum, where it reviewed a UNESCO stocktaking report intended to guide governments in developing TVET capacity. The Working Group also agreed to consider assistance to BMENA countries in identifying

effective initiatives and potential public-private partnerships. The third meeting of the Working Group will take place in Tunis in March 2007.

20. (U) Foundation for the Future [redacted] spoke on the Foundation's progress since the 2006 Forum. He discussed the selection process for the board of directors and the creation of a geographically diverse board. At the board's first meeting in Doha in July, it adopted a charter, bylaws, and policies and procedures; established committees and appointed a president; and selected Beirut as its headquarters. The Foundation's Executive Committee has established the rule of law, independent media, women's empowerment, and civic education as program priorities. The Foundation is in the process of hiring its top staff and registering in Lebanon, with the support of the Prime Minister.

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CLOSING SESSION

21. (U) [redacted] noted that several governments have expressed interest in hosting the 2007 Forum, and that Germany would leave the selection procedure in Jordan's hands. Germany's BMENA priorities during its G8 presidency are the promotion of civil society, including the DAD; productive cooperation between governments and civil society; and education.

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22. (U) [redacted] closed by reading the Chair's Summary, available at www.bmenaforum.org/. The summary states that "Jordan being the host country of the current Forum Meeting will work in coordination with the G8-BMENA countries to reach an agreement on the next host for the 2007 Forum" (para 33).

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COMMENT

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23. (SBU) This year's Forum took place against the backdrop of burgeoning regional difficulties. Nonetheless, the Forum saw both the numbers of civil society participants and the time allotted to their presentations of recommendations increase. While they were active participants during the proceedings, several civil society representatives expressed their frustration to the U.S. delegation--and to the media--that they have been making presentations to governments for three consecutive years, yet have not seen any of their recommendations implemented. We will need to think creatively over the next year to keep civil society engagement strong while supporting Germany's interest in highlighting BMENA education issues during its G8 presidency. We will also need to explore how best to advance the work of the Forum between yearly ministerials given the calls from Jordan, Bahrain, and Morocco, as well as the many civil society organizations present, to explore establishing some sort of mechanism to follow up on reform. Finally, we will need to find ways to support on the respective national levels the implementation of civil society's broad, international level recommendations. NEA, EUR, and DRL have already begun engaging Germany to discuss how to address these issues for the next Forum.

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ACTION NEA-00

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	OMB-00	PA-00	PM-00	PRS-00	P-00	ISNE-00	SP-00
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SENSITIVE

E.O. 12958: N/A

TAGS: EAID, PGOV, PREL, PHUM, KDEM, KMPI, QA, XF

SUBJECT: THE ARAB FOUNDATION FOR DEMOCRACY - A QATARI

SUBSTITUTE FOR THE FOUNDATION FOR THE FUTURE?

REF: CAIRO 1690

1. (U) Summary. The Second Forum on Democracy and Political Reform in the Arab world was held in Doha, Qatar, from May 27-29. The Forum was attended by more than 300 participants from the region, including several high-ranking Qatari and other Arab officials. The culmination of the Forum was the announcement of the establishment of the Arab Foundation for Democracy (AFD), possibly as a Qatari substitute for the Broader Middle East and North Africa Initiative's (BMENA's) Foundation for the Future. End summary.

 The Forum

2. U) The Second Forum on Democracy and Political Reform in the Arab world was held from May 27-29 in Doha. The first Forum was held in Doha in June 2004 and was much smaller and less prominent. The Forum focused on "establishing, enhancing, and supporting principles of democracy and its relationship to sustainable development." The Forum was organized by the Qatar Ministry of Foreign Affairs and the Qatar National Human Rights Committee (NHRC). More than 300

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: 7 JUN 2017

DATE/CASE ID: 22 OCT 2008 200703339

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participants from 28 countries attended the event.

----- Opening Session -----

3. (U) The Forum was opened by the Heir Apparent of Qatar, Sheikh Tamim, with the Amir's wife, Sheikha Mozah bint Nassir Al-Misned; the Prime Minister and Foreign Minister Sheikh Hamad bin Jassim Al Thani; the Minister of Energy Abdullah bin Hamad Al Attiya; and a number of other Qatari officials in attendance. During his speech, the Heir Apparent stressed the role of civil society in the development of democracy, the need for total citizen participation in decision making "from the bottom to the top," the importance of the rule of law, the need to include youth in the process, and the pairing of democratic reform to sustainable development. He stressed that the current turmoil in the region is no excuse to postpone democratic reforms. Hailing their democratic transitions, the panel for the opening session included General Abdulrahman Siwar Al-Dahab, former chairman of the Transitional Military Council in Sudan, and Colonel Ely Ould Mohamed Vall, former chairman of the Military Council of Mauritania.

----- The Final Statement -----

4. (U) The Forum, in its Final Statement, urged Arab governments to deepen foundations of democracy and expand public participation in the political field. It stressed the necessity of enhancing the role of civil society by providing a suitable legal framework in which to operate. It also called on those governments to develop legislation relevant to media that meet international standards and eliminate restrictions that impede the freedom to issue, possess and manage newspapers. Participants stressed that a legitimate state rejects totalitarian rule and is based on an independent judiciary, enhanced values of justice, fair trials, transparent and accountable governance, and respect for human rights.

5. (U) The participants cautioned against the consequences of serious human rights violations and urged Arab governments to handle them in a manner that ensures justice and promotes reconciliation and democracy. They urged Arab governments to acknowledge the right of Arab civil society organizations to monitor the election process. The statement asserted that democracy does not contradict religion and vice versa and

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stressed the importance of providing special care to children and youth in the Arab world. It also stressed the need for upholding values of tolerance and moderation and the promotion of the culture of dialogue. The statement noted that Arab governments should be balanced in the distribution of resources in all areas of their countries and societies, this being a major condition for the enjoyment of economic and social rights and equal opportunity.

----- Establishment of the Arab Foundation for Democracy (AFD) -----

6. (U) At the concluding session, Sheikha Mozah announced the establishment of the Arab Foundation for Democracy (AFD). The AFD is tasked with supporting democratic reforms across the Arab world, organizing conferences, issuing books on democracy, and supporting civil society programs. The AFD

will finance non-governmental organizations which focus on the promotion of democracy and institutional reforms, civil society capacity building, and human rights. The Amir donated USD 10 million as an initial grant to get the foundation off the ground.

----- Board of Trustees of the AFD -----

7. (U) The Board of Trustees of the newly established AFD held its first meeting and elected Sheikha Mozah as Chairperson. Dr. Ali bin Simaikh Al Merri, Secretary-General of the Qatar NHRC, was appointed Secretary General and Rapporteur of the AFD. The Board also selected its Executive Committee, including:

- Dr. Khalid bin Hamad Al-Attiya, Qatar NHRC Chairman;
- Dr. Saad Eddin Ibrahim, Chair of the Ibn Khaldun Center in Egypt;
- Dr Ali Fakhroo, former Bahraini Minister of Education;
- Dr. Hassan Al-Ibrahim of Kuwait; and
- Dr Ali Simaikh Al-Merri of Qatar.

The AFD Board of Trustees comprises, in addition to Executive Committee members:

- Joschka Fisher, former German Foreign Minister and Vice-Chancellor;
- Kim Campbell, former Canadian Prime Minister;
- Emma Bonino, Italy's Minister of European Affairs and

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International Trade;

- Sadiq Al-Mahdi, former Sudanese Prime Minister;
- Hassan Al-Ebrahim, Chairman of the Kuwait Society for the Advancement of Arab Children;
- Dr. Aziz Sidqi, former Prime Minister of Egypt;
- Dr. Mohammed Abid Al Jabri of Morocco;
- Salim Al-Hoss, former Prime Minister of Lebanon;
- Ely Ould Mohammed Val of Mauritania;
- Sadiq Al-Mahdi of Sudan;
- Dr. Azmi Bishara, recently resigned Arab-Israeli member of the Knesset; and
- Mary Robinson, former president of Ireland.

----- Local Commentary -----

8. (SBU) [redacted] that he believed that conferences on democracy and reforms in Qatar are a type of propaganda designed to display a better image before the international community, but have little visibility. He does not expect the AFD to result in actual reforms, but sees it as another tool to project a positive image of Qatar. He elaborated that what Arab governments say in public often contrasts with actual policy. Arab governments isolate democracy advocates and reformers and empower fanatics through public offices, he claimed.

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9. (SBU) [redacted] that he believed that the Forum was well received and that its final recommendations will serve as a road map for the newly established AFD. [redacted] added that Qatar is using AFD to spread the culture of democracy across the Arab world, including Qatar, in order to prepare the societies for democracy via peaceful means. He replied to those who were negative on the establishment of the AFD in Qatar by noting, "lets us be judged by our achievements."

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----- Comment -----

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MEMORANDUM OF AGREEMENT
BETWEEN
THE U.S. DEPARTMENT OF STATE
AND
FOUNDATION FOR THE FUTURE

(N4)

S-NEAPI-07-MA-010

The UNITED STATES DEPARTMENT OF STATE, BUREAU FOR NEAR EASTERN AFFAIRS (hereinafter referred to as "NEA") and the FOUNDATION FOR THE FUTURE (hereinafter referred to as the "Foundation") enter into this Agreement in regard to the award of Foreign Assistance Economic Support Funds.

WHEREAS the Secretary of State has indicated the intention to make available Foreign Assistance Funds (hereinafter called the "Award") to the Foundation for the purpose of supporting democracy, governance, human rights, and the rule of law in the Broader Middle East and North Africa region; and

WHEREAS the Foundation has agreed that it has received commitments from sources other than the United States Government to at least match any funds provided hereunder and to administer the Award upon the terms and conditions hereinafter set forth.

NOW THEREFORE THE PARTIES NAMED AGREE TO THE FOLLOWING:

Article 1: The Award

Upon the execution of this Agreement by both parties, the NEA will make available to the Foundation the amount of twenty-one million, three hundred thousand United States Dollars (US\$21,300,000) to finance projects and operations of the Foundation. Such amount, together with any additional amounts the Department of State may contribute from time to time subject to the availability of duly appropriated funds, will constitute the Award.

The Foundation agrees to use the Award funds only for the purposes and under the conditions specified in this Agreement, and not to transfer to a third party not provided for pursuant to this agreement either the funds or the responsibility for the administration of the funds awarded hereunder unless NEA provides advance written consent to such a transfer. If other currencies are required for payment to

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meet eligible expenditures, the Foundation may purchase the required currencies with the proceeds of the Award. Any fees and charges relating to such purchases will be paid out of the Award.

It is agreed that Foundation will use an amount equal to not more than ten percent (10%) of the total amount of the Award to defray operations and administration of the funds.

Article 2: The Purposes and Program

The mission of the Foundation is to support civil society organizations in their efforts to foster democracy and freedom in the broader Middle East and North Africa. The Foundation assists the people of the countries of the Middle East and North Africa in their efforts to advance and strengthen freedom and democratic trends and practices with a focus on free, fair and genuinely competitive elections, the rule of law, access to and transparency of information, freedom of association, independent media, access to civic education, the empowerment of women, and human rights as included in the major international conventions and agreements.

Article 3: Scope of the Program

The Award may be used to pay for the activities of the Foundation for the people of Afghanistan, Algeria, Bahrain, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Pakistan, Qatar, Saudi Arabia, Syria, Tunisia, United Arab Emirates, Yemen and West Bank/Gaza. The Department of State will inform the Foundation of any adjustments to the above list as appropriate to ensure that assistance is not channeled to those countries or other areas ineligible under U.S. law or to add other eligible countries or other areas within the general scope of the Program.

Potential grantees of the Foundation are regionally-based, independent civil society organizations, including non-governmental organizations, academic institutions, and professional associations.

Article 4: Counterterrorism Provisions

(a) The Foundation will not support terrorist organizations, illegal entities, their surrogates, or those using or advocating the use of violence in pursuit of their objectives. The Foundation agrees to take all reasonable steps to ensure that the funds provided under this Award are used for their intended purposes. The

Foundation agrees that it will take all reasonable steps in accordance with its Articles of Agreement, policies and statements, including those pertaining to combating financing of terrorists, to ensure that it does not provide material support or resources, in connection with any activities financed from the Grant, to any terrorists, terrorist organizations or to illicit drug traffickers or those known to assist or collude with drug traffickers. In particular, the Foundation agrees that it will not provide any part of the Grant to or through any individual or group that the management of the Foundation knows or has reason to believe, advocates, plans, sponsor, or otherwise engages in terrorist activities.

(b) If the Foundation learns that material support or resources have been provided to any individual or entity referenced in the preceding paragraph, the Foundation agrees to immediately notify the Department of State in order to address the matter appropriately. If the Department of State confirms that the continued provision of material support or resources would potentially constitute a violation of US law, then the Foundation will take all necessary and appropriate measures to ensure no further material support or resources are provided to that entity or individual.

(c) The Foundation shall ensure that all grants or contracts, sub-grants or subcontracts used to carry out the purposes of the Award will include provisions corresponding to the requirements of this Article with respect to all recipients of Award funds.

Article 5: Implementation of the Program

(a) In entering into this agreement, NEA has relied upon the By-Laws and operating Policies and Procedures of the Foundation. It is the Foundation's policy to comply with all laws and regulations of any country in which it works or conducts business and the regulations of its donors.

(b) Most of the Foundation's grants will come through the "open door," meaning that the grant applicant submits an unsolicited funding proposal to the Foundation. The Foundation may publish Request for Proposals (RFP) competitions for projects in a particular thematic and geographic area and require the development of a program justification paper. Proposals submitted in response to an RFP will be reviewed simultaneously by Foundation staff, together with the assistance of an advisory committee. Competitions may involve co-funding from other sources, as well as provision of non-financial assistance such as training and networking opportunities for grantees. The Foundation may also make awards through: invited proposals, a closed tender to meet specific programmatic goals with a defined

need; partnership grants, involving support for a project implemented by a regional organization in partnership with a non-regional organization or a partner regional organization; institutional development grants, intended to help nonprofit organizations in strategic fields to develop into mature organizations; and, in limited cases, grants to individuals. The Foundation may require grantees to identify an amount of support they propose to contribute to their projects.

Article 6: Limitation on Payments to Personnel

(a) No funds shall insure to the benefit of any board member, officer, or employee of such, except as salary or reasonable compensation for services

(b) No compensation shall be paid to any board member or any firm, association, or entity in which a board member serves as partner, director, officer, or employee.

Article 7: Procurement of Goods and Services

(a) The Foundation will, in accordance with its established procedures, have the responsibility for the selection and the hiring or retention of personnel, consultants, and other suppliers of services financed by the Award.

(b) Tax Exemption. Whenever applicable, the Foundation shall claim the benefit of any tax immunity resulting from its Articles of Agreement, or under any applicable national or international law to ensure that commodities purchased with funds provided under this Agreement shall be exempt from taxes, including VAT and customs duties, in any of the beneficiary countries or territories. To the extent of such immunity, the Foundation shall arrange that any taxes or duties charged be fully reimbursed.

Article 8: Obligation and Disbursement of the Award

(a) This agreement constitutes an obligation by the Department of State of the amount referenced above, i.e., US\$21,300,000, currently available for the purposes described herein.

(b) The Foundation will provide to NEA a standard form (SF 270) Request for Advance or Reimbursement referring to this Award Agreement in order to execute the drawdown of these funds. The form must include a U.S. bank branch name, address, account name, ABA or BSB number and account number for payment of funds under this agreement. The full amount may be requested upon signing.

(c) The Foundation will maintain funds from the Award in segregated accounts prior to disbursement for specified purposes. The accounts may be interest-bearing and any interest earned may be retained and used by the Foundation for the specified purposes. The Foundation must maintain a record of expenditures from the Award, including a breakdown of internal and external expenses incurred.

(d) The Department of State will not assume any liability for any claims in excess of its contribution as set out above. The Department of State may, subject to mutual agreement with the Foundation, make additional contributions to the Foundation.

Article 9: Reporting and Consultation

(a) The Foundation will publish and furnish annually to the NEA reports including comprehensive and detailed description of operations, activities, financial conditions, and accomplishments for the preceding fiscal year.

Reports shall include a performance analysis that describes activities undertaken and achievements in terms of progress toward the program objectives and in compliance with the agreed-to activities and performance measures.

Within three months after all disbursements have been made from the Award or after termination of this Agreement, the Foundation shall furnish to the Department of State a final report.

(b) The Department of State and the Foundation will consult each other, in particular whenever either party proposes: to modify materially any arrangement entered into for the implementation of the Program; or to suspend or terminate, in whole or in part, disbursements under the Award. The Foundation will endeavor to respond promptly to reasonable requests for information from the Department of State.

(c) The Foundation will inform the Department of State promptly of any conditions which interfere, or threaten to interfere, with the Foundation's administration of the Award.

(d) The Department of State will inform the Foundation promptly of any conditions which interfere, or threaten to interfere, with the Foundation's administration of the Award.

Article 10: Records and Accounts

(a) The Foundation will maintain separate records and accounts in respect of the Award funds and the funds disbursed from it by the Foundation pursuant to the provisions of this Agreement.

The Foundation shall require each recipient of assistance provided under this Award to maintain for a period of five years such records as may be reasonably necessary to disclose fully the amount and the disposition of the proceeds of such assistance, the total cost of the project, and the amount and nature of that portion of the cost supplied by other sources; and such records as will facilitate an effective audit. The Foundation, or any authorized representatives, shall have access for examination or audit to any books, documents, papers, and records of the recipients pertinent to this assistance.

(b) Within ninety (90) days of end of each fiscal year the Foundation will prepare and forward to the Department of State an unaudited statement of receipts, disbursements and fund balance with respect to the Award funds. The Foundation will make necessary arrangements to have an annual audit of accounts conducted in accordance with generally accepted international standards by an external licensed accounting professional. A copy of the summary findings or a management assertion from the external auditors concerning the adequacy of internal control over cash-based financial reporting will be provided to NEA.

(c) Within six months after all disbursements have been made from the Award by the Foundation, or after termination of this Agreement, the Foundation shall furnish to NEA a final unaudited statement of receipts, disbursements and fund balance with respect to such funds. In addition, the United States Government reserves the right to make audits, inspections, excerpts, transcriptions or other examinations as authorized by law of the Foundation's documents and facilities. The Foundation will provide any duly authorized representative of the Department of State or the General Accounting Office access to any books, documents, papers and records, written, printed, recorded, produced or reproduced by any mechanical, magnetic or other process or medium, pertinent to this Award. NEA will endeavor to consult with the Foundation in advance in order to determine the most appropriate type of audit required under the circumstances. The cost of such an audit will be paid for by the United States Government.

Article 11: Taking Effect, Modification and Termination

(a) The arrangements described in this Agreement will take effect on the date it is signed by the parties hereto and shall remain in effect until the date of the final disbursement by the Foundation of the Award, or until the date it is terminated by either party upon thirty days prior written notice to the other party. The authority of the Foundation to award such assistance is effective until September 30, 2010.

(b) This Agreement may be amended only by written agreement of the parties hereto.

(c) Any disputes arising out of, or in relation to, the interpretation or implementation of this Agreement or the Award shall be resolved through consultations between the representatives of the Department of State and the Foundation, and shall not be referred to a third party for settlement.

Article 12: Termination of Foundation's Responsibility

(a) Subject to the provisions of paragraph (b) and (c) below and Article 11, the responsibility of the Foundation under this Agreement will end on the date of the final disbursement by Foundation of the Award or September 30, 2012, whichever is earlier.

(b) Prior to the distribution of any assets resulting from any liquidation, dissolution, or spending out of the Foundation, in whole or in part, the Foundation shall transmit to NEA a plan for the final distribution of the all assets accrued to the Award funds.

(c) Funds made available through this Agreement shall be expended at the minimum rate necessary to make timely payment for projects and operations. Such committed funds shall continue to be subject to the terms of this agreement until fully disbursed by the Foundation.

(d) In the event of noncompliance with Article 4, the Department of State may, in its sole discretion, immediately terminate all or any part of this Agreement. Upon such termination, the Foundation shall refund any part of the Grant that has not been awarded.

Article 13: Responsible Parties

Any notice or request required or permitted to be given or made under this Agreement will be in writing and will be given at each party's address as follows:

(a) For the Department of State:

Attention: Office Director, Partnership Initiative
Greta Holtz, Director NEA/PI
U.S. Department of State
2430 E St., NW
Navy Hill, Central Building
SA-4, 2nd Floor
Washington, D.C. 20520-5317
Telephone Number: 202-776-8500
Facsimile Number: 202-776-8445

(b) For the Foundation for the Future:

Attention: Chairman of the Board, Foundation for the Future
Anwar Ibrahim, Chairman
Office of Anwar Ibrahim No 17 JALAN 16/2
Seksyen 16
Petaling Jaya
Malaysia
Telephone Number: +603-7956-6444
Fax Number: +603-7956-5444

Attention: Chief Operations Officer
Francesco Rosa, COO
Foundation for the Future
P.O. Box 17513-11195
Amman Jordan


with copy to:
Washington, D.C.

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Article 14: Award Certification and Funds Citation

1972 6/7 10371G 1014 722644 144900 6100 4122

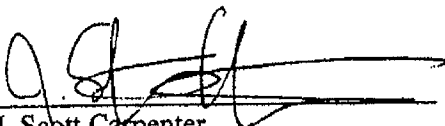
I hereby authorize the obligation of this Award



Anna Mary Port
Senior Grant Advisor
Bureau of Near Eastern Affairs
For the Office of the Middle East Partnership Initiative


Signed in Washington, D.C.
this 18 of July 2007

FOR THE DEPARTMENT OF STATE



J. Scott Carpenter
Deputy Assistant Secretary
Bureau of Near Eastern Affairs

FOR THE FOUNDATION FOR THE FUTURE



Anwar Ibrahim
Chairman and Acting President of the Board

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RELEASED IN FULL

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Return Implementing Organization:
Eurasia Foundation**Quarterly Report for Apr-Jun, 2007****GR-160-S0**USG Managing Award:
Eurasia FoundationDates Covered by this Quarterly Report:
Apr-Jun, 2007Project Title:
Foundation for the FutureProject Period of Performance:
07-Dec-2005 to 30-Jun-2007Grant/CA Number:
GR-160-S0Total Project Budget:
921,064**Overall Assessment of Project**

	Ahead of Schedule	On Track	Behind Schedule
Anticipated Results:		X	
Work Plan:		X	

Executive Summary of Activities: *(this period only, do not duplicate prior reporting or content of approved program or workplan)*

On December 7, 2005, the U.S. Department of State Bureau of Near East Affairs (NEA) awarded a grant to the Eurasia Foundation (EF) to support the design and launch of a new institution that would promote democracy and civil society development throughout the Broader Middle East and North Africa. EF's role in the establishment of the Foundation for the Future is defined in the grant agreement and based on EF's proposal dated October 5, 2005, and revised on December 6, 2005. The grant was subsequently amended in July 2006, November 2006 and April 2007.

The following report covers program activities completed from April 1 to June 30, 2007 by the Eurasia Foundation (EF) to support the design and launch of the Foundation for the Future. EF tracked the costs of executing all deliverables – including those added by State Department's Bureau of Near East Affairs (NEA) through grant amendments after the start of the project.

As the terms of the grant agreement concluded on June 30, 2007, it was agreed by State Department officials and EF staff that this report shall additionally serve as the close-out report for this grant.

During the reporting period, EF received a no-cost extension to the grant on April 3, 2007 through June 30, 2007. With this amendment, responsibilities and deliverables by the Eurasia Foundation were adjusted to reflect the scope of work during the period.

Activities that EF completed on behalf of the Foundation for the Future followed the State Department's main objectives for the Foundation which include: establishing effective administrative policies and internal control procedures meeting international standards, assisting with finding highly qualified candidates for foundation senior staff positions, and aiding the Foundation for the Future to become operational.

EF's major activities during the April – June period included: support for the third board meeting in May, continued administrative, technical and operational support to the new foundation, and other activities to be detailed in the major activities section below.

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Discussion of Results: (Provide a brief explanation of any results that are not on target and plans to improve performance. Any results that exceed expectations should also be discussed.)

Recruitment for the Chief Operating Officer and Chief Financial Officer

During this reporting period, the candidate for the position of COO was hired. The foundation's chief operating officer began work in May. The COO attended the board meeting in Bahrain and then headed to Jordan to begin the process of opening the office.

The executive recruitment service, Global Recruitment Services, identified a candidate for the chief financial officer position. EF's human resources and accounting staff assisted with the interview process for the candidate. In late May, the Foundation for the Future offered the position to one of the candidate's vetted by GRS and EF staff. However, the candidate declined the offer.

It was determined by the Foundation for the Future that the COO would search for a candidate for the chief financial officer position while beginning temporary operations in Jordan. With the COO pursuing local recruitment in Jordan, EF's assistance in the recruitment process ended.

EF also assisted the Foundation in the recruitment of the DC liaison officer.

Third Board Meeting in Manama, Bahrain

The Foundation's board meeting was originally scheduled for April 28-29 in Casablanca, as determined by board members at the December 2006 board meeting in Jordan. However, due to the security concern after the suicide bombing near the U.S. consulate in mid-April, the meeting was rescheduled for May 29-30 in Bahrain. EF incurred additional costs in re-locating the meeting, which had not been configured in the revised budget from March.

As a result of EF's planning, preparation and staffing of the board meeting, the board had a productive discussion regarding the determination of the recipients of its first grant awards totaling nearly \$400,000. After reviewing nine proposals, the board approved five grants. The approved grants include:

- Center for media excellence for the region
- Civil society resource center
- Promotion of an independent judiciary in Egypt
- Funding for the Palestinian central election committee
- Human rights education program for women

The re-scheduling of the board meeting gave the chief operating officer an opportunity to meet and build a rapport with board members prior to the first phase of setting up the office in Jordan. They discussed immediate operational concerns and grant procedures.

EF also organized meetings of the executive and finance committees, which were held the day preceding the full board meeting. These committee members met to further regularize the foundation's operational procedures. During the executive committee meeting, members nominated the Chairman to temporarily assume the role of president.

EF arranged other aspects of the board meeting including but not limited to: booking travel and accommodations, preparing board books and memoranda and resolutions contained therein, and personally staffing the meetings.

Transition of Operations from EF Staff to FFF Staff

EF began preparations for the smooth transition of operations to the new foundation staff prior to the June 30, 2007 close-out date. EF took steps to ensure that the Foundation for the Future staff would have the ability to independently conduct their day to day operations when EF's administrative and technical support concluded.

As mentioned in the results of the third board meeting, the chief operating officer's attendance at the board meeting gave both the board members and the COO an opportunity to begin the staff transition before close-out. The COO's visit to DC improved the transition, as he met with EF staff, the DC part-time accountant and relevant contacts. The COO and EF staff discussed the activities that EF had undertaken on behalf of the new foundation, which resulted in the COO attaining a better grasp on the rationale of the decision-making process and the core procedural issues.

By beginning the transition process prior to close-out, EF ensured that the Foundation for the Future would be able to sustain its activities after June 30th without interruption. The Foundation for the Future began operating independently on July 1, 2007, which is a result of EF's administrative, technical and financial support and guidance during the lifespan of the grant with the Department of State.

Discussion of Major Activities Implemented during this Period: *(Explain changes or delay, including any significant obstacles and how they were overcome)*

Main activities during this period include:

1) Board Meeting Support

As detailed in the results section, EF provided travel, logistical and administrative support for the foundation's third board meeting in Bahrain on May 30, 2007. EF staff arranged travel and lodging for members, prepared board materials, drafted agendas and prepared memos and board books. EF staff also provided administrative support at the meeting and processed reimbursements for board members.

2) Recruitment for Chief Financial Officer and Chief Operating Officer

EF concluded work with the executive placement firm Global Recruitment Services to assist with the recruitment of the COO and CFO. As detailed in the results section, EF assisted the new foundation with the hiring of the COO. The COO has been given the task of searching locally in Jordan for a chief financial officer.

3) Supporting the Chief Operating Officer

With State Department approval, EF financed the chief operating officer's expenses during the board meeting in Bahrain, the initial two-week trip to Amman and his trip to Washington, DC for the consultation at the Foundation for the Future office and with EF.

4) Accounting Mechanisms and Policies

EF purchased Quickbooks on behalf of the new foundation, as advised by the part-time DC based accountant. As detailed in the previous Quarterly Report, EF had hired a part-time DC based accountant to work on establishing the Foundation's accounting systems and mechanisms. The accountant is currently setting up the accounting system software.

5) Registration in the Region

During this period, EF continued to work with a Lebanese law firm in order to secure registration in Lebanon. The Jordanian government officially granted the foundation permission to operate in Amman, and EF assisted in acquiring the necessary documentation to further the process. With the closure of the grant and the chief operating officer's relocation to Amman complete, the new foundation will be solely responsible for continuing the registration process after the period of this report.

6) Foundation for the Future's Amman Office

In June 2007, the COO identified a potential site for the Amman office. EF's lawyer reviewed the lease agreement, and the Foundation finalized the agreement with the owner subsequent to the end of this reporting period. The Foundation for the Future officially established the office in July.

7) Website

EF updated the website to include the logo competition and the press release detailing the board meeting in Bahrain. At the end of June, EF staff handed over the administration of the website to the Foundation for the Future.

8) Bank Account

Upon the request of members of the board of Foundation for the Future, EF assisted the foundation in changing banks. EF facilitated discussions between the COO and the old and new banks regarding procedural issues:

9) Legal Services

At the July 2006 board meeting in Doha, Foundation for the Future board members decided to drop 'BMENA' from the foundation's name. EF removed 'BMENA' from all foundation documents and the website; however, the foundation's name for the purpose of registration in the District of Columbia remains 'BMENA Foundation for the Future'.

In April 2007, it was brought to EF's attention that another organization shared the name 'Foundation for the Future'. The other organization requested that the Foundation for the Future cease and desist using the name. EF consulted with a lawyer on behalf of the Foundation for the Future regarding the name usage. The lawyer presented potential options, and any action to be taken after June 30th will be the responsibility of the Foundation for the Future.

10) Business and General Liability Insurance

EF conducted due diligence and requested quotes from an insurance broker for business and general liability insurance for the Foundation for the Future. EF purchased the business insurance on behalf of the foundation prior to the end of the grant period; however, EF did not receive a quote for the domestic and international general liability packages until after June 30, 2007. All due diligence material have been forwarded to Foundation for the Future.

11) Foundation for the Future's DC Office

EF continued to provide financial and technical support to the Foundation for the Future's Washington DC office. The new foundation will be responsible for its DC office rent after June 30th.

12) President's Status

EF paid the remainder of the previous President's salary from the period of January 1 to February 28, 2007 as part of his separation agreement.

13) Administrative, Technical and Operational Support

EF continued to provide the program staffing and management on behalf of the Foundation for the Future. The EF task force meets regularly and convenes meetings with the Foundation's acting president and State Department personnel as needed.

14) Close-out Preparation

EF took necessary steps to prepare for the close-out of EF's grant with the State Department and ensure a smooth transition for the Foundation for the Future. EF staff met with the COO to discuss the transfer of administrative tasks, documents and other materials to the new foundation. EF staff also met with MEPI officers to discuss details of the close-out period.

Changes in projected workplan activities during this period

While EF expected to be providing other services to the new foundation, these activities were contingent on the Foundation for the Future requesting assistance. These activities included:

- Presenting candidates for three senior staff positions to the Board of Directors for final selection.

EF assisted the Foundation for the Future in the search for chief operating officer, chief financial officer and DC liaison officer. All three candidates were presented to the board of directors prior to the end of the grant. However, the candidates for chief financial officer and DC liaison officer ultimately declined their offers. Only the candidate for chief operating officer accepted the offer.

- Travel to Amman for two Eurasia Foundation staff members for program-related training and technical assistance.
- Training new foundation and staff members in the policies, procedures and best practices in grant-making while monitoring their first grants.

During the COO's visit to Washington DC in mid-June, he met with various EF staff members to discuss best practices and and procedures in grant-making. EF was not asked by the Foundation for the Future to provide additional assistance, as the COO was the only staff member and the foundation had not decided on grant awards until the end of May.

Implementation Progress Scorecard (Work Plan)

Objective: Effective administrative policies and internal control procedures meeting international standards prepared					
	Public Event	Critical Deadline	Approved Completion Date	Actual Completion Date	Requested Revised Date
Task: Provide logistical support for first Board meeting			31-Jul-06	15-Jul-06	
Task: Present Business Plan to Board for approval			31-Jul-06	15-Jul-06	
Task: Present suggested by-laws of the BMENA Foundation for Board approval			31-Jul-06	15-Jul-06	
Task: Present policies and procedures manual to Board for approval			31-Jul-06	15-Jul-06	
Task: Appropriate follow-up after first Board meeting in advance of first Executive Committee meeting			30-Sep-06	15-Sep-06	
Task: Provide travel and logistical support for Executive Committee Meeting in Washington DC	Y	Y	30-Sep-06	23-Sep-06	
Task: Provide travel and logistical support for the second BMENA Board Meeting in the Region	Y	Y	29-Dec-06	04-Dec-06	
Task: Provide travel and logistical support for a meeting of the Executive Committee		Y	21-Feb-07	21-Feb-07	
Task: Establish accounting mechanisms and policies			01-May-07	30-Jun-07	
Task: Provide travel for two EF staff members to BMENA region office for program related technical assistance			15-Jun-07		
Objective: Highly qualified candidates for foundation senior staff positions submitted for review and selection					
	Public Event	Critical Deadline	Approved Completion Date	Actual Completion Date	Requested Revised Date
Task: Upon Board request, procure the services of executive recruitment firm to identify candidates for 3 senior positions (excluding president), or suppo			30-Aug-06	26-Oct-06	
Task: Present candidates to Board of Directors for final selection		Y	01-May-07	30-Jun-07	
Objective: Foundation for the Future Operational					
	Public Event	Critical Deadline	Approved Completion Date	Actual Completion Date	Requested Revised Date
Task: Procure DC office space for the Foundation for the Future			15-Nov-06	15-Nov-06	
Task: Provide salary for President (4 months)			29-Dec-06	15-Dec-06	
Task: Register and establish Foundation headquarters in the region (through legal and logistical support)		Y	15-May-07	30-Jun-07	
Task: Relocate president and senior staff to new headquarters in BMENA, as needed			15-May-07	01-Jun-07	

RMP Detail Report

Outcome: An independent grant making foundation, which will promote democracy and civil society development throughout the broader Middle East and North Africa (BMENA)

Objective: Effective administrative policies and internal control procedures meeting international standards prepared

Indicator: Foundation by-laws adopted **Unit:** n/a

Definition: Bylaws to be drafted and reviewed by legal counsel, then submitted to the Board for their approval. Bylaws will address the need for effective, transparent and responsible self-governance and will reflect the best practices for grant-making organizations and foundations

Source: Eurasia will draft the Bylaws, Board will adopt them

Frequency: Once

Responsible: Project Manager

Baseline Date	Baseline Value
	0
Quarter	Value
Jan-Mar, 2006	
Apr-Jun, 2006	
Jul-Sep, 2006	
Oct-Dec, 2006	Foundation by-laws were adopted prior to this period, at the Board meeting in July.
Jan-Mar, 2007	N/A during this period.
Apr-Jun, 2007	N/A during this period.

Indicator: Policies and procedures manual (including personnel, program and financial policies) prepared and adopted **Unit:** 1

Definition: P&P manual to be drafted and reviewed by legal counsel, then submitted to the Board for their approval. P&P manual will govern the foundation's actions in all areas, including HR/Admin, Grant making, Accounting/Finance, etc. The P&P manual will reflect the best practices for grant-making organizations and foundations.

Source: Eurasia will prepare the P&P manual, the Board will adopt it.

Frequency: Once

Responsible: Project Manager

Baseline Date	Baseline Value
	0
Quarter	Value
Jan-Mar, 2006	
Apr-Jun, 2006	
Jul-Sep, 2006	
Oct-Dec, 2006	Policies and Procedures were adopted prior to this period. The manual was updated during this reporting period. It will be updated further when an office in the region is established.
Jan-Mar, 2007	N/A during this period.
Apr-Jun, 2007	N/A during this period. Updates after June 30th will be completed by the Foundation for the Future staff.

Objective: Highly qualified candidates for foundation senior staff positions submitted for review and selection

Indicator: Qualified senior-level candidates presented to the Board of Directors **Unit:** 3

Definition: Eurasia is committed to assisting FFF in its search for qualified candidates for senior-level positions. Once in place, the senior-level hires will be responsible for staffing up the rest of the foundation. EF will enlist the services of the recruiting firm of the foundation's choosing, and will fund other expenses including candidates' travel and posting advertisements.

Source: Board will make hiring decision on President, President will hire the other two positions in consultation with the Board

Frequency: once

Responsible: Project Manager

Baseline Date	Baseline Value
	0
Quarter	Value
Jan-Mar, 2006	
Apr-Jun, 2006	
Jul-Sep, 2006	
Oct-Dec, 2006	EF hired a recruiting firm to assist with the search for senior-level candidates during this period.
Jan-Mar, 2007	During this period the acting President offered a contract to a COO candidate, who had been vetted by the recruitment firm hired by EF. The acting President is conducting a second interview with a CFO candidate, who was also vetted by the recruitment firm.

Apr-Jun, 2007

EF assisted the new foundation in finalizing the contract with the candidate for the chief operations officer position. The chief operations officer began working for the Foundation for the Future in May. The candidate for the chief financial officer position elected to not take the position after the contract had been offered. It was agreed that the COO would look for a local hire in Jordan instead of utilizing a recruiting service.

Objective: Foundation for the Future Operational

Indicator: Legal recognition of Foundation for the Future in the MENA Region **Unit:** N/A

Definition: Foundation will be a legally registered grant-making not-for-profit entity in the MENA region with the assistance of EF and will become fully operational.

Source: Regional government will grant registration, EF will assess operational capabilities

Frequency: Once

Responsible: Project Manager

Baseline Date	Baseline Value
	0
Quarter	Value
Jan-Mar, 2006	
Apr-Jun, 2006	
Jul-Sep, 2006	
Oct-Dec, 2006	The Foundation has been working on registration in Beirut, Lebanon.
Jan-Mar, 2007	EF has continued to work with a Lebanese law firm in order to secure registration in Lebanon. The application has been submitted, and the Foundation is awaiting a response. The Foundation plans to open a temporary office in Amman, Jordan until registration is finalized with the Lebanese government. During this period, the acting president searched for office space in Amman.
Apr-Jun, 2007	During this period, the Jordanian government gave the Foundation official permission to operate in Amman. EF assisted with the facilitation of documents required by the Jordanian Foreign Ministry.

Indicator: MENA Region office staffed and operating **Unit:** N/A

Definition: FFF will be operating in the region, will a full staff complement capable of addressing the day-to-day needs of the Foundation as well as providing the strategic leadership necessary for anticipating future needs and operations

Source: Foundation

Frequency: Once

Responsible: Project Manager

Baseline Date	Baseline Value
	0
Quarter	Value
Jan-Mar, 2006	
Apr-Jun, 2006	
Jul-Sep, 2006	
Oct-Dec, 2006	The Foundation has in the process of opening a temporary office in Amman, Jordan.
Jan-Mar, 2007	During a trip to Amman, the acting President looked at potential locations for office space.
Apr-Jun, 2007	The chief operating officer conducted a two-week visit to Amman in June to begin operational procedures. The COO returned to Amman after trip to DC and established the Amman office.

Indicator: Foundation receiving funds directly from donors **Unit:** N/A

Definition: Foundation will be consolidating initial pledges from donor countries over the course of the first 2-3 years. Additional pledges will be sought. Receipt of pledges is acknowledgement of progress and evidence of faith in the sustainability of the Foundation as expressed by the donors.

Source: Foundation

Frequency: n/a

Responsible: Project Manager

Baseline Date	Baseline Value
	0
Quarter	Value
Jan-Mar, 2006	
Apr-Jun, 2006	
Jul-Sep, 2006	
Oct-Dec, 2006	The Foundation has received almost \$4 million directly from donors during this period.
Jan-Mar, 2007	The Foundation has not received any additional funds during this period.

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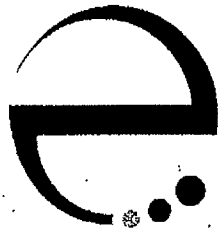
Apr-Jun, 2007	The Foundation did not receive additional funds during this period.
Purpose, Activities and Outcomes of Any Visits by Implementer Home Office Staff, US Embassy, MEPI Regional Office or MEPI Washington Staff:	
<ul style="list-style-type: none">EF staff met with MEPI Washington staff on June 29, 2007 to discuss the terms of the grant's close-out.	
List any outreach or media contacts during the period:	
<ul style="list-style-type: none">Subsequent to the executive committee meeting, EF sent out a press release on the Foundation for the Future's behalf to various media and non-media outlets with a brief summary of the meeting's outcome.	
Discussion of Projected Activities for next quarter. <i>(With reference to approved workplan. Detail all proposed changes.)</i>	
As the grant to Eurasia Foundation ended on June 30th, there will not be any projected activities after the current reporting period. From July 1, 2007, EF will be conducting the full programmatic and financial close-out of the grant. EF will be making final reimbursements to board members for the May meeting, transferring the remaining files and directing inquiries to the new foundation staff.	
List of Appendices (if any) <i>Grantees may submit agendas, participant lists, proceedings, etc. from any events held during the quarter, or copies of any products developed. Appendices for this Quarterly Report files are listed below:</i>	

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EURASIA FOUNDATION

THE EURASIA FOUNDATION

**Program to Support the Design and Launch
of the BMENA Foundation for the Future**

Third Interim Report

Reporting Period April 1 – June 30, 2006

July 31, 2006



Submitted to:

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Bureau of Near Eastern Affairs
Middle East Partnership Initiative
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Introduction

On December 7, 2005, the U.S. Department of State Bureau of Near East Affairs (NEA) awarded a grant to the Eurasia Foundation (EF) to support the design and launch of a new institution that will promote democracy and civil society development throughout the Broader Middle East and North Africa (BMENA). EF's role in the establishment of the BMENA Foundation for the Future is defined in the grant agreement and based on EF's proposal dated October 5, 2005, and revised December 6, 2005. The agreement was subsequently amended on July 7, 2006 to include additional activities and extend the grant period to December 31, 2006.

Specifically, EF's contributions to this initiative include: providing office space and staff support; registering legal entities; developing a business plan; developing policies and procedures; providing logistical support for the first board meeting; and assisting with the creation of a mission statement and solicitation of potential donors.

Additional activities under the amendment of July 7, 2006 include: support for a meeting of the Executive Committee of the board scheduled for September 2006; support in establishing financial systems including foundation bank accounts in the US; support for outreach by board members; recruitment support for up to three senior management positions; and other follow-up activities related to the first meeting of the board.

The following report covers program activities completed from April 1 to June 30, 2006. During the reporting period the scope of EF's involvement in the initiative has been adjusted. These adjustments are largely the result of the evolving needs and demands of the new foundation's stakeholders. Any necessary amendments to the grant agreement and grant budget will be negotiated and agreed upon by EF and NEA.

Activities and Results

During the reporting period, EF's main accomplishments included:

- draft versions of bylaws, policies and procedures, business plan and charter completed and submitted for translation;
- additional legal due diligence completed by contracted law firm;
- logistical support provided for the foundation's first board meeting (originally scheduled for June in Sana'a, but rescheduled for July in Doha); and
- logistical and administrative support provided to the board selection committee.

As was mentioned in the first and second interim reports, there have been several significant changes to the scope and timing of program activities since the signing of the grant agreement. These changes include: a one-month postponement in the deliverable due dates as listed in the table on page 9 of EF's proposal; the task of developing and launching a Web site was added as a deliverable; the deliverable of drafting a proposal to present to the new foundation's core donors has been removed from the scope of work; and NEA has requested that EF make arrangements for and cover the costs of travel for members of the committee to select the BMENA Foundation for the Future board. In addition, during this reporting period, NEA has requested that EF organize and provide logistical support for the first board meeting of the BMENA Foundation, which

was originally tentatively scheduled to take place at the end of May, but has been pushed back twice to June and now July.

EF is tracking the costs of executing all deliverables—including those added by NEA after the start of the project. As noted above, an amendment to the grant was executed on July 7, 2006 to incorporate changes made to the project scope of work and budget.

The following are descriptions of EF's main activities and accomplishments during the reporting period:

➤ Program Staffing and Management

The EF task force created for this undertaking meets regularly and convenes additional meetings with the seconded State Department advisor, Shaha Riza and State Department personnel as needed.

➤ Registration

The draft version of the bylaws of the BMENA Foundation for the Future has been finalized, pending review by the board at the first meeting of the board. The bylaws were submitted for translation, and a preliminary draft of the translated version was reviewed by Shaha Riza.

On behalf of the foundation, EF has submitted an application for recognition of tax-exemption under Section 501(c)(3) of the Internal Revenue Code. EF awaits a response from the IRS confirming exemption.

➤ Legal Due Diligence

It was requested that the law firm of Kalbian Hagerty perform due diligence in three additional countries for the legal seat/operational headquarters of the foundation. An updated memo detailing regulatory and political environment of the original countries, plus the requested addition of Kuwait, Cyprus and Turkey, was delivered June 6, 2006. This document was submitted for translation and the translated version was reviewed and approved by Shaha Riza with minor modifications.

➤ Business Plan

The revised Business Plan was submitted to the State Department representatives (Shaha Riza and Blake Thorkelson) on April 21, 2006. This version was approved and was submitted for translation, and the translated version was reviewed and approved with minor modifications by Shaha Riza. As requested, EF created a PowerPoint presentation of the main points of the Business Plan for presentation at the Board meeting. This presentation was approved provisionally by Shaha Riza on April 25, 2006. The final version of the presentation was completed May 15, 2006.

➤ Policies and Procedures

The Policies and Procedures manual was updated per requests from Shaha Riza and Blake Thorkelson. The edits were completed and resubmitted to the State Department on April 25, 2006. A cover memo was drafted in order to clarify the purpose of the manual to the board. The cover memo was completed on May 16, 2006, and was submitted for translation that day. The translated version was reviewed and approved by Shaha Riza.

➤ Web Site Development

As mentioned above, the development and management of a Web site for the new foundation was added to EF's scope of work after the grant agreement was signed. The Web site went live on February 3 and can currently be viewed by navigating to the following URLs: www.bmenafoundation.org, www.bmenafff.org or www.bmenafoundationforthefuture.org. For the duration of the grant period, the site and its "Contact Us" email address (info@BMENAFoundation.org) will be managed by EF and its contracted Web developer and will continue to grow and evolve as directed by NEA and based on the phased approach designed by EF. Once the new foundation is staffed and functional, ownership and management of the site will be wholly transferred from EF to the new foundation.

During the reporting period, EF was asked on multiple occasions to make minor additions or changes to the website. These included posting a revised timeline, press statements regarding the creation of a board slate by the Selection Committee and another listing the Board members.

The text for the website was submitted for translation, and the translated version has been reviewed and approved by Shaha Riza.

➤ Board Meeting Support

As mentioned above, NEA has requested that EF provide travel arrangements for the three members of the board selection committee. As noted in a previous report, the board selection committee met in London on March 4-6. In addition to arranging for the committee members' travel and lodging, at the request of State Department Advisor Shaha Riza, the EF project manager attended the meeting to provide logistical and administrative support. A second meeting of the selection committee was held on April 2 in Istanbul, for which EF made travel and lodging arrangements. As requested by NEA, EF prepared to provide logistical and administrative support for the first board meeting, including preparation of board materials, arranging travel and lodging and providing staff support for the meeting. EF was informed by NEA that the first board meeting would take place in Sana'a, Yemen in June, and significant efforts were made in preparation for that meeting. EF submitted to NEA a budget estimate of what the board meeting would cost along with a memo describing tasks to be completed prior to and during the meeting. Approximately a week before the meeting was to occur, EF was notified that the meeting would be postponed until July and transferred to Doha, Qatar. EF continued preparations for that meeting.

Conclusion and Next Steps

EF's main accomplishments during the first seven months of the program include:

- Registration of the foundation as a U.S. entity;
- Application for tax-exempt status for the foundation;
- Due diligence into the location for the headquarters of the foundation;
- Creation and revision of the draft business plan and an accompanying PowerPoint presentation;
- Creation and revision of the draft policies and procedures manual and explanatory cover memo;
- Completion of the translation into Arabic of all major foundation documents;

- Design, launch and maintenance of the BMENA Foundation for the Future Web site; and
- Provision of travel and administrative support for Shaha Riza and members of the board selection committee.

During the next reporting period (July–September 2006), EF will:

- Continue legal due diligence on the location(s) chosen by the board for the BMENA-based foundation offices and present results to the board of directors;
- Continue to add content to the Web site, including Arabic translations of major documents;
- Finalize preparations for the first board meeting (now scheduled for July 15, 2006 in Doha, Qatar), including finalizing and translating relevant documents;
- Execute post-board meeting edits on all documents, and perform tasks as requested by Shaha Riza and the board, including: opening a bank account on behalf of the foundation, researching and obtaining D&O insurance, and other tasks as they arise;
- Provide logistical and administrative support for the proposed Executive Committee meeting in Washington DC scheduled for September 22-23;
- Continue to provide administrative support, including travel for Shaha Riza, the board selection committee and the board members; and
- Provide additional support for the initiative as requested by NEA.

Attachments:

Standard Form 269 – Financial Status Report



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T H E E U R A S I A F O U N D A T I O N

N 95

December 7, 2005

Mr. J. Scott Carpenter
Deputy Assistant Secretary
Bureau of Near Eastern Affairs
U.S. Department of State
2201 C Street NW
Washington, DC 20520

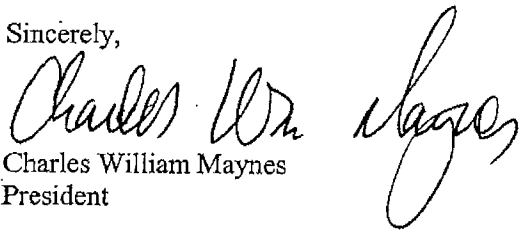
Dear Scott,

Enclosed is the grant agreement signed by the Eurasia Foundation to assist Bureau for Near Eastern Affairs in the creation of a new foundation to promote civil society development throughout the Broader Middle East and North Africa. We are pleased to enter into this partnership with your bureau.

While the start date for the project has been delayed for two months, we recognize the need to move quickly on this project and appreciate the one month shift from the timetable as originally proposed. While the majority of the Eurasia Foundation activities are to be completed in advance of the first board meeting which may not shift, we understand your staff is willing to work with us throughout the process to make necessary adjustments to ensure a successful outcome to the project.

We look forward to working with you in the coming months and appreciate the confidence your bureau has shown in the Eurasia Foundation.

Sincerely,


Charles William Maynes
President

cc: Tammy Wincup, Director, MEPI
Shaha Riza, Advisor to the State Department

UNITED STATES DEPARTMENT OF STATE
REVIEW AUTHORITY: JOHN S BLODGETT
DATE/CASE ID: 02 DEC 2008 200703339

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**PROPOSAL TO SUPPORT THE DESIGN AND LAUNCH
OF A NEW FOUNDATION
FOR THE BROADER MIDDLE EAST AND NORTH AFRICA**

Submitted to the U.S. Department of State Bureau of Near Eastern Affairs

Submitted by The Eurasia Foundation
October 5, 2005 (*revised December 6, 2005*)

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- Appendix A: Budget Notes and Budget
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Executive Summary

The Eurasia Foundation (EF) proposes to assist the U.S. Department of State Bureau of Near Eastern Affairs in the design and launch of a new institution that will promote democracy and civil society development throughout the broader Middle East and North Africa (BMENA). EF will apply its experience, which includes the stewardship of more than \$275 million over 12 years in countries previously lacking strong democratic traditions, to this assignment. Utilizing an institution with a proven track record will accelerate the roll out of programs, ensure high program quality, and increase confidence that funds will be used for their intended purposes.

EF will assist the State Department in the creation of a nimble, flexible, and field-driven foundation in the BMENA region. Programs will aim at the grass roots and pursue concrete results on initiatives that emerge from already active and progressive sectors of societies in the region. Operating with some autonomy from its government sponsors, the foundation will be a versatile and cost-effective instrument to extend the reach of existing bilateral and multilateral assistance and public diplomacy efforts. To achieve this ambitious mission, a new kind of foundation is needed—one that can establish a presence in the BMENA region while drawing on the financial resources and expertise of European and American donors. The new foundation will develop an operational presence and visibility in the BMENA region with support from offices in the U.S. and Europe. This tri-regional structure will provide a channel for participation and contributions from supporters in each region.

The specific contributions by EF to this initiative will include: providing office space and staff support; registration of legal entities; development of a business plan; development of policies and procedures; logistical support for the first board meeting; and assistance with the creation of a proposal to potential donors. EF's involvement will support the successful launch of the new foundation, setting it on a course for long-term success.

I. Objective: A New Foundation for the Broader Middle East and North Africa

In order to foster democratic growth in the BMENA region, the U.S. government and its European allies will create a private foundation with a mission to assist citizens in participating more fully in the economic and political life of their countries. A new foundation that is field driven and aims at the grass roots will produce concrete results—emerging organically from the efforts of individuals and organizations already active within the region. Operating with some autonomy from its government sponsors, the new foundation will be a versatile and cost-effective instrument to extend the reach of existing bilateral and multilateral efforts.

The new foundation, drawing together citizens and resources from three regions—the BMENA countries, Europe, and the United States—will increase linkages among key actors in the public and private sectors. Accomplishing this requires innovation grounded in practicality, and a careful, well-organized approach in setting up initial operations. The foundation's configuration—which may evolve pending results of due diligence—will demonstrate that the foundation is rooted in the BMENA region, will establish its multilateral profile, and will provide a channel for participation and contributions from all regions.

Successful operations and long-term sustainability will require strong financial accountability and verification of program results. The policies and procedures that will guide the new institution must meet U.S. and international standards for ethics and responsible stewardship of funds while taking into account the specific mission and operating environment of the foundation. There is an urgent need to demonstrate that this initiative is not just rhetorical, but aimed at achieving concrete results while establishing the new foundation on a sustainable basis.

II. Role of the Eurasia Foundation in this Initiative

The objective described above is an ambitious one. Operating any program to benefit multiple countries and exercising requisite financial control in hostile environments—and the BMENA region presents particular challenges—requires considerable institutional investment. Acknowledging the significant differences that exist between the BMENA region and the former Soviet Union, the experience in the latter region is instructive to the present process. The program initiatives and financial stewardship undertaken by the Eurasia Foundation (EF) required: the establishment of a network of offices in 13 countries; training a staff of approximately 250, almost all local citizens; the development of rigorous financial controls which deliver safely millions of dollars per year to regions with rudimentary banking systems; and the creation of evaluation and reporting mechanisms. Assets similar to these will be necessary to deliver the programs that the new foundation will undertake.

EF takes on this assignment as a grantee and advisor to the State Department and as a potential consultant to the new foundation in its early stages of development. EF's goal is to provide the basic tools necessary for the new foundation to register, structure itself, and begin operations. EF's objective in this initiative is to ensure that the new foundation is grantworthy—that is, capable of stewarding the funds of the U.S. government and other donors and assuming responsibility for moving the entire project forward on its own.

EF will not publicize its role in this initiative, but its relationship with the State Department under this assignment will be a matter of public record. EF will acknowledge its collaboration with the State Department on this initiative in future reports to the U.S. government, and in its annual report to explain its income and expenditures.

III. Plan of Action

EF and the State Department will have discrete and complementary roles in the creation of the new foundation. The State Department will be responsible for the selection of a board chair and the official announcement of the new foundation in November. Longer term responsibilities of the State Department in consultation with other founding governments include the selection of a president, recruitment of board members, selection of initial country office locations in the BMENA region, and preparations for the first board meeting. EF will assist State in coordinating due diligence in the region and in preparing for the first board meeting. Other responsibilities of EF include: provision of office space and staff support; registration of the new institution; creation of a business plan; creation of policies and procedures; and creation of a template proposal to submit to donors.

Staffing and Management

Office Space

EF will provide a conference room to serve as office, which will include work stations for the State Department advisors and others on the task force, and access to computers, telephone, fax machine, and printer/copier.

Task Force

EF will utilize the experience of its executive, program, finance, and operational staff to complete this assignment. EF will assemble a task force chaired by the acting president that will include the State Department advisors, vice president for program development, controller, director of government relations, project manager, and project coordinator as core members. Other staff and consultants will be pulled into the project at various points as necessary. Executive staff assigned to the task force will manage and oversee the process and provide periodic updates and reports to State. The project manager and project coordinator will be responsible for advancing the initiative on a daily basis, ensuring that the appropriate task force members and consultants are activated, that assignments are clear, and that all deliverables are completed on schedule. The project coordinator, a current EF staff person, will provide daily administrative and logistical support to the project. The project manager, under the supervision of the acting president, will coordinate the production of documents and supporting materials with appropriate EF staff members, and will ensure that the project goals and deadlines are met. The project manager will serve as a key link between State Department and EF staff and will facilitate the transfer of EF's institutional knowledge.

EF will cover all travel-related expenses for the State Department advisors. For purposes of the budget, we have assumed 6 trips over the project period. A full analysis of the level of effort (LOE) of each staff person, and their title, is contained in the budget (Appendix A).

New Foundation Announcement in November

The State Department has indicated that it will take the lead in identifying a board chair and managing the announcement of the new foundation in Bahrain in November, including the preparation of all relevant materials. EF stands ready to provide administrative and other support for this task as required by State.

Due Diligence, Documents, and Registration of the New Foundation

Ideally, the new foundation will be perceived as a joint undertaking of three constituent founders—the U.S., Europe, and the countries of the BMENA region—and the location of its offices will have a major impact on this perception. In consultation with the State Department, EF will propose an organizational structure and office location plan that will achieve the desired objective of a foundation that is an international entity embraced by the people of the region.

This proposal envisions registration of an office of the foundation in the U.S., Europe, and the BMENA region. EF will conduct the necessary due diligence to establish the best course of action and make recommendations on the feasibility and practicality of different scenarios. EF assumes that the location of the U.S. entity will be Washington, D.C., but will make recommendations on other office locations in consultation with the State Department and in light of its findings during the due diligence process.

After the due diligence is complete and the State Department has decided on the desired office structure, EF will draft all documents required for registration of the new foundation, including articles of incorporation and bylaws, and will finalize the charter. The charter will form the basis for developing other key documents.

Upon completion of the documents, EF will undertake the steps necessary for registration of the documents and submission to the appropriate authorities. EF will also engage in any necessary follow-up to ensure registration.

EF Action Items

- ☐ legal due diligence for registration
- ☐ completion of charter
- ☐ creation of registration documents (articles of incorporation, bylaws, etc.)
- ☐ submission of documents to appropriate authorities and necessary follow-up

Business Plan

The business plan will set a multi-year course for the new foundation and will serve as an important instrument of the foundation's planning process. In creating the business plan, EF will consult with the State Department on its findings and discuss the best courses of action before incorporating them into the business plan.

As it drafts the business plan, EF will manage the necessary due diligence and risk assessment, and provide analysis and recommendations as appropriate. Where the State Department is taking the lead on activities that will be covered by the business plan, EF will solicit the necessary information from State for incorporation into the document. In drafting and refining the business plan, EF will make every effort to coordinate with existing U.S. government assistance programs, in particular MEPI.

The business plan will be presented to the full board of directors during its first formal meeting for review, comment and approval. It is expected that the business plan will be continually updated and modified to accommodate evolving operating conditions and mid-course corrections. EF will make its services available to the board if follow up and revisions to the business plan are necessary after its first meeting.

The components of the business plan will include the following:

- I. Mission and Mandate
- II. Governance and Structure
 - a. Charter, Articles of Incorporation and Bylaws
 - b. Board Recruitment, Development and Succession Plan
 - c. Office Locations
 - d. Staffing and Training
- III. Financing
 - a. Financial Plan
 - b. Fundraising Strategy
 - c. Sustainability Plan
- IV. Program
 - a. Program Priorities, Competitive Advantage, Conceptual Framework, and Delivery Mechanisms
 - b. Identification of Targeted Beneficiaries and Evaluation
- V. External Relations
 - a. Communications Strategy
 - b. Government Relations Strategy

EF Action Items

- ☐ due diligence and risk assessment
- ☐ analysis and recommendations
- ☐ develop draft business plan
- ☐ revise business plan in consultation with State
- ☐ deliver revised business plan to the board of directors for first meeting
- ☐ provide follow-up support as requested by the board of directors

Development of Policies and Procedures

EF will adapt and transfer to the new foundation the systems, policies, and procedures that it has developed and refined over the last 12 years (for more information on EF's capacity and

structure, see Appendix C). Sound policies and procedures that govern the programmatic, financial, administrative, and development activities of the organization form the cornerstone of an effective, well-functioning foundation. Ensuring that proper programmatic procedures are in place will provide transparency in grant making, effective deployment of resources and high quality programming that is responsive to a changing environment. Effective financial and administrative procedures will ensure compliance with donor requirements and will safeguard foundation assets, minimize the risk of waste, fraud or abuse by both external and internal parties, and increase donor confidence.

Clearly defined program development procedures will enable the new foundation to identify and respond to funding opportunities and cultivate donor relationships. An illustrative work plan that includes a more detailed list of all the steps required to accomplish these tasks is included as Appendix B. This work plan was developed from work plans used most recently by EF to set up three indigenous spin-off organizations in the NIS. These organizations include the Izmirlian-Eurasia Universal Credit Company in Armenia, the Economics Education and Research Consortium in Ukraine and Russia, and the New Eurasia Foundation in Moscow, as described later in this proposal.

Program Policies and Procedures

In EF's experience, demand-driven grants programs are effective in promoting the development of civil society by empowering local NGOs, who in turn mobilize the local populace, generate public dialogue, and catalyze change. However, grant programs are inherently riskier than technical assistance or operating programs when significant cash resources are transferred to nascent NGOs in a region where fiscal accountability is not yet well established. In order to ensure programmatic impact, the foundation will need the tools to assure careful planning, assessment, and monitoring of its grant-making activities.

Targeted initiatives and operating programs can extend the reach of the new foundation as a complement to general grant programs. These targeted programs can attract donors and partners that otherwise might hesitate to support general grant programs to collaborate with the new foundation. Such programs also provide excellent opportunities to assemble a consortium of donors around a particular objective. Operating programs can be particularly effective in addressing more difficult development or transition problems, in that the activities and outcomes can be managed more directly by foundation staff. An operating program can always include a grant component.

EF will develop a program manual that:

- Defines and explains the foundation's mandate areas;
- Defines the grant mechanisms and tools available for the foundation's use;
- Details evaluation components that should be incorporated into subgrants;
- Defines the procedures for accepting and reviewing proposals;
- Outlines the procedures for performing pre-award programmatic and financial due diligence on prospective subgrant recipients;
- Outlines the procedures for awarding subgrants, including templates for grant agreements and all paperwork necessary to review, execute, monitor, and close an award;

- Outlines the procedures for performing post-award programmatic and financial due diligence on active subgrant awards;
- Outlines the procedures for closing, evaluating, and publicizing subgrant awards; and
- Outlines the procedures for designing and implementing operating programs, including contracting and procurement policies and procedures.

Financial and Administrative Systems, Policies, and Procedures

Sound financial procedures dictating the highest level of ethical conduct will be essential to the success of the new foundation. EF will develop procedures that will comply with all relevant U.S. government grant management standards including those prescribed in OMB circulars A-110, A-122 and A-133 and will meet generally accepted accounting standards as well as international accounting standards. Additionally, EF will develop financial and governance procedures that comply with the Sarbanes-Oxley Act as it applies to non-profits, and operating procedures that comply with Executive Order 13224 and the Patriot Act, prohibiting U.S. organizations from providing material support to terrorists or terrorist organizations. Specifically, EF will develop:

- Banking, investment, and cash management policies and procedures;
- A conflict of interest policy;
- A code of conduct/ethics policy;
- Procedures to comply with Executive Order 13224 and the Patriot Act;
- Travel policies and procedures, including the relevant forms and materials;
- Procurement policies and procedures, including the relevant forms and materials;
- Annual budgeting procedures;
- Internal and external financial reporting and review procedures;
- A chart of accounts;
- Fixed asset management policies and procedures;
- Internal control and approval procedures;
- An internal audit function;
- Procedures to oversee and manage field offices; and
- Personnel and human resources policies.

EF Action Items

- ☐ develop draft templates for a program manual for grants, development and program policies and procedures
- ☐ develop draft templates for financial and administrative policies and procedures

Funding Proposal to Core Donors

EF will assist in the preparation of a proposal template for the new foundation to channel support from foreign governments, international foundations, corporations, and individuals. EF has a proven track record in fundraising for its programs, having raised and leveraged more than \$60 million in non-USG funds to complement its core funding of \$275 million from USAID since 1993. EF will draft the proposal and provide strategic advice on how to approach potential donors and how to access funding mechanisms, building on the activities that the State Department has already undertaken.

EF Action Items

- ☐ draft proposal template for submission to potential donors
- ☐ provide strategic advice for approaching donors, as requested

Support for the First Board Meeting

At the discretion of the chair, EF will provide logistical support for the organization of the first board of directors' meeting, including, if requested, arranging the facilitation of a pre-meeting retreat and assisting in the preparation of meeting materials. The purpose of a half-day retreat by the board prior to its first meeting is to help the board members and senior staff to understand their respective roles and to create the opportunity for the members to get acquainted with the aim of increasing cohesion of the group and its commitment to the new foundation's mission. EF will identify a facilitator in consultation with, and subject to the approval of the chair, to assist in this retreat.

EF Action Items

- ☐ provide logistical support for first board meeting
- ☐ provide support and other services as requested

Schedule of Events and EF Responsibilities

Events	Activities	Target Delivery
Registration	<ul style="list-style-type: none"> ▪ Conduct due diligence, risk assessment and analysis on registration options ▪ draft and execute all legal documents ▪ submit materials for registration 	Feb. 1, 2006
Business Plan	Develop draft business plan	Jan. 15, 2006
	Revise business plan and submit to board of directors	April 15, 2006
Policies and Procedures	Draft policies and procedures templates	Feb. 15, 2006
	Deliver policies and procedures to board	April 15, 2006
Funding Proposal to Core Donors	Draft proposal template and deliver draft to State and board	March 31, 2006
First Board of Directors Meeting	Provide logistical support and materials preparation for meeting	March 31, 2006
Follow-up	Activities as requested by board chair and/or board of directors	As needed