



Engagement amid Austerity: A Bipartisan Approach to Reorienting the International Affairs Budget

Country assistance profiles

By John Norris and Connie Veillette
With Casey Dunning and William McKittrick

Contents

71 Country assistance profiles

76 Focusing economic assistance by region: Africa

- 76 Priority investment countries
- 84 Limited expectation countries
- 90 Graduation in one to five years countries
- 93 Small or expensive-to-operate country programs
- 93 Poor performance countries

100 Focusing economic assistance by region: East Asia and the Pacific

- 100 Priority investment countries
- 103 Limited expectation countries
- 103 Graduation in one to five years countries
- 105 Small or expensive-to-operate country programs
- 109 Poor performance countries

114 Focusing economic assistance by region: Europe and Eurasia

- 114 Priority investment countries
- 117 Limited expectation countries
- 119 Graduation in one to five years countries
- 124 Small or expensive-to-operate country programs
- 126 Poor performance countries

130 Focusing economic assistance by region: Near East

- 130 Priority investment countries
- 133 Limited expectation countries
- 136 Graduation in one to five years countries
- 136 Small or expensive-to-operate country programs
- 138 Poor performance countries

140 Focusing economic assistance by region: South and Central Asia

- 140 Priority investment countries
- 143 Limited expectation countries
- 145 Graduation in one to five years countries
- 147 Small or expensive-to-operate country programs
- 147 Poor performance countries

154 Focusing economic assistance by region: Western Hemisphere

- 154 Priority investment countries
- 158 Limited expectation countries
- 162 Graduation in one to five years countries
- 165 Small or expensive-to-operate country programs
- 168 Poor performance countries

172 Focusing security assistance by region: Africa

- 172 Priority investment countries
- 181 Limited expectation countries
- 188 Graduation in one to five years countries
- 190 Small or peripheral-interest country programs
- 196 Poor performance countries

202 Focusing security assistance by region: East Asia and the Pacific

- 202 Priority investment countries
- 206 Limited expectation countries
- 208 Graduation in one to five years countries
- 211 Small or peripheral-interest country programs
- 213 Poor performance countries

216 Focusing security assistance by region: Europe and Eurasia

- 216 Priority investment countries
- 222 Limited expectation countries
- 225 Graduation in one to five years countries
- 234 Small or peripheral-interest country programs
- 234 Poor performance countries

235 Focusing security assistance by region: Near East

- 236 Priority investment countries
- 240 Limited expectation countries
- 244 Graduation in one to five years countries
- 247 Small or peripheral-interest country programs
- 247 Poor performance countries

250 Focusing security assistance by region: South and Central Asia

- 250 Priority investment countries
- 253 Limited expectation countries
- 255 Graduation in one to five years countries
- 257 Small or peripheral-interest country programs
- 257 Poor performance countries

262 Focusing security assistance by region: Western Hemisphere

- 262 Priority investment countries
- 267 Limited expectation countries
- 271 Graduation in one to five years countries
- 276 Small or peripheral-interest country programs
- 279 Poor performance countries

281 Data sources and endnotes

Country assistance profiles

The following two sections contain our country-by-country recommendations for bilateral economic and security assistance levels. They are grouped by region. The profiles include our recommended funding trends for each country and whether these funding levels should increase, decrease, or stay flat against the fiscal year 2013 request. We do not recommend specific levels of increases or decreases for each country, instead offering this as a useful tool for policymakers as they manage overall budget levels still being negotiated.

Economic assistance as broadly defined here includes the following Function 150 accounts: Development Assistance; the Global Health Program; the Economic Support Fund; Assistance for Europe, Eurasia, and Central Asia; and Food for Peace.¹

Security assistance as broadly defined here includes the following Function 150 accounts: International Narcotics Control and Law Enforcement; Non-proliferation, Anti-terrorism, Demining, and Related Programs; International Military Education and Training; Foreign Military Financing; Peacekeeping Operations; and the Pakistan Counterinsurgency Capability Fund.

Country funding for both economic assistance and security assistance is placed in two broad categories: Priority investment countries and Graduation in one to five years countries.

Within Priority investment countries, priority investment countries are those we believe should be given the highest priority for assistance because they exhibit a sensible mix of need, capacity to achieve lasting development, and a commitment to reform. We argue that by working in fewer countries, the United States can make increases for priority investment countries.

Countries of limited expectations are those that will likely continue to receive significant assistance largely based on short-term imperatives, including security and other geopolitical concerns, but there are red flags with the bilateral relationship. We argue that these countries should largely maintain level funding.

Within the Graduation in one to five years countries category we identify countries that can be put on a one-to five-year graduation trajectory; countries that have small, expensive-to-operate, or peripheral-interest programs; and poor performers.

The graduate-in-one-to-five-years category includes those countries that are well-positioned to graduate from U.S. assistance in the near term to midterm based on declining need and growing capacity. The small, expensive-to-operate, or peripheral-interest programs subcategory recognizes that in a number of countries aid programs are too small to have much impact, too expensive to operate given their size, or simply of peripheral interest at a time when money should be placed toward higher priorities. Poor performance countries do not strike us as good development or security partners. In this period of limited resources, U.S. aid dollars could be better spent elsewhere. But we should allow humanitarian aid, assistance to democratic and civil society groups, and The President's Emergency Plan for AIDS Relief, or PEPFAR, funding in such settings.

Country profiles also include any presidential initiatives operating within a country. Those initiatives include PEPFAR, the Global Health Initiative, Feed the Future, and Partnership for Growth.

PEPFAR is a U.S. government initiative to combat HIV/AIDS around the world. It is the largest component of the Global Health Initiative, a comprehensive initiative to build and strengthen health systems with a special focus on improving the health of women, newborns, and children. The Feed the Future initiative focuses on increasing food security and achieving sustainability in reducing hunger. Partnership for Growth is a new model designed to bring all the tools of the U.S. government—foreign assistance, trade, and diplomacy, among others—to accelerate and sustain broad-based economic growth.²

Countries that have or had a Millennium Challenge Corporation, or MCC, compact are also noted. Compacts are five-year, large-scale grants predicated in part on good governance. The MCC also awards smaller “threshold” grants to assist countries on the verge of compact eligibility.

We noted elsewhere, and reiterate here, that this report's recommendations will not be possible with continued congressional earmarks not guided by similar data.

As noted, there is room for a healthy debate on our selections. We offer this illustrative approach in the hope that it leads to a more informed discussion of resource allocation. All data sources are listed at the end of this section.

The following are the major data sources for each country profile:

Gross National Income per capita 2010: This is the country's gross national income converted to U.S. dollars using the World Bank Atlas method—which smooths fluctuations in prices and exchange rates—divided by the midyear population. All data for this indicator are from the World Bank's World Development Indicators.

Freedom in the World Freedom status 2011: Freedom in the World is an assessment of global political rights and civil liberties compiled annually by Freedom House. The survey rates and reports on 195 countries and 14 related and disputed territories, monitoring trends in democracy and tracking improvements and setbacks in freedom worldwide. It ranks countries as “free,” “partially free,” or “not free.”

Human Development Index 2011: The Human Development Index, developed by the U.N. Development Programme, is a single statistic combining life expectancy, educational attainment, and income into a composite index. It is a frame of reference for both social and economic development within a given country. The lower the ranking, the more developed a country.

Transparency International Corruption Perceptions Index 2011: The Corruption Perceptions Index ranks almost 200 countries based on how corrupt their public sector is perceived to be. Countries are scored on a scale of 0–10, where 0 means a country is perceived as highly corrupt and 10 means a country is very clean. A country's rank on the index indicates its position relative to the other countries, with a lower ranking signifying less corruption.

Doing Business Index 2012: The Doing Business rankings objectively measure business regulations and their enforcement across 183 economies. Economies are ranked on their ease of doing business from 1–183. A lower ranking means the regulatory environment is more conducive to starting and operating a local firm. This index averages the country's percentile rankings on 10 topics, made up of a variety of indicators, giving equal weight to each topic.

Worldwide Governance Indicators: The Worldwide Governance Indicators project rates governance for 213 economies over the period from 1996 to 2010 across six dimensions: voice and accountability; political stability and absence of violence; government effectiveness; regulatory quality; rule of law; and control of corruption. This report uses the government effectiveness and rule of law indicators. A lower rank indicates better governance.

Net official development assistance per capita: Net official development assistance per capita consists of loan disbursements made on concessional terms and grants by members of the Development Assistance Committee—a forum for selected Organisation for Economic Co-operation and Development member states to discuss issues surrounding aid, development, and poverty reduction in developing countries—and grants by non-DAC countries to promote economic development. It is calculated by dividing net ODA received by the midyear population estimate. Data are in current U.S. dollars and the indicator is sourced from the World Bank’s World Development Indicators.

Population living under \$2 a day: This indicator combines a country’s poverty headcount measure with its total population to estimate the extent of absolute poverty. Data are from the World Bank’s PovcalNet using surveys from 2008 or the most recent year available.

Net foreign direct investment: Foreign direct investment is the net inflow of investment to acquire a lasting management interest in an enterprise operating in an economy other than the investor’s. It is the sum of equity capital, reinvestment of earnings, other long-term capital, and short-term capital as shown in the balance of payments. This indicator shows net inflows (new investment inflows less disinvestment) in the reporting economy from foreign investors in current U.S. dollars and is sourced from the World Bank’s World Development Indicators.

Military expenditure as a percent of GDP: This indicator shows the amount of funding each country spends on security. Military expenditures include all current and capital expenditures on the armed forces; defense ministries and other government agencies engaged in defense projects; paramilitary forces, if these are judged to be trained and equipped for military operations; and military space activities. This indicator is sourced from the World Bank’s World Development Indicators.

Africa



Focusing economic assistance by region: Africa

Countries in Africa continue to show great need even while the region as a whole is experiencing rapid economic growth. Many African countries also demonstrate a commitment to growth-promoting government policies.

PEPFAR funding dominates U.S. assistance to Africa, though two nations—Ghana and Tanzania—are Partnership for Growth countries. Many others are Feed the Future and Global Health Initiative countries or benefit from an MCC compact or threshold program.

We identified 14 African countries as priority investment countries, including Liberia, Mozambique, and Zambia, and we believe they are best poised to use aid dollars. An additional four African countries should be ready to graduate from U.S. assistance in one to five years: Botswana, Namibia, Nigeria, and South Africa. We have limited expectations for nine countries, which we acknowledge will remain aid partners largely based on short-term strategic imperatives. Another nine countries strike us as poor investments for our development assistance, including Cameroon, Chad, and Angola.

Priority investment countries

The following countries in Africa should be given the highest priority for economic assistance based on our subjective but data-informed analysis, which takes into consideration their relative commitment to reform, capacity to achieve lasting development, need, and strategic importance. These countries represent opportunities for real progress. In a limited number of cases we argue for priority investment based on immediate conflict-prevention efforts or to ensure that a country that has enjoyed significant previous postconflict investments does not slide backward.

Benin

FY11 actual: \$30,754,000

FY12 estimated: \$28,400,000

FY13 requested: \$23,500,000

Benin ranks as a good partner and a priority investment country. The country completed its first Millennium Challenge Corporation compact worth \$307 million and was made eligible for a second compact in FY 2012. It has also developed a country strategy under the Global Health Initiative. Benin possesses reasonable capacity according to a sampling of governance indicators and has made progress in combating corruption.

Gross National Income per capita 2010	\$750
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	167
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	100
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	175
Population living under \$2/day	6,129,552
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	72.04
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	64.59
Net ODA received per capita (current US\$ 2009)	\$79.39
FDI, net inflows (BoP, current USD millions, 2007-11)	\$110.93

Burkina Faso

FY11 actual: \$17,640,000

FY12 estimated: \$24,000,000

FY13 requested: \$21,000,000

Burkina Faso has high need for aid and middling institutional capacity. In July 2008 the country signed a five-year MCC compact for \$480 million, which is currently in year three of implementation. Though ranked as “partly free” by Freedom House, Burkina Faso will likely be eligible for a second compact. Its military mutiny last year was a significant concern, however, and public dissatisfaction with elites that remain entrenched even through elections could be a sign of future trouble.

Gross National Income per capita 2010	\$550
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	181
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	100
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	150
Population living under \$2/day	11,335,808
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	51.66
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	66.99
Net ODA received per capita (current US\$ 2009)	\$67.81
FDI, net inflows (BoP, current USD millions, 2007-11)	\$37.13

Cote d'Ivoire

FY11 actual: \$108,020,000

FY12 estimated: \$133,020,000

FY13 requested: \$134,922,000

Cote d'Ivoire is undergoing an important transition after its recent civil war. U.S. support will be important in helping the situation stabilize. Former President Laurent Gbagbo was handed over to the International Criminal Court and legislative elections took place in a calm and generally free atmosphere. President Alassane Ouattara has moved to overhaul the vital cocoa industry and the country's overall progress has been significant over the last year. Getting assistance right is far preferable to a slide back toward conflict. Cote d'Ivoire is also a PEPFAR country.

Gross National Income per capita 2010	\$1,070
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	170
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	154
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	167
Population living under \$2/day	8,794,269
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	90.52
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	92.82
Net ODA received per capita (current US\$ 2009)	\$122.43
FDI, net inflows (BoP, current USD millions, 2007-11)	\$417.93

Ghana

FY11 actual: \$164,111,000

FY12 estimated: \$171,068,000

FY13 requested: \$178,154,000

Ghana remains something of a poster child for development efforts and clearly will remain a priority. A country like Ghana could be among the next generation of aid graduates even though it still has considerable need at this point in time. It is both an MCC country and one of the four initial countries selected for the U.S. government's Partnership for Growth program. It recently completed a \$547 million compact and was made eligible for a second compact in FY 2011. Ghana is also a recipient of PEPFAR funds and a Feed the Future initiative country.

Gross National Income per capita 2010	\$1,240
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	135
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	69
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	63
Population living under \$2/day	10,846,138
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	45.97
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	44.50
Net ODA received per capita (current US\$ 2009)	\$66.44
FDI, net inflows (BoP, current USD millions, 2007-11)	\$2,527.35

Kenya

FY11 actual: \$649,918,000

FY12 estimated: \$638,910,000

FY13 requested: \$449,742,000

Kenya continues to receive a vast amount of funding. An overwhelming proportion of total economic assistance—over 80 percent—is dedicated to health, mainly HIV/AIDS prevention. Kenya is both a PEPFAR country and a Global Health Initiative-Plus country. The sharp reduction in the FY13 request from the 2012 level is predominately reflected in reduced PEPFAR funding. Kenya continues to be a key regional partner for the United States.

Gross National Income per capita 2010	\$780
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	143
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	154
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	109
Population living under \$2/day	24,814,392
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	83.41
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	64.11
Net ODA received per capita (current US\$ 2009)	\$45.07
FDI, net inflows (BoP, current USD millions, 2007-11)	\$185.79

Lesotho

FY11 actual: \$33,050,000

FY12 estimated: \$28,050,000

FY13 requested: \$27,624,000

Lesotho, although of limited strategic concern and “partly free” in Freedom House rankings, remains a priority country. The nation continues to face a severe problem with HIV/AIDS and as such it is both a PEPFAR and a Global Health Initiative country. Lesotho is also an MCC compact country in its fourth year of implementation. In July 2007 the MCC signed a five-year, \$362.6 million compact with the country.

Gross National Income per capita 2010	\$1,080
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	160
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	77
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	143
Population living under \$2/day	1,191,948
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	53.55
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	57.89
Net ODA received per capita (current US\$ 2009)	\$57.25
FDI, net inflows (BoP, current USD millions, 2007-11)	\$117.05

Liberia

FY11 actual: \$175,395,000

FY12 estimated: \$170,776,000

FY13 requested: \$144,595,000

Liberia continues to emerge from its devastating civil war and long period of misrule under President Charles Taylor. It has made significant progress since Taylor was ousted, and is now an MCC threshold, Feed the Future, and Global Health Initiative country. It would be a mistake to cut investments to Liberia too quickly before the foundations of stability are sound and that's why the 2013 request gives us some concern.

Gross National Income per capita 2010	\$190
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	182
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	91
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	151
Population living under \$2/day	3,463,824
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	82.94
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	91.87
Net ODA received per capita (current US\$ 2009)	\$133.74
FDI, net inflows (BoP, current USD millions, 2007-11)	\$452.87

Mali

FY11 actual: \$137,309,000

FY12 estimated: \$143,293,000

FY13 requested: \$128,893,000

Mali is a Feed the Future, Global Health Initiative-Plus, and MCC compact country. Mali is currently in the fifth and final year of implementing its \$461 million MCC compact. Disturbingly, Mali is now struggling with an insurgency in its north as rebel groups take advantage of arms stocks looted from Libya during that country's civil war. At the time of publication, elements of the Malian military had seized power in an attempted coup. The future governance landscape remains uncertain and the lack of a democratically elected president would affect our proposed funding levels.

Gross National Income per capita 2010	\$600
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	175
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	118
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	146
Population living under \$2/day	11,252,772
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	59.72
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	80.86
Net ODA received per capita (current US\$ 2009)	\$66.07
FDI, net inflows (BoP, current USD millions, 2007-11)	\$147.64

Mozambique

FY11 actual: \$384,241,000

FY12 estimated: \$377,604,000

FY13 requested: \$313,816,000

Mozambique is ranked “partly free” by Freedom House and it has high need and reasonable governance capabilities. But it continues to score poorly in terms of its regulatory and economic environment. Mozambique has been a good partner and stands as a useful example of a country able to emerge successfully from a long-running conflict. It is a PEPFAR, Feed the Future, and Global Health Initiative country and is in the fourth year of implementing a \$507 million MCC compact.

Gross National Income per capita 2010	\$440
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	184
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	120
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	139
Population living under \$2/day	18,254,775
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	63.03
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	61.24
Net ODA received per capita (current US\$ 2009)	\$88.07
FDI, net inflows (BoP, current USD millions, 2007-11)	\$788.85

Senegal

FY11 actual: \$97,388,000

FY12 estimated: \$105,485,000

FY13 requested: \$88,697,000

Senegal has traditionally received large amounts of U.S. assistance. It is a Global Health Initiative, Feed the Future, and MCC compact country with a \$540 million compact in the second year of implementation. In early April, President Macky Sall was sworn in after prevailing in a run-off contest against former President Abdoulaye Wade. Wade's willingness to step aside helped avert a major potential crisis in Senegal, and the country deserves a measure of reward for successfully navigating this transition.

Gross National Income per capita 2010	\$1,050
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	155
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	112
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	154
Population living under \$2/day	5,918,580
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	58.29
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	62.68
Net ODA received per capita (current US\$ 2009)	\$84.05
FDI, net inflows (BoP, current USD millions, 2007-11)	\$237.19

Sierra Leone

FY11 actual: \$18,908,000

FY12 estimated: \$17,000,000

FY13 requested: \$17,000,000

Sierra Leone continues to face a long, hard task as it tries to rebuild after a devastating civil war. U.S. investments in the country are surprisingly low in some respects given the considerable focus on the country during its war years. It is ranked 180 out of 187 countries on the Human Development Index, its need is considerable, and further assistance is well warranted. The country has taken important steps to combat corruption since 2008, and has a positive record on transitional justice issues. It is a Global Health Initiative country.

Gross National Income per capita 2010	\$340
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	180
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	134
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	141
Population living under \$2/day	3,888,291
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	81.99
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	89.00
Net ODA received per capita (current US\$ 2009)	\$78.45
FDI, net inflows (BoP, current USD millions, 2007-11)	\$86.59

South Sudan

FY11 actual: \$278,282,000

FY12 estimated: \$376,606,000

FY13 requested: \$356,109,000

The world's newest country, South Sudan has enormous need, poorly developed institutions, and widespread security problems. This is why it is vital that the considerable international aid funneled into the country be structured in a fashion that encourages accountability, reform, and a willingness from former guerilla leaders to share power more broadly. The spillover effects from a return to broad north-south conflict in Sudan would be far-reaching and negative for a range of U.S. interests.

Gross National Income per capita 2010	N/A
Freedom status 2011	N/A
Human Development Index 2011 (Range: 1-187, 1=most developed)	N/A
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	N/A
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	N/A
Population living under \$2/day	N/A
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	N/A
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	N/A
Net ODA received per capita (current US\$ 2009)	N/A
FDI, net inflows (BoP, current USD millions, 2007-11)	N/A

Tanzania

FY11 actual: \$500,669,000

FY12 estimated: \$530,139,000

FY13 requested: \$570,140,000

Tanzania is one of the four initial countries selected for the U.S. government's Partnership for Growth program and remains a very large recipient of U.S. assistance. It is a PEPFAR, Global Health Initiative, Feed the Future, and MCC country, and its \$698 million MCC compact is in the fourth year of implementation. It is ranked "partly free" by Freedom House and has reasonable institutional capacity and a record as a good diplomatic partner of the United States. This is one of the few countries in the region to see a significant funding increase in the FY13 request.

Gross National Income per capita 2010	\$530
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	152
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	100
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	127
Population living under \$2/day	36,910,164
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	63.51
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	62.20
Net ODA received per capita (current US\$ 2009)	67.41
FDI, net inflows (BoP, current USD millions, 2007-11)	\$433.44

Zambia

FY11 actual: \$377,893,000

FY12 estimated: \$367,762,000

FY13 requested: \$379,730,000

Zambia has high need, relatively good institutional capacity for the continent, good leadership, and is on the verge of signing a \$355 million MCC compact—all of which make it a promising development partner. It is also a participant in the PEPFAR and Feed the Future initiatives.

Gross National Income per capita 2010	\$1,070
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	164
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	91
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	84
Population living under \$2/day	10,022,848
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	61.61
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	76.56
Net ODA received per capita (current US\$ 2009)	\$99.71
FDI, net inflows (BoP, current USD millions, 2007-11)	\$1,041.40

Limited expectation countries

The following countries in Africa will likely continue to receive significant economic assistance largely based on short-term imperatives including security and other geopolitical concerns. But our analysis suggests limited likelihood of this assistance driving development. With improvements in a number of governance indicators, however, some of these countries could move into the priority category.

Burundi

FY11 actual: \$47,830,000

FY12 estimated: \$31,560,000

FY13 requested: \$31,500,000

Burundi, a Global Health Initiative country, continues to have high need but low capacity. The country also ranks as one of the most corrupt countries in the world according to Transparency International. U.S. assistance is likely to continue given the country's lingering political fragility and forward movement on its long peace process, but the impact of assistance may not be genuinely catalytic. The administration's flat funding request suggests that its expectations are already tempered to a degree.

Gross National Income per capita 2010	\$160
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	185
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	172
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	169
Population living under \$2/day	7,396,904
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	90.05
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	87.08
Net ODA received per capita (current US\$ 2009)	\$68.86
FDI, net inflows (BoP, current USD millions, 2007-11)	\$0.78

Democratic Republic of the Congo

FY11 actual: \$201,460,000

FY12 estimated: \$200,400,000

FY13 requested: \$207,038,000

The international community, including the United States, has made enormous investments in Congo as that country tries to emerge from its status as a perpetually near-failed state. It is both a Global Health Initiative and PEPFAR country. Abandoning the country's transition and the enormous need on the ground would be difficult to justify, but aid efforts need to be accompanied by very realistic expectations and clear benchmarking by the international community to ensure greater progress.

Gross National Income per capita 2010	\$180
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	187
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	168
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	178
Population living under \$2/day	59,002,915
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	97.63
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	98.56
Net ODA received per capita (current US\$ 2009)	\$36.66
FDI, net inflows (BoP, current USD millions, 2007-11)	\$2,939.30

Ethiopia

FY11 actual: \$570,570,000

FY12 estimated: \$543,987,000

FY13 requested: \$350,771,000

Ethiopia is a key security partner and hosts a U.S. drone base. It continues to be the backbone of the international force now in Somalia. Freedom House ranked Ethiopia “not free,” but it receives large amounts of U.S. assistance despite its government’s often-authoritarian approach. The United States could be making a dangerous long-term bet with its assistance dollars by placing so little emphasis on governance in Ethiopia. Still, Ethiopia is facing a 79 percent cut in PEPFAR funding in the 2013 request. In addition to PEPFAR, Ethiopia is also a Feed the Future and Global Health Initiative-Plus country.

Gross National Income per capita 2010	\$380
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	174
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	120
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	111
Population living under \$2/day	42,553,420
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	72.51
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	57.42
Net ODA received per capita (current US\$ 2009)	\$47.05
FDI, net inflows (BoP, current USD millions, 2007-11)	\$184.00

Guinea

FY11 actual: \$24,469,000

FY12 estimated: \$23,200,000

FY13 requested: \$21,200,000

Guinea has high need and poor institutional capacity based on key indicators. Much of the U.S. assistance should focus on crisis-prevention efforts as the country continues to deal with potential instability. The Guinean government’s recent decision to charge an army colonel for his role in killing pro-democracy protestors is a welcome step forward but gains are highly fragile.

Gross National Income per capita 2010	\$380
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	178
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	164
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	179
Population living under \$2/day	6,561,984
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	97.16
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	88.52
Net ODA received per capita (current US\$ 2009)	\$22.01
FDI, net inflows (BoP, current USD millions, 2007-11)	\$101.35

Malawi

FY11 actual: \$172,171,000

FY12 estimated: \$160,948,000

FY13 requested: \$145,498,000

Malawi has an MCC compact and many donors express concern about the country's human rights and political record. The recent death of long-time president Bingu wa Mutharika may present a chance for a fresh start. If—and this remains a large if—Malawi can demonstrate significant progress in addressing these concerns it should be considered a priority country. The country has a 90 percent poverty rate, ranks 171 on the U.N. Human Development Index, and has a per capita income of \$330. Malawi is a Global Health Initiative-Plus, PEPFAR, and Feed the Future country.

Gross National Income per capita 2010	\$330
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	171
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	100
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	145
Population living under \$2/day	12,253,146
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	49.29
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	58.85
Net ODA received per capita (current US\$ 2009)	\$53.48
FDI, net inflows (BoP, current USD millions, 2007-11)	\$140.00

Niger

FY11 actual: \$18,196,000

FY12 estimated: \$16,000,000

FY13 requested: \$17,000,000

One of the least developed countries in the world—currently 186 out of 187 on the U.N. Human Development Index—Niger is also an MCC threshold country. It has faced a series of political bumps in recent years, but if its constitutional rule can be strengthened it deserves to be a focus based on both its acute need and willingness to reform.

Gross National Income per capita 2010	\$360
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	186
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	134
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	173
Population living under \$2/day	10,866,400
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	66.82
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	72.25
Net ODA received per capita (current US\$ 2009)	\$31.39
FDI, net inflows (BoP, current USD millions, 2007-11)	\$946.87

Rwanda

FY11 actual: \$200,969,000

FY12 estimated: \$195,672,000

FY13 requested: \$201,186,000

Rwanda was difficult to categorize. It has been a dynamic economic reformer and innovator, while serving as a useful security and strategic partner. But at the same time, President Paul Kagame has a poor human rights record and the country often plays an unhelpful interventionist role in neighboring Congo. Rwanda's rapid economic progress could be undercut by its approach to governance. Nevertheless, there are also numerous international examples where political liberalization followed economic liberalization. Rwanda benefits from Feed the Future and PEPFAR and is a Global Health Initiative-Plus country.

Gross National Income per capita 2010	\$540
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	166
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	49
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	45
Population living under \$2/day	8,474,000
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	54.03
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	45.93
Net ODA received per capita (current US\$ 2009)	\$90.62
FDI, net inflows (BoP, current USD millions, 2007-11)	\$42.33

Uganda

FY11 actual: \$461,327,000

FY12 estimated: \$459,558,000

FY13 requested: \$436,983,000

Uganda has been a key diplomatic partner for the United States and made much progress on the development front. A large recipient of U.S. assistance, President Yoweri Museveni's willingness to adhere to democratic norms and behavior will likely determine the future of the relationship. Uganda is a PEPFAR and Feed the Future country.

Gross National Income per capita 2010	\$490
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	161
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	143
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	123
Population living under \$2/day	22,110,370
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	57.82
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	65.55
Net ODA received per capita (current US\$ 2009)	\$55.17
FDI, net inflows (BoP, current USD millions, 2007-11)	\$817.18

Zimbabwe

FY11 actual: \$102,367,000
FY12 estimated: \$101,408,000
FY13 requested: \$130,205,000

Zimbabwe continues to suffer under the long rule of President Robert Mugabe, who transformed one of Africa’s brightest development stories into a slowly unfolding tragedy. Under his corrupt leadership, Zimbabwe is ranked “not free” by Freedom House. The United States and others will remain engaged both anticipating a transition and hoping to prevent more widespread unrest, but this remains a classic case of limited expectations in the near term. Zimbabwe is a PEPFAR recipient.

Gross National Income per capita 2010	\$460
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	173
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	154
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	171
Population living under \$2/day	N/A
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	99.05
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	96.17
Net ODA received per capita (current US\$ 2009)	\$59.06
FDI, net inflows (BoP, current USD millions, 2007-11)	\$105.40

Graduation in one to five years countries

The following African countries are well positioned to graduate from U.S. assistance in the near term and mid-term based on need and capacity. In some cases this would mean a relatively rapid cessation of U.S. economic support. In others, a transition would be more gradual as the relationship moves from one largely based on aid to one of trade and other areas of cooperation.

Botswana

FY11 actual: \$74,443,000

FY12 estimated: \$66,000,000

FY13 requested: \$60,640,000

Botswana is well positioned for graduation from U.S. assistance, though not immediately. It has established a good business climate, capable government institutions, and has less need than most African states. Almost all of Botswana's economic assistance is related to HIV/AIDS and a five-year plan should be established to largely hand over responsibility for these programs to national institutions working with private philanthropy and other parties. Botswana receives PEPFAR funding and is a Global Health Initiative country.

Gross National Income per capita 2010	\$6,890
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	118
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	32
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	54
Population living under \$2/day	510,900
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	32.23
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	32.54
Net ODA received per capita (current US\$ 2009)	\$141.10
FDI, net inflows (BoP, current USD millions, 2007-11)	\$529.28

Namibia

FY11 actual: \$103,068,000

FY12 estimated: \$90,809,000

FY13 requested: \$73,500,000

Namibia is ranked "free" by Freedom House and has established a good institutional environment that should encourage reform and development efforts. It is both a PEPFAR and Global Health Initiative country and the \$91 million it received in 2012 was almost exclusively devoted to HIV/AIDS. The country also has a \$304 million MCC compact in its third year of implementation. Namibia is included in our recommendation of upper-middle-income countries that should see accelerated burdensharing under the PEPFAR program.

Gross National Income per capita 2010	\$4,650
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	120
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	57
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	78
Population living under \$2/day	943,360
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	38.39
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	40.67
Net ODA received per capita (current US\$ 2009)	\$145.49
FDI, net inflows (BoP, current USD millions, 2007-11)	\$857.64

Nigeria

FY11 actual: \$628,989,000

FY12 estimated: \$623,518,000

FY13 required: \$597,700,000

Nigeria receives considerable assistance and is a key player in regional security. The idea of a failed Nigerian state is every Africa expert's worst nightmare. Yet the country's long history of corruption in managing its immense natural-resource wealth remains incredibly corrosive for its overall prospects. A managed graduation process would help Nigeria move toward making greater investments in its own people rather than subcontracting this effort to donors. Nigeria is a PEPFAR recipient and a Global Health Initiative country.

Gross National Income per capita 2010	\$1,180
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	156
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	143
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	133
Population living under \$2/day	126,592,934
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	89.10
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	89.47
Net ODA received per capita (current US\$ 2009)	\$10.74
FDI, net inflows (BoP, current USD millions, 2007-11)	\$6,048.56

South Africa

FY11 actual: \$566,522,000

FY12 estimated: \$494,703,000

FY13 requested: \$485,027,000

South Africa's graduation from aid, like Botswana, is largely dependent on an orderly handoff of PEPFAR programs. But as an upper-middle-income country and an engine of economic growth in southern Africa, aiming for graduation in the short term is desirable—though obviously this is far more probable in five years than one. Some residual PEPFAR funding might even continue past five years depending on cost-sharing discussions. South Africa is also a Global Health Initiative country.

Gross National Income per capita 2010	\$6,100
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	123
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	64
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	35
Population living under \$2/day	15,173,690
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	42.18
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	34.93
Net ODA received per capita (current US\$ 2009)	\$21.80
FDI, net inflows (BoP, current USD millions, 2007-11)	\$1,565.44

Small or expensive-to-operate country programs

No countries in the Africa region currently fall into this category.

Poor performance countries

The following countries in Africa do not strike us as good development partners based on available evidence, and in this era of limited resources U.S. economic-assistance dollars could be better spent elsewhere. Only humanitarian aid, assistance to democratic and civil society groups, and PEPFAR funding should be allowed in such settings.

Angola

FY11 actual: \$52,953,000

FY12 estimated: \$50,800,000

FY13 requested: \$50,000,000

Ranked “not free” by Freedom House, Angola has continued to become more authoritarian. It maintains a strategic partnership dialogue with the United States but its climate for sustainable development is increasingly precarious. U.S. economic-assistance investments should be on a downward path until that reverses. With significant oil revenues Angola could make significant investments in its own economy if corruption were checked. Much of the current U.S. investment in Angola is through PEPFAR. Non-PEPFAR areas may not make much sense to fund.

Gross National Income per capita 2010	\$3,960
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	148
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	168
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	172
Population living under \$2/day	12,922,052
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	91.00
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	87.56
Net ODA received per capita (current US\$ 2009)	\$12.91
FDI, net inflows (BoP, current USD millions, 2007-11)	-\$3,227.21

Cameroon

FY11 actual: \$22,750,000

FY12 estimated: \$12,750,000

FY13 requested: \$16,750,000

Ranked “not free” by Freedom House, there is little to suggest that Cameroon is an effective partner in development efforts despite its high level of need. Though generally stable, political power resides firmly in the hands of Paul Biya, whose 30-year rule has left the government rife with corruption. Our assistance should be limited to humanitarian aid, assistance to democratic opposition groups, and PEPFAR funding.

Gross National Income per capita 2010	\$1,160
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	150
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	134
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	161
Population living under \$2/day	5,626,124
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	84.83
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	81.34
Net ODA received per capita (current US\$ 2009)	\$33.87
FDI, net inflows (BoP, current USD millions, 2007-11)	-\$0.55

Chad

FY11 actual: \$6,070,000

FY12 estimated: \$6,000,000

FY13 requested: \$0

Chad is one of the poorest and most corrupt countries in the world and is ranked “not free” by Freedom House. While the country continues to face severe humanitarian needs, investing economic-assistance funds is highly unlikely to produce satisfactory results. We support the administration’s effort to zero out aid to Chad.

Gross National Income per capita 2010	\$600
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	183
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	168
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	183
Population living under \$2/day	7,557,240
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	96.21
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	95.69
Net ODA received per capita (current US\$ 2009)	\$51.31
FDI, net inflows (BoP, current USD millions, 2007-11)	\$781.37

Djibouti

FY11 actual: \$6,200,000

FY12 estimated: \$3,450,000

FY13 requested: \$3,500,000

Djibouti, which is ranked “not free” by Freedom House, also hosts the only U.S. military base on the continent. Even though it is a key strategic partner, expectations for the government to support meaningful economic reforms remain low, and the amount of economic aid currently offered is far from catalytic. Further, operating expenses for the USAID mission in Djibouti are 54.3 percent of program costs.

Gross National Income per capita 2010	\$1,280
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	165
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	100
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	170
Population living under \$2/day	290,078
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	71.09
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	84.69
Net ODA received per capita (current US\$ 2009)	\$185.96
FDI, net inflows (BoP, current USD millions, 2007-11)	\$26.80

Madagascar

FY11 actual: \$70,169,000

FY12 estimated: \$63,627,000

FY13 requested: \$62,424,000

Madagascar receives a bafflingly high level of U.S. assistance given we do not recognize the current government, which came to power through a military coup. Madagascar was an MCC compact country but had its compact terminated as a result of the coup. It is not a good investment priority and funds should be directed elsewhere.

Gross National Income per capita 2010	\$440
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	151
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	100
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	137
Population living under \$2/day	17,465,970
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	76.30
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	77.03
Net ODA received per capita (current US\$ 2009)	\$22.13
FDI, net inflows (BoP, current USD millions, 2007-11)	\$860.39

Mauritania

FY11 actual: \$5,058,000

FY12 estimated: \$5,000,000

FY13 requested: \$0

Mauritania is a very poor country and also one of Africa's newest oil producers. U.S. assistance is largely driven by concerns about extremist groups using the country as a base for their activities and the relatively small amounts of economic assistance invested will have limited impact. Freedom House ranks it "not free."

Gross National Income per capita 2010	\$1,060
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	159
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	143
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	159
Population living under \$2/day	1,572,780
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	77.73
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	82.78
Net ODA received per capita (current US\$ 2009)	\$84.88
FDI, net inflows (BoP, current USD millions, 2007-11)	\$13.63

Somalia

FY11 actual: \$21,174,000

FY12 estimated: \$21,177,000

FY13 requested: \$19,400,000

Somalia is widely regarded as the world's worst failed state. It is an obvious candidate for continued and even expanded humanitarian assistance. But other types of assistance to its corrupt and often ineffectual Transitional Federal Government should be revisited and discontinued unless far more effective controls, standards, and benchmarks are established. Development efforts in areas such as Somaliland and Puntland have been more effective. In essence, Somalia is almost two different aid portfolios.

Gross National Income per capita 2010	N/A
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	N/A
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	182
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	N/A
Population living under \$2/day	N/A
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	100.00
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	100.00
Net ODA received per capita (current US\$ 2009)	\$72.55
FDI, net inflows (BoP, current USD millions, 2007-11)	\$112.00

Sudan:

FY11 actual: \$26,393,000

FY12 estimated: \$30,000,000

FY13 requested: \$37,600,000

U.S. assistance to Sudan should be limited to humanitarian aid given that the president, Omar al-Bashir, remains a wanted war criminal. Sudan receives PEPFAR funding.

Gross National Income per capita 2010	\$1,270
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	169
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	177
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	135
Population living under \$2/day	18,622,432
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	93.84
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	93.30
Net ODA received per capita (current US\$ 2009)	\$53.88
FDI, net inflows (BoP, current USD millions, 2007-11)	\$2,894.38

Swaziland

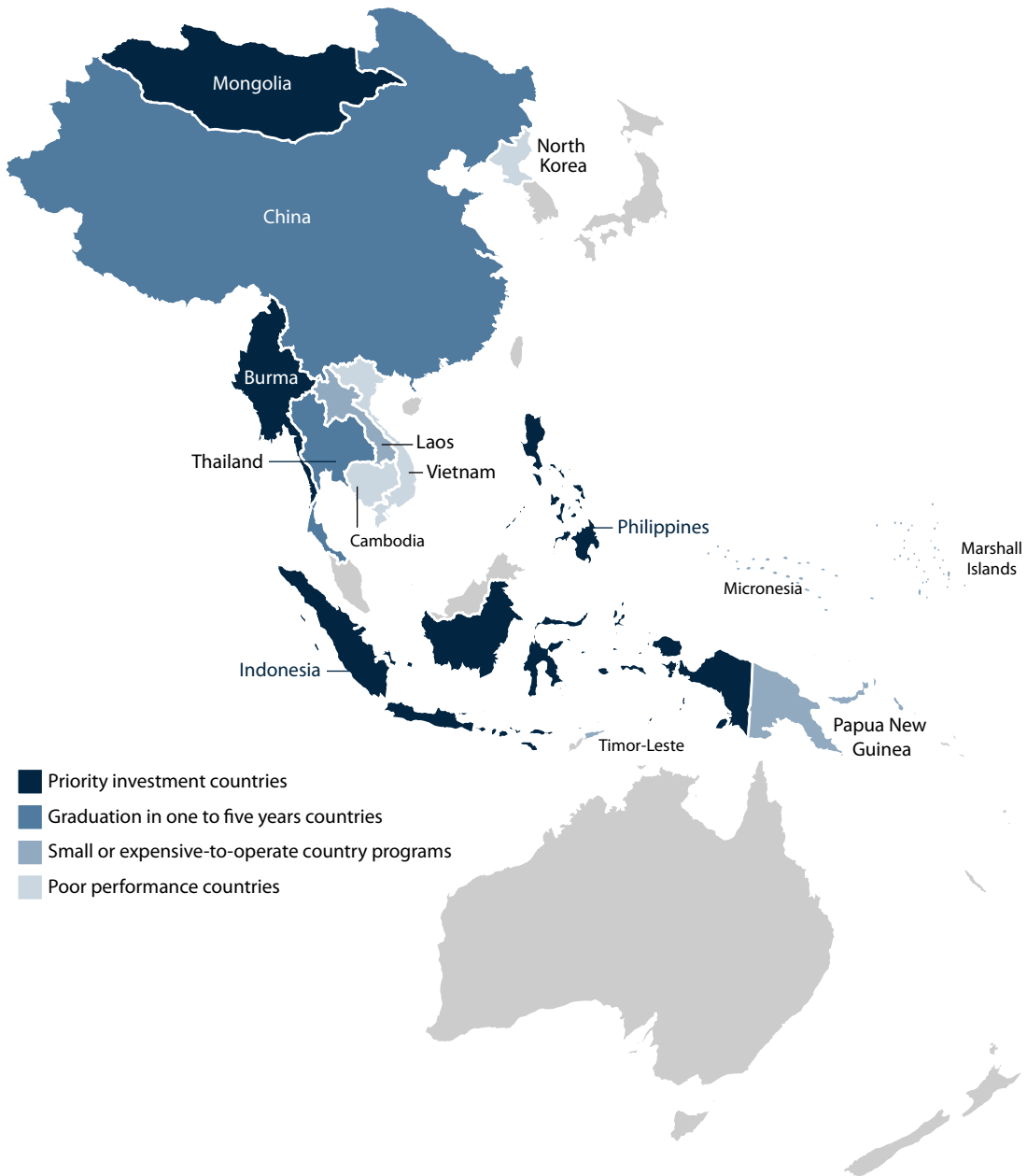
FY11 actual: \$59,600,000
FY12 estimated: \$37,600,000
FY13 requested: \$37,600,000

Swaziland is ruled by a corrupt absolute monarch and the country should only receive life-saving humanitarian assistance. Other investments are very difficult to defend. It is a Global Health Initiative country and receives PEPFAR funding.

Gross National Income per capita 2010	\$2,600
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	140
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	95
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	124
Population living under \$2/day	765,440
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	62.09
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	63.64
Net ODA received per capita (current US\$ 2009)	\$48.42
FDI, net inflows (BoP, current USD millions, 2007-11)	\$92.72

FOCUSING ECONOMIC ASSISTANCE BY REGION:

East Asia and the Pacific



Focusing economic assistance by region: East Asia and the Pacific

East Asia and Pacific countries have a wide range of growth, capacity, and good-governance indicators. This region has many small nations and the largest list of programs we deem too small to have much impact: Laos, Marshall Islands, Micronesia, Papua New Guinea, and Timor-Leste. There are only four priority investment countries—Burma, Indonesia, Mongolia, and the Philippines—and two (China and Thailand) that should be graduated in the next one to five years. Three countries—Cambodia, North Korea, and Vietnam—should see only humanitarian, democracy, or PEPFAR assistance for the time being.

Priority investment countries

The following countries in East Asia and the Pacific should be given the highest priority for economic assistance based on our subjective but data-informed analysis, which takes into consideration their relative commitment to reform, capacity to achieve lasting development, need, and strategic importance. These countries represent opportunities for real progress. In a limited number of cases we argue for priority investment based on immediate conflict-prevention efforts or to ensure that a country that has enjoyed significant previous postconflict investments does not slide backward.

Burma

FY11 actual: \$38,527,000

FY12 estimated: \$38,100,000

FY13 requested: \$38,000,000

Assistance to Burma traditionally focuses on democratic opposition groups and humanitarian aid. Though the country is ranked “not free” by Freedom House, it has made important but tentative steps toward ending its long international isolation. The United States should be ready to assist further progress.

Gross National Income per capita 2010	N/A
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	149
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	180
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	N/A
Population living under \$2/day	N/A
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	96.68
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	97.61
Net ODA received per capita (current US\$ 2009)	\$5.14
FDI, net inflows (BoP, current USD millions, 2007-11)	\$756.32

Indonesia

FY11 actual: \$166,436,000

FY12 estimated: \$146,000,000

FY13 requested: \$149,000,000

Indonesia recently signed a five-year, \$600 million MCC compact and is a PEPFAR and Global Health Initiative country. It is an important security and diplomatic partner, and possesses reasonably capable national institutions. Indonesia also has a large population and a per capita income of \$2,580. It is likely to graduate from economic assistance in 5 to 10 years.

Gross National Income per capita 2010	\$2,580
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	124
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	100
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	129
Population living under \$2/day	127,724,256
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	68.72
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	52.15
Net ODA received per capita (current US\$ 2009)	\$4.41
FDI, net inflows (BoP, current USD millions, 2007-11)	\$13,303.65

Mongolia

FY11 actual: \$6,198,000

FY12 estimated: \$3,000,000

FY13 requested: \$6,100,000

Mongolia signed a \$285 million MCC compact in 2007. Ranked “free” by Freedom House, Mongolia has made important progress. But with limited USAID dollars flowing into the country and operating expenses for the USAID mission in Mongolia exceeding 24 percent of program costs, this mission is an obvious candidate for moving to regional management if the program is not significantly expanded. The United States has placed increasing strategic emphasis on its relationship with Mongolia. The country is likely to graduate from economic assistance in 5 to 10 years.

Gross National Income per capita 2010	\$1,890
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	110
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	120
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	86
Population living under \$2/day	N/A
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	58.77
WGI Government Effectiveness Percentile Rank (Range: 1-100, 1=most effective)	67.94
Net ODA received per capita (current US\$ 2009)	\$137.25
FDI, net inflows (BoP, current USD millions, 2007-11)	\$1,454.69

Philippines

FY11 actual: \$111,492,000

FY12 estimated: \$114,055,000

FY13 requested: \$117,682,000

The Philippines is an important and longstanding U.S. ally. It is one of the four initial countries selected for the U.S. government’s Partnership for Growth program and an MCC country in the first year of implementing its \$434 million compact. It is likely to graduate from economic assistance in 5 to 10 years. The Philippines is also a Global Health Initiative country.

Gross National Income per capita 2010	\$2,050
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	112
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	129
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	136
Population living under \$2/day	38,042,723
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	65.40
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	48.33
Net ODA received per capita (current US\$ 2009)	\$3.38
FDI, net inflows (BoP, current USD millions, 2007-11)	\$1,713.00

Limited expectation countries

No countries in the East Asia and the Pacific region currently fall into this category.

Graduation in one to five years countries

The following countries in East Asia and the Pacific are well positioned to graduate from U.S. assistance in the near and midterm based on need and capacity. In some cases this would mean a relatively rapid cessation of U.S. economic support. In others a transition would be more gradual as the relationship moves from one largely based on aid to one of trade and other areas of cooperation.

China

FY11 actual: \$17,000,000

FY12 estimated: \$13,500,000

FY13 requested: \$6,500,000

China is the world's second-largest economy, currently enjoying 9 percent economic growth, and it is a significant holder of U.S. debt. The U.S.-China relationship should be collaborative rather than assistance-based at this juncture. Assistance for human rights and civil society groups should be continued, but China is doing well enough to take over the treatment of its HIV and tuberculosis populations immediately. It is also a PEPFAR recipient.

Gross National Income per capita 2010	\$4,260
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	101
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	75
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	91
Population living under \$2/day	394,351,282
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	55.45
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	40.19
Net ODA received per capita (current US\$ 2009)	\$0.85
FDI, net inflows (BoP, current USD millions, 2007-11)	\$185,080.74

Thailand

FY11 actual: \$6,551,000

FY12 estimated: \$6,551,000

FY13 requested: \$6,386,000

The U.S. government previously trumpeted the fact that Thailand had graduated from U.S. aid, but it continued to receive U.S. assistance in 2012 including PEPFAR funding. This program should be successfully terminated and these monies better spent elsewhere.

Gross National Income per capita 2010	\$4,210
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	103
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	80
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	17
Population living under \$2/day	3,386,192
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	50.24
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	41.63
Net ODA received per capita (current US\$ 2009)	-\$1.11
FDI, net inflows (BoP, current USD millions, 2007-11)	\$6,306.25

Small or expensive-to-operate country programs

The following countries in East Asia and the Pacific currently have programs, projects, and/or a USAID mission that are not necessarily cost effective or are unlikely to produce genuinely catalytic change because they operate on a relatively small scale. Some countries on this list could have their aid limited. Others should see it managed by a regional mission with a *de minimus* country presence. Appearance on this list is not commentary on the country's willingness to reform.

Laos

FY11 actual: \$2,455,000

FY12 estimated: \$1,350,000

FY13 requested: \$1,350,000

Despite efforts to liberalize its economy, Laos remains a poor investment due to serious governance and rule of law concerns. Known for its human rights abuses, it is rated “not free” by Freedom House. Given these issues, the amount we currently spend on assistance to Laos will have little impact.

Gross National Income per capita 2010	\$1,010
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	138
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	154
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	165
Population living under \$2/day	3,971,394
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	78.67
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	83.25
Net ODA received per capita (current US\$ 2009)	\$68.71
FDI, net inflows (BoP, current USD millions, 2007-11)	\$350.00

Marshall Islands

FY11 actual: \$492,000

FY12 estimated: \$492,000

FY13 requested: \$500,000

The Marshall Islands program is too insubstantial to have a large impact. Our assistance could be better directed elsewhere given the small size of the country’s population. Under treaty obligations, the United States has both responsibility and authority for defending the Marshall Islands, but small amounts of economic assistance in addition to this responsibility do not seem warranted.

Gross National Income per capita 2010	\$2,990
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	N/A
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	N/A
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	106
Population living under \$2/day	N/A
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	52.61
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	92.34
Net ODA received per capita (current US\$ 2009)	\$1,100.83
FDI, net inflows (BoP, current USD millions, 2007-11)	\$8.66

Micronesia

FY11 actual: \$492,000

FY12 estimated: \$492,000

FY13 requested: \$500,000

The Micronesia program is too insubstantial to have a large impact. Assistance could be better directed elsewhere given the small size of the country's population.

Gross National Income per capita 2010	\$2,700
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	116
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	N/A
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	140
Population living under \$2/day	9,156
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	46.45
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	75.60
Net ODA received per capita (current US\$ 2009)	\$1,093.19
FDI, net inflows (BoP, current USD millions, 2007-11)	\$10.05

Papua New Guinea

FY11 actual: \$5,000,000

FY12 estimated: \$5,000,000

FY13 requested: \$7,500,000

U.S. assistance in Papua New Guinea has no particular comparative advantage given the modest size of the program and the country's large infusion of aid from neighboring Australia.

Gross National Income per capita 2010	\$1,300
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	153
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	154
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	101
Population living under \$2/day	4,178,245
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	81.52
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	73.68
Net ODA received per capita (current US\$ 2009)	\$61.71
FDI, net inflows (BoP, current USD millions, 2007-11)	\$29.95

Timor-Leste

FY11 actual: \$16,129,000

FY12 estimated: \$13,500,000

FY13 requested: \$11,800,000

With operating expenses for the USAID mission in Timor-Leste at almost 30 percent of program costs, this mission is an obvious candidate for moving to regional management if the program is not significantly expanded.

Gross National Income per capita 2010	\$1,280
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	147
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	143
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	168
Population living under \$2/day	762,264
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	89.57
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	89.95
Net ODA received per capita (current US\$ 2009)	\$197.25
FDI, net inflows (BoP, current USD millions, 2007-11)	\$279.65

Poor performance countries

The following countries in East Asia and the Pacific do not strike us as good development partners based on available evidence, and in this era of limited resources U.S. economic assistance dollars could be better spent elsewhere. Only humanitarian aid, assistance to democratic and civil society groups, and PEPFAR funding should be allowed in such settings.

Cambodia

FY11 actual: \$71,460,000

FY12 estimated: \$70,850,000

FY13 requested: \$69,566,000

An immediate aid cutoff to Cambodia seems unlikely, but the United States continues to put more money than it probably should into a country with very high perceived levels of corruption and with a “not free” ranking by Freedom House. Cambodia receives funding through Feed the Future, PEPFAR, and the Global Health Initiative.

Gross National Income per capita 2010	\$760
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	139
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	164
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	138
Population living under \$2/day	7,357,768
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	87.20
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	77.51
Net ODA received per capita (current US\$ 2009)	\$51.67
FDI, net inflows (BoP, current USD millions, 2007-11)	\$782.60

North Korea

FY11 actual: \$3,493,000

FY12 estimated: \$0

FY13 requested: \$0

U.S. assistance to North Korea should be limited to the traditional life-saving humanitarian aid. The country’s funding levels are indicated as zero for 2012 and 2013 since the food aid being delivered comes from a non-country-specific account.

Gross National Income per capita 2010	N/A
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	N/A
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	182
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	N/A
Population living under \$2/day	N/A
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	92.89
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	99.52
Net ODA received per capita (current US\$ 2009)	\$2.75
FDI, net inflows (BoP, current USD millions, 2007-11)	N/A

Vietnam

FY11 actual: \$122,441,000
FY12 estimated: \$99,978,000
FY13 requested: \$95,778,000

The United States would appear to be overinvesting in Vietnam given the scope of human rights concerns with the Vietnamese government and its “not free” ranking by Freedom House. Nevertheless, a full aid cutoff appears unlikely given the relatively recent relaxation in U.S.-Vietnamese relations. Vietnam is also considered an important player in U.S. calculations about China’s rise. It receives PEPFAR funding and is a Global Health Initiative country.

Gross National Income per capita 2010	\$1,100
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	128
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	112
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	98
Population living under \$2/day	36,882,496
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	61.14
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	55.98
Net ODA received per capita (current US\$ 2009)	\$43.53
FDI, net inflows (BoP, current USD millions, 2007-11)	\$8,000.000

FOCUSING ECONOMIC ASSISTANCE BY REGION:

Europe and Eurasia



Focusing economic assistance by region: Europe and Eurasia

The countries of eastern and central Europe and Eurasia benefited from post-Cold War programs to help them transition to democratic, free-market states. Seven of them have made sufficient strides to graduate from our aid including Russia, Cyprus, and Albania. Others should remain areas of priority investment for a little longer, such as Georgia and Macedonia. Azerbaijan and Belarus in particular deserve greater scrutiny. In general, this is a region where the United States is currently overinvested given the progress on the ground.

Priority investment countries

The following countries in Europe and Eurasia should be given the highest priority for economic assistance based on our subjective but data-informed analysis, which takes into consideration the countries' relative commitment to reform, capacity to achieve lasting development, need, and strategic importance. These countries represent opportunities for real progress. In a limited number of cases we argue for priority investment based on immediate conflict prevention efforts or to ensure that a country that has enjoyed significant previous postconflict investments does not slide backward.

Georgia

FY11 actual: \$66,650,000

FY12 estimated: \$66,732,000

FY13 requested: \$46,660,000

Georgia continues to pursue dramatic development and economic reforms and will soon sign a second compact with the MCC. It is also a Global Health Initiative country. Georgia stands as an excellent case of how much can be achieved when leadership makes a fundamental commitment to combat corruption and other key issues. Given Georgia's strategic value, it is likely to graduate from economic assistance on a longer trajectory of 5 to 10 years.

Gross National Income per capita 2010	\$2,700
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	75
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	64
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	16
Population living under \$2/day	1,409,484
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	51.18
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	35.89
Net ODA received per capita (current US\$ 2009)	\$205.84
FDI, net inflows (BoP, current USD millions, 2007-11)	\$814.50

Macedonia

FY11 actual: \$22,650,000

FY12 estimated: \$14,000,000

FY13 requested: \$9,812,000

Macedonia ranks 78 on the Human Development Index with a per capita income of \$4,520. It is likely to graduate from economic assistance in 5 to 10 years. Additionally, operating expenses for the USAID mission in Macedonia are 23.5 percent of program costs.

Gross National Income per capita 2010	\$4,520
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	78
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	69
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	22
Population living under \$2/day	87,125
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	53.08
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	51.67
Net ODA received per capita (current US\$ 2009)	\$94.05
FDI, net inflows (BoP, current USD millions, 2007-11)	\$295.76

Moldova

FY11 actual: \$19,500,000
FY12 estimated: \$21,000,000
FY13 requested: \$14,050,000

Of countries in the region, Moldova ranks fairly high in need and ranks reasonably well in institutional capacity. It is in the second year of implementing a \$262 million MCC compact.

Gross National Income per capita 2010	\$1,810
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	111
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	112
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	81
Population living under \$2/day	246,330
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	57.35
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	68.90
Net ODA received per capita (current US\$ 2009)	\$68.73
FDI, net inflows (BoP, current USD millions, 2007-11)	\$194.32

Limited expectation countries

The following countries in Europe and Eurasia will likely continue to receive significant economic assistance largely based on short-term imperatives, including security and other geopolitical concerns. But our analysis suggests limited likelihood of this assistance driving development. With improvements in a number of governance indicators, some of these countries could move into the priority category.

Kosovo

FY11 actual: \$79,000,000

FY12 estimated: \$63,000,000

FY13 requested: \$42,544,000

The United States recognizes that it needs to maintain a commitment to Kosovo given the U.S. role in the country's conflict in 1999. But Kosovo still struggles with institutional capacity and has limited comparative economic advantages, making more rapid development a challenge.

Gross National Income per capita 2010	\$3,300
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	N/A
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	112
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	117
Population living under \$2/day	N/A
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	69.19
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	67.46
Net ODA received per capita (current US\$ 2009)	\$436.55
FDI, net inflows (BoP, current USD millions, 2007-11)	\$413.40

Ukraine

FY11 actual: \$109,636,000

FY12 estimated: \$102,478,000

FY13 requested: \$89,057,000

Ukraine had an MCC threshold program and has long been considered a key country geostrategically. Governance and institutional issues continue to roil the country amid an environment of sharp and personal political feuds, but these problems have not lessened the importance of helping Ukraine better establish a foundation of democracy and open markets. Ukraine also receives funding under PEPFAR and the Global Health Initiative.

Gross National Income per capita 2010	\$3,010
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	76
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	152
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	152
Population living under \$2/day	60,138
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	74.88
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	75.12
Net ODA received per capita (current US\$ 2009)	\$14.50
FDI, net inflows (BoP, current USD millions, 2007-11)	6,495.00

Graduation in one to five years countries

The following countries in Europe and Eurasia are well positioned to graduate from U.S. assistance in the near and midterm based on need and capacity. In some cases this would mean a relatively rapid cessation of U.S. economic support. In others a transition would be more gradual as the relationship moves from one largely based on aid to one of trade and other areas of cooperation.

Albania

FY11 actual: \$20,000,000

FY12 estimated: \$16,000,000

FY13 requested: \$10,025,000

Albania has made significant progress over the last decade, and the amount of U.S. assistance is at a point where its impact is surely limited. These dollars could be used in far more pressing cases as Albania graduates.

Gross National Income per capita 2010	\$4,000
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	70
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	95
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	82
Population living under \$2/day	134,832
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	59.24
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	54.55
Net ODA received per capita (current US\$ 2009)	\$112.11
FDI, net inflows (BoP, current USD millions, 2007-11)	\$1,109.56

Armenia

FY11 actual: \$40,124,000

FY12 estimated: \$40,000,000

FY13 requested: \$29,719,000

Armenia is a slightly longer-term graduate from U.S. assistance programs, and discussions should begin about an orderly phase-out of aid over a multiyear period. Armenia recently completed a \$235 million MCC compact.

Gross National Income per capita 2010	\$3,090
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	86
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	129
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	55
Population living under \$2/day	382,228
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	60.19
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	50.24
Net ODA received per capita (current US\$ 2009)	\$171.02
FDI, net inflows (BoP, current USD millions, 2007-11)	\$570.06

Cyprus

FY11 actual: \$8,362,000

FY12 estimated: \$3,500,000

FY13 requested: \$3,200,000

Cyprus is a clear candidate for immediate graduation. It ranks 31 on the Human Development Index with a per capita income of \$30,460.

Gross National Income per capita 2010	\$30,460
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	31
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	30
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	40
Population living under \$2/day	N/A
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	13.74
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	9.57
Net ODA received per capita (current US\$ 2009)	N/A
FDI, net inflows (BoP, current USD millions, 2007-11)	\$4,841.38

Ireland (International Fund)

FY11 actual: \$2,500,000

FY12 estimated: \$2,500,000

FY13 requested: \$2,500,000

Ireland is ranked as the seventh-most highly developed country in the world by the United Nations. The country has a per capita income higher than the United States. The U.S. contribution to the International Fund for Ireland is archaic and should be immediately discontinued.

Gross National Income per capita 2010	\$40,990
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	7
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	19
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	10
Population living under \$2/day	N/A
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	5.69
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	12.44
Net ODA received per capita (current US\$ 2009)	N/A
FDI, net inflows (BoP, current USD millions, 2007-11)	\$27,084.97

Montenegro

FY11 actual: \$8,000,000

FY12 estimated: \$3,140,000

FY13 requested: \$335,000

This mission is scheduled for closure and with a ranking of 54 on the Human Development Index and a per capita income of \$6,690, U.S. assistance to Montenegro should be phased out completely in the relative near term. The 2013 request shows a welcome move in that direction.

Gross National Income per capita 2010	\$6,690
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	54
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	66
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	56
Population living under \$2/day	1,890
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	45.02
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	42.11
Net ODA received per capita (current US\$ 2009)	\$119.60
FDI, net inflows (BoP, current USD millions, 2007-11)	\$760.44

Poland

FY11 actual: \$0

FY12 estimated: \$3,000,000

FY13 requested: \$3,000,000

Poland has achieved high levels of development and economic achievement. It ranks 39 on the Human Development Index and is past the point where it needs U.S. economic assistance. It should be rapidly graduated.

Gross National Income per capita 2010	\$12,420
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	39
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	41
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	62
Population living under \$2/day	95,325
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	30.81
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	27.27
Net ODA received per capita (current US\$ 2009)	N/A
FDI, net inflows (BoP, current USD millions, 2007-11)	\$9,056.00

Russia

FY11 actual: \$65,138,000
FY12 estimated: \$62,135,000
FY13 requested: \$46,979,000

Russia ranks 66 on the Human Development Index and has a per capita income of \$9,910, suggesting it is well positioned to graduate completely from U.S. assistance (including PEPFAR funding) in the near term. In addition, the increasingly autocratic nature of the Russian government, which is ranked “not free” by Freedom House, makes it a poor partner for lasting development.

Gross National Income per capita 2010	\$9,910
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	66
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	143
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	120
Population living under \$2/day	113,560
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	73.93
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	58.37
Net ODA received per capita (current US\$ 2009)	N/A
FDI, net inflows (BoP, current USD millions, 2007-11)	\$42,868.43

Small or expensive-to-operate country programs

The following countries in Europe and Eurasia currently have programs, projects, and/or a USAID mission that are not necessarily cost effective or are unlikely to produce genuinely catalytic change because they operate on a relatively small scale. Some countries on this list could have their aid limited. Others should see it managed by a regional mission with a *de minimus* country presence. Appearance on this list is not commentary on the country's willingness to reform.

Bosnia and Herzegovina

FY11 actual: \$42,000,000

FY12 estimated: \$39,000,000

FY13 requested: \$28,556,000

With operating expenses for the USAID mission in Bosnia and Herzegovina at 13 percent of program costs, this mission is a potential candidate for moving to regional management. But there may be legitimate reasons for higher operating-expense levels and this issue deserves further exploration.

Gross National Income per capita 2010	\$4,790
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	74
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	91
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	125
Population living under \$2/day	5,655
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	55.92
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	72.23
Net ODA received per capita (current US\$ 2009)	\$110.19
FDI, net inflows (BoP, current USD millions, 2007-11)	\$231.54

Serbia

FY11 actual: \$45,000,000

FY12 estimated: \$33,500,000

FY13 requested: \$19,913,000

The operating expenses for the USAID mission in Serbia are 24.6 percent of program costs and this mission is another candidate for moving to regional management. In addition, Serbia is ranked 59 on the Human Development Index and has a per capita income of \$5,820, suggesting it could graduate completely from U.S. assistance in the near term.

Gross National Income per capita 2010	\$5,820
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	59
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	86
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	92
Population living under \$2/day	47,775
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	56.87
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	48.80
Net ODA received per capita (current US\$ 2009)	\$83.12
FDI, net inflows (BoP, current USD millions, 2007-11)	\$1,340.24

Poor performance countries

The following countries in Europe and Eurasia do not strike us as good development partners based on available evidence, and in this era of limited resources U.S. economic-assistance dollars could be better spent elsewhere. Only humanitarian aid, assistance to democratic and civil society groups, and PEPFAR funding should be allowed in such settings.

Azerbaijan

FY11 actual: \$21,248,000

FY12 estimated: \$16,600,000

FY13 requested: \$11,029,000

Azerbaijan struggles with high levels of corruption and is ranked “not free” by Freedom House. The government is not particularly reform minded and U.S. investments beyond support for civil society and democratic opposition may not be well spent.

Gross National Income per capita 2010	\$5,180
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	76
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	143
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	66
Population living under \$2/day	245,280
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	78.20
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	77.99
Net ODA received per capita (current US\$ 2009)	\$25.97
FDI, net inflows (BoP, current USD millions, 2007-11)	\$563.13

Belarus

FY11 actual: \$13,864,000

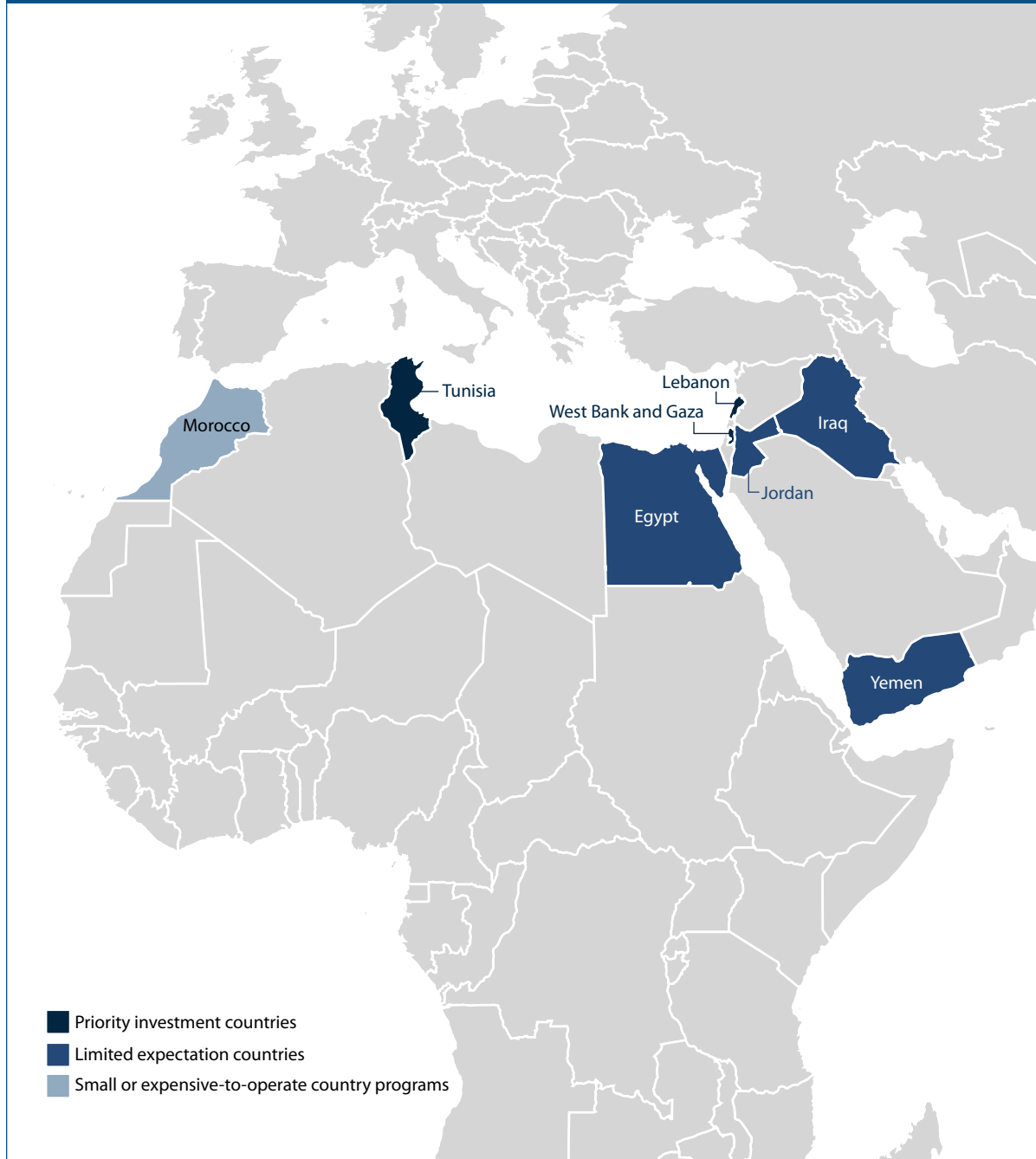
FY12 estimated: \$11,000,000

FY13 requested: \$11,000,000

Belarus is not a good development partner. It is ranked “not free” by Freedom House and placed poorly on the Transparency International 2011 Corruption Perceptions Index. Its level of aid is a classic example of small amounts of funding that we know will have virtually no effect.

Gross National Income per capita 2010	\$6,030
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	65
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	143
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	69
Population living under \$2/day	18,240
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	85.31
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	88.04
Net ODA received per capita (current US\$ 2009)	\$10.31
FDI, net inflows (BoP, current USD millions, 2007-11)	\$1,402.80

Near East



Focusing economic assistance by region: Near East

Countries in the Near East continue to be of strategic interest to the United States. Recent events there have led to popular unrest and leadership changes. The fluid situation calls for a nimble U.S. response that can capitalize on positive changes and will demand a significant degree of flexibility. We believe Lebanon, Tunisia, and the West Bank and Gaza are countries with effective U.S. programs that have a higher probability of success. A number of countries—such as Egypt, Iraq, Jordan, and Yemen—will likely continue to see U.S. assistance despite concerns over its effectiveness.

Priority investment countries

The following Near East countries should be given the highest priority for economic assistance based on our subjective but data-informed analysis, which takes into consideration their relative commitment to reform, capacity to achieve lasting development, need, and strategic importance. These countries represent opportunities for real progress. In a limited number of cases we argue for priority investment based on immediate conflict-prevention efforts or to ensure that a country that has enjoyed significant previous postconflict investments does not slide backward.

Lebanon

FY11 actual: \$84,725,000

FY12 estimated: \$84,725,000

FY13 requested: \$70,000,000

Lebanon continues to hang in the balance between stability and unrest, and is a key strategic country for the United States. Priority investments in Lebanon seem well worth it.

Gross National Income per capita 2010	\$9,020
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	71
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	134
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	104
Population living under \$2/day	N/A
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	69.67
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	56.94
Net ODA received per capita (current US\$ 2009)	\$152.72
FDI, net inflows (BoP, current USD millions, 2007-11)	\$4,954.86

Tunisia

FY11 actual: \$5,000,000

FY12 estimated: \$5,000,000

FY13 requested: \$10,000,000

As the birthplace of the Arab Spring, Tunisia will likely see increasing assistance as it manages its democratic transition. It remains one of the better-positioned states in the region to direct this process successfully. It was recently made eligible for a MCC threshold program.

Gross National Income per capita 2010	\$4,070
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	94
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	73
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	46
Population living under \$2/day	573,315
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	40.76
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	36.84
Net ODA received per capita (current US\$ 2009)	\$45.39
FDI, net inflows (BoP, current USD millions, 2007-11)	\$1,400.87

West Bank and Gaza

FY11 actual: \$395,699,000
FY12 estimated: \$395,699,000
FY13 requested: \$370,000,000

U.S. assistance to the West Bank and Gaza is deeply intertwined with our long-term diplomatic goals in the region even though it is occasionally a flashpoint for U.S. domestic political debates.

Gross National Income per capita 2010	N/A
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	N/A
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	N/A
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	131
Population living under \$2/day	48,856
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	50.71
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	59.33
Net ODA received per capita (current US\$ 2009)	\$748.44
FDI, net inflows (BoP, current USD millions, 2007-11)	N/A

Limited expectation countries

The following countries in the Near East will likely continue to receive significant economic assistance largely based on short-term imperatives, including security and other geopolitical concerns. But our analysis suggests limited likelihood of this assistance driving development. With improvements in a number of governance indicators, some of these countries could move into the priority category.

Egypt

FY11 actual: \$249,500,000
FY12 estimated: \$250,000,000
FY13 requested: \$250,000,000

Egypt has long been a cornerstone of U.S. strategic interests in the region and it is a focal point for much of the Arab Spring’s energy. But the Egyptian government’s recent sharp crack-down on democracy groups—including charges against a number of U.S. citizens affiliated with these groups—sharply calls into question its reform credentials. Though the relationship would have to deteriorate further and more quickly for an aid cutoff, red flags abound at the time of publication. While a successful democratic transition is a U.S. priority, development assistance to Egypt is unlikely to produce this outcome.

Gross National Income per capita 2010	\$2,340
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	113
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	112
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	110
Population living under \$2/day	12,061,280
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	48.34
WGI Government Effectiveness Percentile Rank (Range: 1-100, 1=most effective)	59.81
Net ODA received per capita (current US\$ 2009)	\$11.61
FDI, net inflows (BoP, current USD millions, 2007-11)	\$6,385.60

Iraq

FY11 actual: \$325,700,000
FY12 estimated: \$299,400,000
FY13 requested: \$262,850,000

The United States has withdrawn its active combat forces from Iraq and plans to cut its diplomatic and aid staff by 50 percent going forward. (Operating expenses for the USAID mission in Iraq stand at 25.2 percent of program costs.) With Iraq still ranked “not free” by Freedom House, we anticipate that U.S. investments will sharply decline in this country, and those numerous programs still in the pipeline may ultimately make very limited impact.

Gross National Income per capita 2010	\$2,320
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	132
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	175
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	164
Population living under \$2/day	5,631,588
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	98.10
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	90.91
Net ODA received per capita (current US\$ 2009)	\$89.78
FDI, net inflows (BoP, current USD millions, 2007-11)	\$1,426.40

Jordan

FY11 actual: \$362,274,000

FY12 estimated: \$360,000,000

FY13 requested: \$360,000,000

Jordan is ranked “not free” by Freedom House but the United States continues to see it as a relative island of stability in the region despite its continued royal family rule. Anticipation for economic-assistance programs should be highly tempered even though the U.S.-Jordan relationship is strategically important. Jordan is in the first year of implementing a \$275 million MCC compact.

Gross National Income per capita 2010	\$4,350
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	95
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	56
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	96
Population living under \$2/day	121,590
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	38.86
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	42.58
Net ODA received per capita (current US\$ 2009)	\$128.58
FDI, net inflows (BoP, current USD millions, 2007-11)	\$1,701.41

Yemen

FY11 actual: 35,588,000

FY12 estimated: \$32,606,000

FY13 requested: \$47,500,000

While Yemen is a key front in the international struggle against extremism, its government remains highly repressive, dysfunctional, and besieged. Economic-assistance investments in Yemen will likely yield very limited returns but will continue on security grounds.

Gross National Income per capita 2010	\$1,060
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	154
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	164
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	99
Population living under \$2/day	10,407,537
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	85.78
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	85.65
Net ODA received per capita (current US\$ 2009)	\$21.42
FDI, net inflows (BoP, current USD millions, 2007-11)	-\$329.00

Graduation in one to five years countries

No countries in the Near East region currently fall into this category.

Small or expensive-to-operate country programs

The following countries in the Near East currently have programs, projects, and/or a USAID mission that are not necessarily cost effective or are unlikely to produce genuinely catalytic change because they operate on a relatively small scale. Some countries on this list could have their aid limited. Others should see it managed by a regional mission with a *de minimus* country presence. Appearance on this list is not commentary on the country's willingness to reform.

Morocco

FY11 actual: \$21,320,000
FY12 estimated: \$16,539,000
FY13 requested: \$19,676,000

With operating expenses for the USAID mission in Morocco at 22.8 percent of program costs, this mission is an obvious candidate for moving to regional management if the program is not significantly expanded. Morocco is in the fourth year of implementing a \$698 million MCC compact.

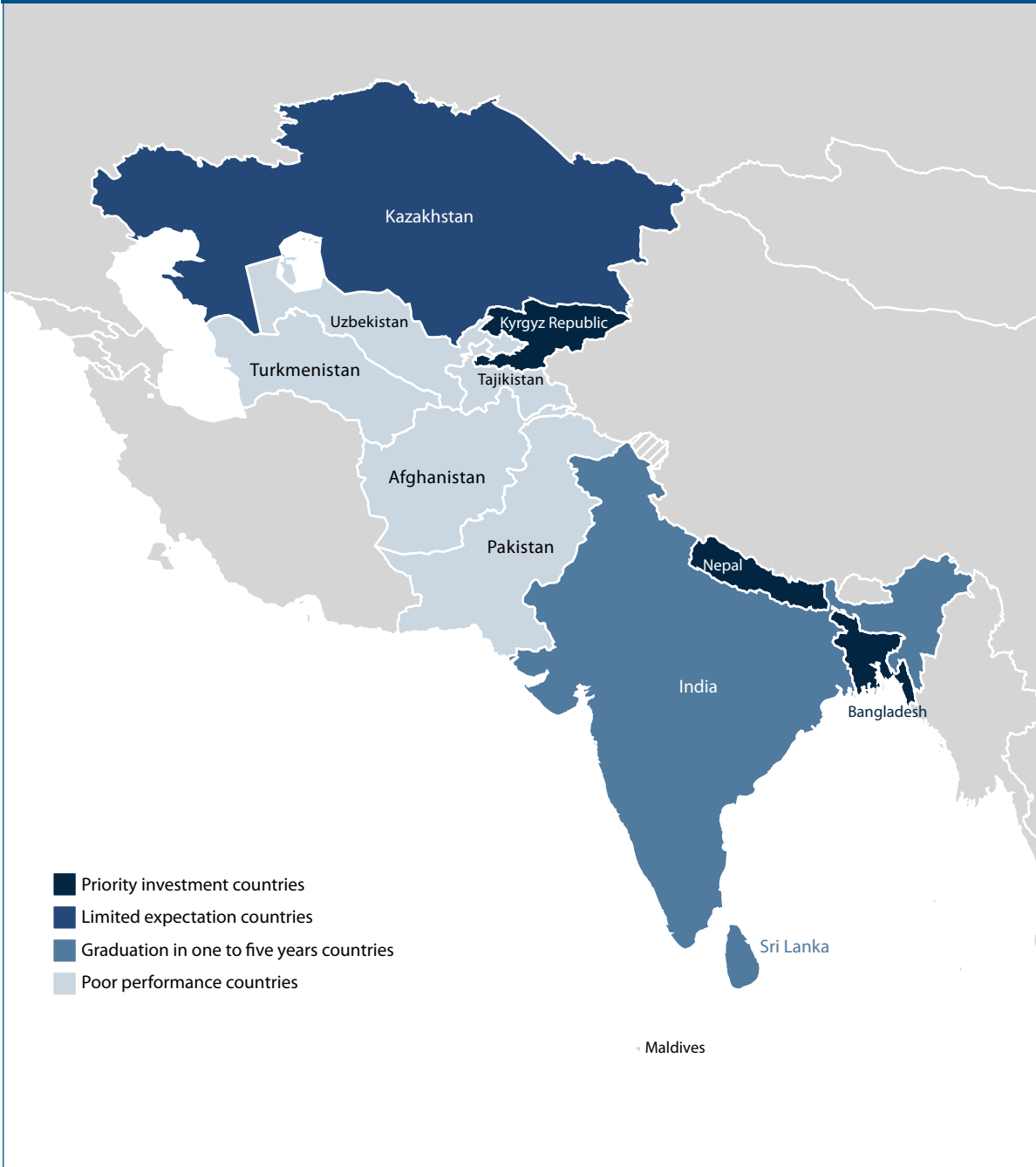
Gross National Income per capita 2010	\$2,850
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	130
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	80
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	94
Population living under \$2/day	3,811,644
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	49.76
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	51.20
Net ODA received per capita (current US\$ 2009)	\$28.82
FDI, net inflows (BoP, current USD millions, 2007-11)	\$1,240.63

Poor performance countries

No countries in the Near East region currently fall into this category. But given the significant turmoil, change, and unrest in this region the line between priority, limited expectation, and poor-performing countries is highly fluid. It is vital that U.S. assistance in the coming years be nimble and effectively designed to reward positive movement on the ground while being equally tough in recognizing those instances where conditions are poor or the climate for economic assistance has soured.

FOCUSING ECONOMIC ASSISTANCE BY REGION:

South and Central Asia



Focusing economic assistance by region: South and Central Asia

The region includes countries that are doing well—India and Sri Lanka—that could graduate from aid in one to five years. At the same time, there are very low-income countries, like Nepal and Bangladesh, both of which we recommend as priority investments. This region also includes two of the largest recipients of U.S. aid: Afghanistan and Pakistan. Both countries present difficult challenges with regard to development and the responsiveness of their governments to partner with the United States on economic issues.

Priority investment countries

The following countries in South and Central Asia should be given the highest priority for economic assistance based on our subjective but data-informed analysis, which takes into consideration their relative commitment to reform, capacity to achieve lasting development, need, and strategic importance. These countries represent opportunities for real progress. In a limited number of cases, we argue for priority investment based on immediate conflict prevention efforts or to ensure that a country that has enjoyed significant previous postconflict investments does not slide backward.

Bangladesh

FY11 actual: \$178,104,000

FY12 estimated: \$188,286,000

FY13 requested: \$187,900,000

Bangladesh continues to face enormous human needs, ranking 146 on the Human Development Index. Ranked partly free by Freedom House, it has improved its position on corruption indicators significantly over the last five years. Bangladesh is a Feed the Future and Global Health Initiative-Plus country.

Gross National Income per capita 2010	\$640
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	146
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	120
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	122
Population living under \$2/day	114,070,868
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	73.46
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	78.47
Net ODA received per capita (current US\$ 2009)	\$8.34
FDI, net inflows (BoP, current USD millions, 2007-11)	\$967.65

Kyrgyz Republic

FY11 actual: \$37,498,000

FY12 estimated: \$43,300,000

FY13 requested: \$36,819,000

The Kyrgyz Republic continues to face major development challenges and an unsettled political situation. Its political progress is notable but fragile, and with U.S. troops in Afghanistan, the country remains an important partner.

Gross National Income per capita 2010	\$880
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	126
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	164
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	70
Population living under \$2/day	1,094,016
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	92.42
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	69.38
Net ODA received per capita (current US\$ 2009)	\$59.14
FDI, net inflows (BoP, current USD millions, 2007-11)	\$437.59

Nepal

FY11 actual: \$68,624,000

FY12 estimated: \$78,229,000

FY13 requested: \$69,200,000

Nepal is historically reliant on high levels of international economic assistance and that fact has not been altered in the wake of the peace agreement that ended its civil war. Nepal also has considerable need, ranking 157 on the Human Development Index. That said, U.S. aid and other assistance have done a poor job fostering an environment for genuine reform and broader growth. Nepal is a Feed the Future and Global Health Initiative-Plus country and was recently made eligible for a Millennium Challenge Corporation threshold program.

Gross National Income per capita 2010	\$490
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	157
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	154
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	107
Population living under \$2/day	18,771,263
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	83.89
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	74.64
Net ODA received per capita (current US\$ 2009)	\$29.07
FDI, net inflows (BoP, current USD millions, 2007-11)	\$87.85

Limited expectation countries

The following countries in South and Central Asia will likely continue to receive significant economic assistance largely based on short-term imperatives, including security and other geopolitical concerns. But our analysis suggests limited likelihood of this assistance driving development. With improvements in a number of governance indicators, some of these countries could move into the priority category.

Kazakhstan

FY11 actual: \$12,396,000

FY12 estimated: \$14,500,000

FY13 requested: \$9,392,000

Considering its “not free” rank by Freedom House, it would be useful to rethink the purpose and aims of aid to Kazakhstan as U.S. combat troops edge toward an Afghanistan withdrawal.

Gross National Income per capita 2010	\$7,440
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	68
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	120
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	47
Population living under \$2/day	137,896
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	68.25
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	55.50
Net ODA received per capita (current US\$ 2009)	\$18.70
FDI, net inflows (BoP, current USD millions, 2007-11)	\$9,961.01

Graduation in one to five years countries

The following countries in South and Central Asia are well-positioned to graduate from U.S. assistance in the near term and midterm based on need and capacity. In some cases this would mean a relatively rapid cessation of U.S. economic support. In others, a transition would be more gradual as the relationship moves from one largely based on aid to one of trade and other areas of cooperation.

India

FY11 actual: \$114,799,000

FY12 estimated: \$101,500,000

FY13 requested: \$92,000,000

India's economy continues to grow at 10 percent annually, and the country is a powerhouse in Asia. Although development remains highly uneven and per capita income is \$1,340, the impact of U.S. economic assistance will be limited given the scale of India's economy and population. This relationship of bilateral assistance should increasingly transition to a trilateral partnership. India is a PEPFAR recipient.

Gross National Income per capita 2010	\$1,340
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	134
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	95
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	132
Population living under \$2/day	862,063,554
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	45.50
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	44.98
Net ODA received per capita (current US\$ 2009)	\$2.17
FDI, net inflows (BoP, current USD millions, 2007-11)	\$24,159.18

Sri Lanka

FY11 actual: \$14,741,000

FY12 estimated: \$8,000,000

FY13 requested: \$10,900,000

Sri Lanka recently emerged from its long-running civil war with able government institutions. U.S. assistance could be better directed elsewhere. Further, operating expenses for the USAID mission in Sri Lanka are 33.9 percent of program costs.

Gross National Income per capita 2010	\$2,290
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	97
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	86
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	89
Population living under \$2/day	5,404,080
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	47.39
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	50.72
Net ODA received per capita (current US\$ 2009)	\$34.05
FDI, net inflows (BoP, current USD millions, 2007-11)	\$478.21

Small or expensive-to-operate country programs

No countries in the South and Central Asia region currently fall in this category.

Poor performance countries

The following countries in South and Central Asia do not strike us as good development partners based on available evidence, and in this era of limited resources, U.S. economic assistance dollars could be better spent elsewhere. Only humanitarian aid, assistance to democratic and civil society groups, and PEPFAR funding should be allowed in such settings.

Afghanistan

FY11 actual: \$2,040,469,000
FY12 estimated: \$1,936,762,000
FY13 requested: \$1,849,270,000

Assistance to Afghanistan has been difficult to administer given the conflict, contradictory signals of commitment from the government, the general lack of infrastructure, and the difficulties of establishing a well-coordinated diplomatic approach to lasting peace. Much of our aid there has not achieved a great deal of success due to the Afghan government’s poor performance and Washington’s flawed development and diplomatic strategies. The United States has poured enormous sums of money into Afghanistan through systems not designed to properly measure and achieve

results. Most experts also agree that aid to Afghanistan has vastly outstripped its absorptive capacity over the last decade. The United States maintains considerable security interests in Afghanistan, but until governance in that country is more effective, accountable, and representative, development gains may well be temporary or easily reversed once NATO forces withdraw. Afghanistan should be treated differently than most poor performing countries because of its strategic importance, but we are overinvested in the country given its track record.

Gross National Income per capita 20120	\$330
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	172
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	180
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	160
Population living under \$2/day	N/A
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	99.53
WGI Government Effectiveness Percentile Rank (Range: 1-100, 1=most effective)	95.22
Net ODA received per capita (current US\$ 2009)	\$186.47
FDI, net inflows (BoP, current USD millions, 2007-11)	\$75.65

Maldives

FY11 actual: \$3,000,000

FY12 estimated: \$2,000,000

FY13 requested: \$2,000,000

A recent military coup suggests that this small aid program should be terminated.

Gross National Income per capita 2010	\$4,270
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	109
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	134
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	79
Population living under \$2/day	20,863
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	54.50
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	53.59
Net ODA received per capita (current US\$ 2009)	\$106.69
FDI, net inflows (BoP, current USD millions, 2007-11)	\$163.82

Pakistan

FY11 actual: \$947,347,000

FY12 estimated: \$864,700,000

FY13 requested: \$928,250,000

Like Afghanistan, Pakistan is a special case, and aid over the last decade has been deeply flawed. Pakistan continues to lack many fundamentals of a good development partner. Still, our strategic interests there remain considerable. Most experts agree that aid to Pakistan has greatly outstripped its absorptive capacity. While Washington has important security interests in Pakistan, this program should be reduced and reoriented toward helping private-sector actors until the U.S.-Pakistan relationship gets on more solid footing. Although Pakistan should be treated differently than most poor performing countries because of its strategic importance, we are overinvested in the country given its track record.

Gross National Income per capita 2010	\$1,050
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	145
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	134
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	105
Population living under \$2/day	100,715,160
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	74.41
WGI Government Effectiveness Percentile Rank (Range: 1-100, 1=most effective)	74.16
Net ODA received per capita (current US\$ 2009)	\$16.31
FDI, net inflows (BoP, current USD millions, 2007-11)	\$2,016.00

Tajikistan

FY11 actual: \$41,538,000

FY12 estimated: \$42,001,000

FY13 requested: \$26,625,000

U.S. support for Tajikistan—which is ranked “not free” by Freedom House—is largely driven by our security interests in Afghanistan. This effort deserves a rethink in the near future, and the reduced 2013 request may suggest this rethink is already underway. That said, Tajikistan remains a Feed the Future country.

Gross National Income per capita 2010	\$780
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	127
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	152
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	147
Population living under \$2/day	2,152,842
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	88.63
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	81.82
Net ODA received per capita (current US\$ 2009)	\$60.28
FDI, net inflows (BoP, current USD millions, 2007-11)	\$15.79

Turkmenistan

FY11 actual: \$8,899,000

FY12 estimated: \$8,000,000

FY13 requested: \$4,640,000

Turkmenistan is still one of the world’s most repressive states, and economic assistance dollars there are ill advised.

Gross National Income per capita 2010	\$3,700
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	102
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	177
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	N/A
Population living under \$2/day	73,308
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	95.73
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	96.65
Net ODA received per capita (current US\$ 2009)	\$8.01
FDI, net inflows (BoP, current USD millions, 2007-11)	\$2,083.00

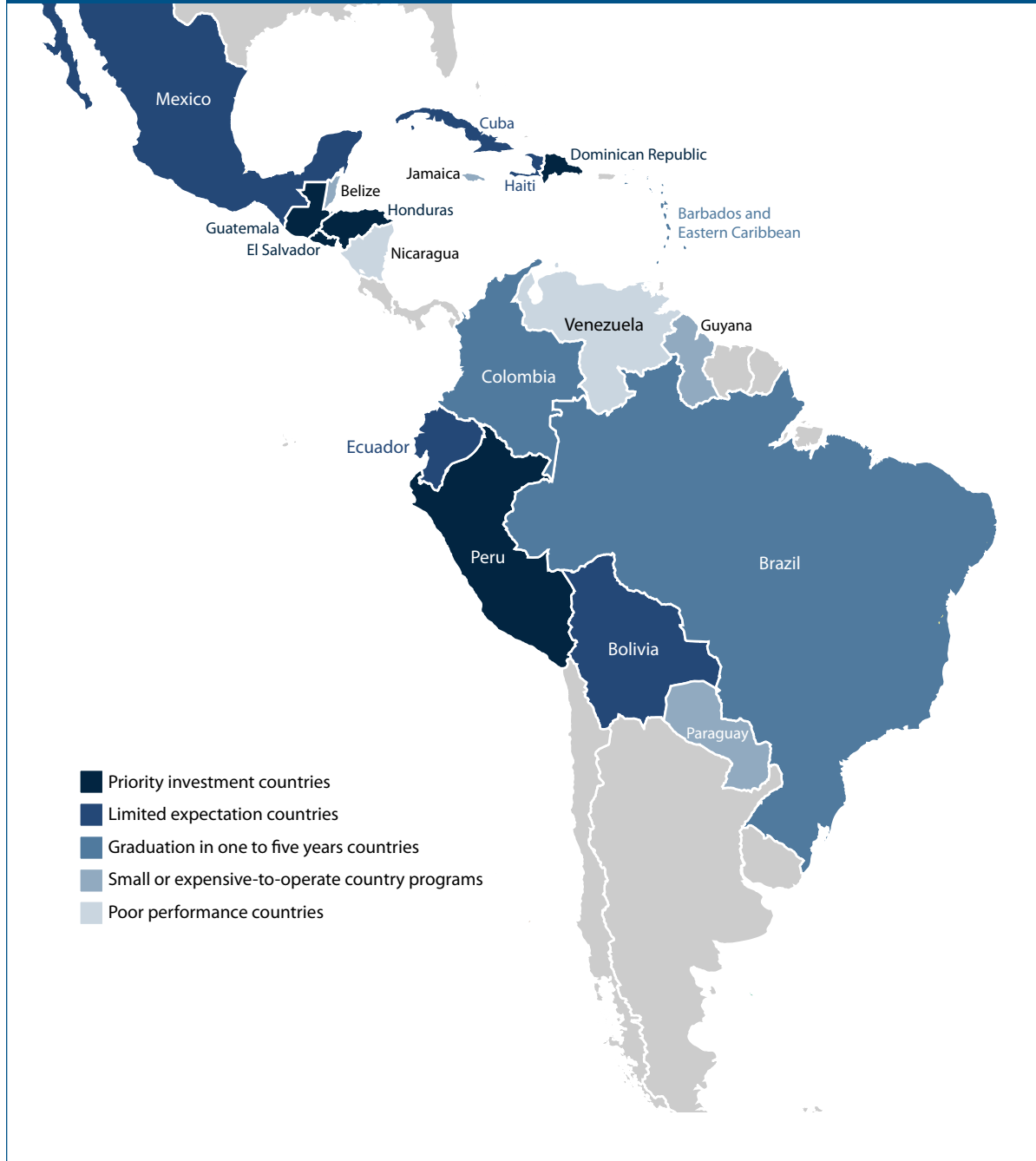
Uzbekistan

FY11 actual: \$10,446,000
FY12 estimated: \$10,540,000
FY13 requested: \$9,512,000

Uzbekistan is ranked “not free” by Freedom House, and this aid amount is unlikely to make real change even though U.S.-Uzbek relations have begun to thaw again. Uzbekistan remains a far from ideal economic assistance partner.

Gross National Income per capita 2010	\$1,280
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	115
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	177
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	166
Population living under \$2/day	N/A
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	95.26
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	76.08
Net ODA received per capita (current US\$ 2009)	\$6.85
FDI, net inflows (BoP, current USD millions, 2007-11)	\$822.00

Western Hemisphere



Focusing economic assistance by region: Western Hemisphere

Latin America is enjoying very strong growth rates and, though inequality persists, some of its more developed economies—Brazil and Colombia—should graduate from aid in the near term. Central America has a number of priority countries where U.S. aid could go a long way. We have concerns about others, such as Nicaragua and Venezuela, that could see their allocations reduced. Still others will likely continue to see assistance—Haiti, Bolivia, and Mexico—even though current conditions may not be the most conducive for development.

Priority investment countries

The following countries in the Western Hemisphere should be given the highest priority for economic assistance based on our subjective but data-informed analysis, which takes into consideration their relative commitment to reform, capacity to achieve lasting development, need, and strategic importance. These countries represent opportunities for real progress. In a limited number of cases, we argue for priority investment based on immediate conflict prevention efforts or to ensure that a country that has enjoyed significant previous postconflict investments does not slide backward.

Dominican Republic

FY11 actual: \$36,396,000

FY12 estimated: \$29,300,000

FY13 requested: \$29,075,000

Though we suggest it for priority investment, operating expenses for the USAID mission in the Dominican Republic are high at 17.9 percent of program costs. Per capita income is \$4,860, wealthy enough to expect graduation in five to ten years. The country is a Global Health Initiative country and included in our recommendation of upper-middle-income countries that should see accelerated burden-sharing for the PEPFAR program. Our recommendation is for a modest increase in the non-PEPFAR part of this country's portfolio.

Gross National Income per capita 2010	\$4,860
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	98
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	129
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	108
Population living under \$2/day	1,070,328
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	75.36
WGI Government Effectiveness Percentile Rank (Range: 1-100, 1=most effective)	68.42
Net ODA received per capita (current US\$ 2009)	\$12.23
FDI, net inflows (BoP, current USD millions, 2007-11)	\$1,625.80

El Salvador

FY11 actual: \$27,010,000

FY12 estimated: \$25,904,000

FY13 requested: \$39,000,000

One of the four initial countries selected for the U.S. government's Partnership for Growth program, El Salvador has many of the hallmarks of a good development partner and its need is genuine. It is also in the final year of implementing a \$466 million Millennium Challenge Corporation compact and was made eligible for a second compact in FY2012.

Gross National Income per capita 2010	\$3,360
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	105
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	80
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	112
Population living under \$2/day	860,039
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	77.25
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	44.02
Net ODA received per capita (current US\$ 2009)	\$44.91
FDI, net inflows (BoP, current USD millions, 2007-11)	-\$5.56

Guatemala

FY11 actual: \$90,192,000

FY12 estimated: \$88,925,000

FY13 requested: \$90,100,000

Guatemala has enough need and institutional capacity to warrant continued economic assistance. It is a Feed the Future and Global Health Initiative-Plus country. Guatemala is attempting to heal the wounds of a bitter internal conflict, and it continues to suffer from some of the highest income disparity levels in the world.

Gross National Income per capita 2010	\$2,740
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	131
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	120
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	97
Population living under \$2/day	3,538,865
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	84.36
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	71.77
Net ODA received per capita (current US\$ 2009)	\$26.81
FDI, net inflows (BoP, current USD millions, 2007-11)	\$686.90

Honduras

FY11 actual: \$54,254,000

FY12 estimated: \$55,266,000

FY13 requested: \$54,500,000

Honduras has long been a U.S. ally—a relationship only briefly interrupted by a 2009 coup that was later reversed. Corruption levels remain higher than ideal and per capita income levels have lagged. It scores similarly to Nicaragua on most indicators, but Honduras grades out better due to its stronger bilateral relationship with the United States, which is not a small thing. Honduras is a Feed the Future country, was recently made eligible for a Millennium Challenge Corporation threshold program, and completed a \$205 million MCC compact in 2010.

Gross National Income per capita 2010	\$1,880
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	121
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	129
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	128
Population living under \$2/day	2,379,800
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	76.78
WGI Government Effectiveness Percentile Rank (Range: 1-100, 1=most effective)	69.86
Net ODA received per capita (current US\$ 2009)	(current) \$61.36
FDI, net inflows (BoP, current USD millions, 2007-11)	(BoP, current USD millions, 2007-11) \$797.39

Peru

FY11 actual: \$58,962,000
FY12 estimated: \$50,000,000
FY13 requested: \$47,300,000

Peru was a Millennium Challenge Corporation threshold country, and though it ranks a reasonable 80 out of 187 countries on the Human Development Index and has a per capita income of more than \$4,710, it is a sensible focus country in the near term given its position as a well-governed emerging market economy. The country will likely qualify as a next-generation graduate from economic assistance in 5 to 10 years (closer to 5 years in our estimation). Additionally, operating expenses for the USAID mission in Peru are 21.1 percent of program costs.

Gross National Income per capita 2010	\$4,710
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	80
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	80
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	41
Population living under \$2/day	4,209,234
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	67.77
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	52.63
Net ODA received per capita (current US\$ 2009)	\$15.36
FDI, net inflows (BoP, current USD millions, 2007-11)	\$7,328.24

Limited expectation countries

The following countries in the Western Hemisphere will likely continue to receive significant economic assistance largely based on short-term imperatives, including security and other geopolitical concerns. But our analysis suggests limited likelihood of this assistance driving development. With improvements in a number of governance indicators, some of these countries could move into the priority category.

Bolivia

FY11 actual: \$26,717,000
FY12 estimated: \$20,600,000
FY13 requested: \$17,015,000

The cost of this USAID mission should be reviewed with operating expenses for the mission in Bolivia at 28.8 percent of program costs. The U.S.-Bolivia relationship remains uneasy, and much of the focus of U.S. assistance is on the narcotics trade.

Gross National Income per capita 2010	\$1,790
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	108
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	118
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	153
Population living under \$2/day	2,394,418
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	86.73
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	60.77
Net ODA received per capita (current US\$ 2009)	\$74.27
FDI, net inflows (BoP, current USD millions, 2007-11)	\$622.00

Cuba

FY11 actual: \$20,000,000
FY12 estimated: \$20,000,000
FY13 requested: \$15,000,000

Most of this assistance is dedicated to pro-democracy activities, and the status of U.S. assistance in Cuba is unlikely to change given U.S. political dynamics. But expectations should be tempered until more political space opens.

Gross National Income per capita 2010	\$5,550
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	51
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	61
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	N/A
Population living under \$2/day	N/A
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	65.88
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	54.07
Net ODA received per capita (current US\$ 2009)	\$10.34
FDI, net inflows (BoP, current USD millions, 2007-11)	\$85.54

Ecuador

FY11 actual: \$17,270,000

FY12 estimated: \$14,000,000

FY13 requested: \$16,000,000

U.S. interests in Ecuador are also driven by counternarcotics, among other factors. The limited scale of investment, governance issues, and strains on the bilateral relationship all suggest limited development gains.

Gross National Income per capita 2010	\$4,510
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	83
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	120
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	130
Population living under \$2/day	1,830,612
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	88.15
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	70.81
Net ODA received per capita (current US\$ 2009)	\$14.63
FDI, net inflows (BoP, current USD millions, 2007-11)	\$167.30

Haiti

FY11 actual: \$348,876,000

FY12 estimated: \$337,312,00

FY13 requested: \$320,263,000

No other country in the hemisphere has struggled with the degree of manmade and natural catastrophes as much as Haiti. Despite enormous international investments, there are few indications that Haiti's government is in a position to achieve lasting development success as currently configured. Haiti receives PEPFAR funding and is a Feed the Future country.

Gross National Income per capita 2010	\$650
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	158
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	175
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	174
Population living under \$2/day	7,681,938
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	94.79
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	97.13
Net ODA received per capita (current US\$ 2009)	\$113.59
FDI, net inflows (BoP, current USD millions, 2007-11)	\$150.00

Mexico

FY11 actual: \$46,455,000
FY12 estimated: \$67,610,000
FY13 requested: \$58,000,000

Mexico now ranks 57 on the Human Development Index, with a per capita income of more than \$9,330 that would typically push it out of the normal development assistance range. But we will not be winding down this program soon since Mexico borders the United States to the south and is struggling with complex challenges with governance and crime.

Gross National Income per capita 2010	\$9,330
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	57
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	100
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	53
Population living under \$2/day	5,730,634
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	66.35
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	38.28
Net ODA received per capita (current US\$ 2009)	\$1.66
FDI, net inflows (BoP, current USD millions, 2007-11)	\$18,679.27

Graduation in one to five years countries

The following countries in the Western Hemisphere are well-positioned to graduate from U.S. assistance in the near term and midterm based on need and capacity. In some cases this would mean a relatively rapid cessation of U.S. economic support. In others a transition would be more gradual as the relationship moves from one largely based on aid to one of trade and other areas of cooperation.

Barbados and Eastern Caribbean

FY11 actual: \$31,531,000

FY12 estimated: \$33,440,000

FY13 requested: \$34,400,000

In addition to Barbados, the Eastern Caribbean includes the six independent countries of the Organization of Eastern Caribbean States: Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines. By and large these countries have high incomes, good Human Development Index scores, and high institutional capacity. Graduation is appropriate, and this group of countries is included in our recommendation of upper-middle-income countries that should see accelerated burden-sharing for the PEPFAR program. (The data below are for Barbados.)

Gross National Income per capita 2010	N/A
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	47
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	16
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	N/A
Population living under \$2/day	N/A
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	17.06
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	11.00
Net ODA received per capita (current US\$ 2009)	\$44.77
FDI, net inflows (BoP, current USD millions, 2007-11)	\$80.00

Brazil

FY11 actual: \$21,290,000

FY12 estimated: \$13,300,000

FY13 requested: \$3,300,000

Brazil has achieved the rank of international aid donor, produced remarkable economic growth over the last decade, and has a per capita income of \$9,390. Its relationship with the United States should almost immediately shift to one of trilateral partnership rather than aid recipient.

Gross National Income per capita 2010	\$9,390
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	84
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	73
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	126
Population living under \$2/day	21,663,174
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	44.55
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	43.06
Net ODA received per capita (current US\$ 2009)	\$1.75
FDI, net inflows (BoP, current USD millions, 2007-11)	\$48,437.73

Colombia

FY11 actual: \$184,426,000
FY12 estimated: \$179,000,000
FY13 requested: \$155,000,000

The United States continues to pump large amounts of counternarcotics assistance into Colombia. Other U.S. aid flowing into the country is directed toward alternative development efforts, and the Colombian government should be able to pick up most of these efforts over time. The efficacy of many years of Colombian aid is often hotly debated. The country now ranks 87 on the Human Development Index with a per capita income of \$5,510. It is likely to graduate from economic assistance in five years, with security assistance continuing after that.

Gross National Income per capita 2010	\$5,510
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	87
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	80
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	42
Population living under \$2/day	9,398,088
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	54.98
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	39.23
Net ODA received per capita (current US\$ 2009)	\$23.22
FDI, net inflows (BoP, current USD millions, 2007-11)	\$6,746.51

Small or expensive-to-operate country programs

The following countries in the Western Hemisphere currently have programs, projects, and/or a USAID mission that are not necessarily cost effective or are unlikely to produce genuinely catalytic change because they operate on a relatively small scale. Some countries on this list could have their aid limited. Others should see it managed by a regional mission with a *de minimus* country presence. Appearance on this list is not commentary on the country's willingness to reform.

Belize

FY11 actual: \$20,000

FY12 estimated: \$0

FY13 requested: \$0

Assistance to Belize in 2011 likely cost more to administer than was actually delivered, and we support this funding staying zero in 2013.

Gross National Income per capita 2010	\$3,740
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	93
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	N/A
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	93
Population living under \$2/day	76,736
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	56.40
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	60.29
Net ODA received per capita (current US\$ 2009)	\$83.61
FDI, net inflows (BoP, current USD millions, 2007-11)	\$96.45

Guyana

FY11 actual: \$16,525,000

FY12 estimated: \$10,525,000

FY13 requested: \$6,681,000

This USAID mission is slated for closure. Guyana is a PEPFAR country and its 2012 and 2013 allocation is exclusively for HIV/AIDS.

Gross National Income per capita 2010	\$3,270
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	117
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	134
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	114
Population living under \$2/day	124,650
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	60.66
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	49.28
Net ODA received per capita (current US\$ 2009)	\$230.38
FDI, net inflows (BoP, current USD millions, 2007-11)	\$187.55

Jamaica

FY11 actual: \$6,850,000

FY12 estimated: \$5,000,000

FY13 requested: \$5,000,000

With operating expenses at 38 percent of program costs—one of the highest of all USAID missions—it is difficult to defend the Jamaica program. Given the high cost of maintaining an in-country presence, the mission should be slated for closure.

Gross National Income per capita 2010	\$4,750
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	79
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	86
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	88
Population living under \$2/day	118,360
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	62.56
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	37.32
Net ODA received per capita (current US\$ 2009)	\$55.51
FDI, net inflows (BoP, current USD millions, 2007-11)	\$227.67

Paraguay

FY11 actual: \$5,500,000

FY12 estimated: \$2,500,000

FY13 requested: \$5,000,000

With operating expenses for the USAID mission in Paraguay at 34 percent of program costs, this mission is an obvious candidate for moving to regional management if the program is not significantly expanded.

Gross National Income per capita 2010	\$2,940
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	107
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	154
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	102
Population living under \$2/day	841,673
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	80.57
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	82.30
Net ODA received per capita (current US\$ 2009)	\$23.38
FDI, net inflows (BoP, current USD millions, 2007-11)	\$426.70

Poor performance countries

The following countries in the Western Hemisphere do not strike us as good development partners based on available evidence, and in this era of limited resources, U.S. economic assistance dollars could be better spent elsewhere. Only humanitarian aid, assistance to democratic and civil society groups, and PEPFAR funding should be allowed in such settings.

Nicaragua

FY11 actual: \$23,188,000

FY12 estimated: \$11,800,000

FY13 requested: \$12,000,000

Nicaragua entered a \$175 million Millennium Challenge Corporation compact in 2006. In June 2009, portions of the compact were terminated after credible accusations of fraud in the 2008 municipal elections. In 2011 the MCC announced the compact's completion, having implemented the portions not affected by the partial termination. Nicaragua is not the worst partner on the "poor performance countries" list, but it has not traditionally been the strongest ally, either. Operating expenses for the USAID mission are 30.8 percent of program costs. Nicaragua is also a Feed the Future country.

Gross National Income per capita 2010	\$1,080
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	129
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	134
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	118
Population living under \$2/day	1,455,684
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	75.83
WGI Government Effectiveness Percentile Rank (Range: 1-100, 1=most effective)	84.21
Net ODA received per capita (current US\$ 2009)	\$135.55
FDI, net inflows (BoP, current USD millions, 2007-11)	\$508.00

Venezuela

FY11 actual: \$5,000,000

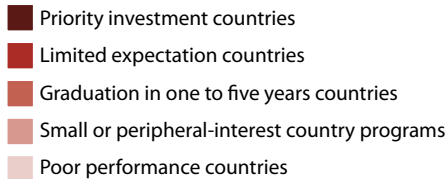
FY12 estimated: \$5,000,000

FY13 requested: \$3,000,000

Assistance to Venezuela should be limited to support for democratic opposition or humanitarian assistance based on the poor state of bilateral relations.

Gross National Income per capita 2010	\$11,590
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	73
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	172
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	177
Population living under \$2/day	2,604,008
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	98.58
WGI Government Effectiveness Percentile Rank (Range: 0-100, 0=most effective)	85.17
Net ODA received per capita (current US\$ 2009)	\$2.35
FDI, net inflows (BoP, current USD millions, 2007-11)	-\$1,404.00

Africa



Focusing security assistance by region: Africa

African countries are not large recipients of U.S. security assistance even though the region's security relations with the United States continue to grow. Taking into consideration strategic importance and governance factors, we recommend a number of countries for continued or even increased assistance, such as Ghana, Kenya, and Liberia. Others that currently receive aid do not strike us as good investments, such as Angola, Guinea-Bissau, and Sudan. There are also many small programs, some as low as \$90,000, which need to be re-evaluated for their effectiveness.

Priority investment countries

The following countries in Africa should be given the highest priority for security assistance based on our subjective but data-informed analysis, which takes into consideration their relative strategic importance, commitment to reform, capacity to achieve lasting stability, and need. Fundamental to our approach is an understanding that we need to approach security assistance within a broader framework of effective governance, and a belief that in times of limited resources it is better to concentrate efforts where they are most likely to be effective and bring enduring returns. In a limited number of cases, we argue for priority investment based on immediate conflict prevention efforts or to ensure that a country that has enjoyed significant previous postconflict investments does not slide backward.

Benin

FY11 actual: \$236,000
FY12 estimated: \$230,000
FY13 requested: \$210,000

This security investment should be maintained or expanded given the depth of our economic assistance and Benin’s general suitability as a partner. U.S.-Benin relations are solid, and Benin’s military, though small, would benefit from further professionalization.

Gross National Income per capita 2010	\$750
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	167
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	100
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	175
Population living under \$2/day	6,129,552
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	72.04
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	64.59
FDI, net inflows (BoP, current USD millions, 2007-11))	\$110.93
Military Expenditure (% of GDP)	N/A

Botswana

FY11 actual: \$1,024,000
FY12 estimated: \$855,000
FY13 requested: \$775,000

Botswana is a good strategic partner and has generally played a very positive role in regional diplomacy. The country’s military, the Botswana Defence Force, has also become more involved in peacekeeping and is a positive role model.

Gross National Income per capita 2010	\$6,890
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	118
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	32
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	54
Population living under \$2/day	510,900
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	32.23
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	32.54
FDI, net inflows (BoP, current USD millions, 2007-11))	\$529.28
Military Expenditure (% of GDP)	2.67

Burkina Faso

FY11 actual: \$246,000

FY12 estimated: \$225,000

FY13 requested: \$200,000

This support should be maintained given the large U.S. investments on the economic assistance side, particularly through the Millennium Challenge Corporation. Burkina Faso is a country where it is particularly crucial for diplomacy, development, and military engagement to work in concert. The military mutiny against President Blaise Compaore in 2011 led Compaore to dismiss his military chiefs. All forms of U.S. assistance should focus on strengthening and reforming key national institutions to address the significant concerns the mutiny exposed.

Gross National Income per capita 2010	\$550
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	181
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	100
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	150
Population living under \$2/day	11,335,808
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	51.66
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	66.99
FDI, net inflows (BoP, current USD millions, 2007-11))	\$37.13
Military Expenditure (% of GDP)	1.50

Cote d'Ivoire

FY11 actual: \$89,000

FY12 estimated: \$0

FY13 requested: \$2,400,000

Cote d'Ivoire will face enormous security issues as it tries to emerge from its recent internal conflict. U.S. security assistance and support would be helpful. The 2012 funding level was before the change in government. Since that time former President Laurent Gbagbo was handed over to the International Criminal Court, and legislative elections took place in a calm and generally free atmosphere. President Alassane Ouattara has moved to overhaul the country's vital cocoa industry and the country has made progress in the last year. As such, a modest increase from the request is warranted.

Gross National Income per capita 2010	\$1,070
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	170
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	154
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	167
Population living under \$2/day	8,794,269
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	90.52
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	92.82
FDI, net inflows (BoP, current USD millions, 2007-11))	\$417.93
Military Expenditure (% of GDP)	N/A

Ghana

FY11 actual: \$1,774,000
FY12 estimated: \$1,115,000
FY13 requested: \$1,150,000

Ghana has one of the smallest ratios of armed service members to general population in the world, and relative domestic stability has allowed it to contribute a high percentage of its troops to international peacekeeping efforts. Ghana’s military is also one of the most professional in West Africa, and continued U.S. engagement here is productive and matches well with the significant investment on the economic assistance side.

Gross National Income per capita 2010	\$1,240
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	135
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	69
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	63
Population living under \$2/day	10,846,138
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	45.97
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	44.50
FDI, net inflows (BoP, current USD millions, 2007-11))	\$2,527.35
Military Expenditure (% of GDP)	0.39

Kenya

FY11 actual: \$11,927,000
FY12 estimated: \$13,290,000
FY13 requested: \$9,796,000

The United States has increasingly relied on Kenya as an important regional security presence and supported Kenya’s recent military incursion into Somalia. But the Kenyan police have largely avoided accountability for their role in post-2007 election violence, and the country’s unwillingness to address or investigate related issues in the run-up to the 2013 election is deeply troubling.

Gross National Income per capita 2010	\$780
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	143
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	154
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	109
Population living under \$2/day	24,814,392
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	83.41
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	64.11
FDI, net inflows (BoP, current USD millions, 2007-11))	\$185.79
Military Expenditure (% of GDP)	1.87

Liberia

FY11 actual: \$28,695,000

FY12 estimated: \$28,990,000

FY13 requested: \$24,612,000

Liberia continues to face enormous challenges as it tries to develop a professional military and effectively demobilize the dueling militias and other quasi-military groups that defined the country under former President Charles Taylor. Its security-sector reform has not been without its difficulties and setbacks, but given the military's stabilizing role during earlier eras of internal conflict, continued engagement seems a sensible investment in general crisis prevention.

Gross National Income per capita 2010	\$190
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	182
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	91
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	151
Population living under \$2/day	3,463,824
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	82.94
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	91.87
FDI, net inflows (BoP, current USD millions, 2007-11))	\$452.87
Military Expenditure (% of GDP)	N/A

Mali

FY11 actual: \$597,000

FY12 estimated: \$550,000

FY13 requested: \$350,000

Mali faces growing internal security threats from a northern insurgency fueled by weapons looted from Libya during that country's recent civil conflict. U.S. assistance could be vital as the country tries to deal with the insurgency, and broader conflict in Mali would add even more instability to the region. At the time of publication, elements of the Malian military had seized power in an attempted coup. The future governance landscape remains to be seen and the lack of a democratically elected president would affect our proposed funding levels.

Gross National Income per capita 2010	\$600
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	175
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	118
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	146
Population living under \$2/day	11,252,772
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	59.72
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	80.86
FDI, net inflows (BoP, current USD millions, 2007-11))	\$147.64
Military Expenditure (% of GDP)	1.90

Nigeria

FY11 actual: \$3,475,000

FY12 estimated: \$1,870,000

FY13 requested: \$1,750,000

Nigeria remains one of the most capable and largest forces on the continent, and is traditionally an important player in regional security. By the same token, it has widespread issues with governance, corruption, and human rights abuses. The idea of a failed Nigerian state is every African expert's worst nightmare. Continued engagement is probably wise, but few would point to U.S. assistance to Nigeria—on either the security or development fronts—as a particular success.

Gross National Income per capita 2010	\$1,180
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	156
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	143
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	133
Population living under \$2/day	126,592,934
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	89.10
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	89.47
FDI, net inflows (BoP, current USD millions, 2007-11))	\$6,048.56
Military Expenditure (% of GDP)	1.00

Senegal

FY11 actual: \$1,425,000

FY12 estimated: \$1,175,000

FY13 requested: \$1,075,000

As noted, President Macky Sall was sworn into office in April 2012 after prevailing in a run-off contest against former President Abdoulaye Wade. Wade's willingness to step aside helped avert a major potential crisis in Senegal, which could have spilled over into the region. Senegal deserves a measure of reward for successfully navigating this transition.

Gross National Income per capita 2010	\$1,050
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	155
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	112
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	154
Population living under \$2/day	5,918,580
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	58.29
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	62.68
FDI, net inflows (BoP, current USD millions, 2007-11))	\$237.19
Military Expenditure (% of GDP)	1.55

South Africa

FY11 actual: \$4,918,000

FY12 estimated: \$5,565,000

FY13 requested: \$3,750,000

South Africa is a vital strategic partner even though its diplomatic approach to issues such as Libya and Zimbabwe often frustrates U.S. diplomats. U.S.-South African military ties remain strong, but given South Africa's ability to invest more than \$5 billion to host the World Cup in 2010, the scope of U.S. military assistance and training should decline to a degree over the midterm.

Gross National Income per capita 2010	\$6,100
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	123
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	64
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	35
Population living under \$2/day	15,173,690
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	42.18
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	34.93
FDI, net inflows (BoP, current USD millions, 2007-11))	\$1,565.44
Military Expenditure (% of GDP)	1.24

South Sudan

FY11 actual: \$70,433,000

FY12 estimated: \$93,600,000

FY13 requested: \$70,489,000

South Sudan is trying to build a modern state from a very bare base. With conflict with the North a persistent possibility, a prevalence of unwieldy militia, and a number of security-sector reforms urgently needed, U.S. security assistance must be a cornerstone of coordinated international efforts to stabilize the situation. It is essential that security assistance be delivered so that it reinforces civilian command of the security services.

Gross National Income per capita 2010	N/A
Freedom status 2011	N/A
Human Development Index 2011 (Range: 1-187, 1=most developed)	N/A
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	N/A
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	N/A
Population living under \$2/day	N/A
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	N/A
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	N/A
FDI, net inflows (BoP, current USD millions, 2007-11))	N/A
Military Expenditure (% of GDP)	N/A

Tanzania

FY11 actual: \$1,105,000

FY12 estimated: \$1,040,000

FY13 requested: \$1,225,000

The United States and Tanzania enjoy a strong partnership, and the Tanzania People's Defence Force has a generally positive reputation though it requires significant modernization. Significant U.S. engagement on both the economic and security sides seems well-justified by conditions on the ground, and the request for both security and economic assistance is up from 2012.

Gross National Income per capita 2010	\$530
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	152
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	100
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	127
Population living under \$2/day	36,910,164
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	63.51
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	62.20
FDI, net inflows (BoP, current USD millions, 2007-11))	\$433.44
Military Expenditure (% of GDP)	N/A

Uganda

FY11 actual: \$1,143,000

FY12 estimated: \$1,400,000

FY13 requested: \$1,331,000

The U.S. military is closely engaged with the Uganda People's Defence Force in the hunt for Joseph Kony and the Lord's Resistance Army. Uganda has also played an important though sometimes controversial role in regional security. Continued assistance should be predicated on fully democratic behavior by President Yoweri Museveni.

Gross National Income per capita 2010	\$490
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	161
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	143
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	123
Population living under \$2/day	22,110,370
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	57.82
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	65.55
FDI, net inflows (BoP, current USD millions, 2007-11))	\$817.18
Military Expenditure (% of GDP)	1.69

Zambia

FY11 actual: \$422,000

FY12 estimated: \$335,000

FY13 requested: \$300,000

The United States should continue a modest investment of security assistance in a country with a reasonably reform-minded track record.

Gross National Income per capita 2010	\$1,070
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	164
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	91
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	84
Population living under \$2/day	10,022,848
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	61.61
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	76.56
FDI, net inflows (BoP, current USD millions, 2007-11))	\$1,041.40
Military Expenditure (% of GDP)	1.71

Limited expectation countries

The following countries in Africa will likely continue to receive significant security assistance largely based on short-term imperatives, but our analysis suggests there are a number of red flags with the performance of these governments.

Burundi

FY11 actual: \$352,000

FY12 estimated: \$325,000

FY13 requested: \$275,000

This country has very real corruption challenges and the risk of a return to violence. Ceasing U.S. security assistance would seem unwise given the country's lingering political fragility and progress on its long peace process, but the impact of assistance may not be genuinely catalytic.

Gross National Income per capita 2010	\$160
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	185
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	172
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	169
Population living under \$2/day	7,396,904
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	90.05
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	87.08
FDI, net inflows (BoP, current USD millions, 2007-11))	\$0.78
Military Expenditure (% of GDP)	N/A

Democratic Republic of the Congo

FY11 actual: \$29,320,000

FY12 estimated: \$26,450,000

FY13 requested: \$21,350,000

The international community, including the United States, has made enormous investments in Congo as that country tries to emerge from being a near-failed state. Abandoning the transition and the enormous need on the ground would be difficult to justify, but aid efforts need to be accompanied by realistic expectations and clear benchmarking by the international community to ensure greater progress. The same holds true with security assistance in a country where the military continues to have considerable impunity issues and has been involved in numerous abuses. Congo is also ranked “not free” by Freedom House.

Gross National Income per capita 2010	\$180
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	187
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	168
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	178
Population living under \$2/day	59,002,915
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	97.63
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	98.56
FDI, net inflows (BoP, current USD millions, 2007-11))	\$2,939.30
Military Expenditure (% of GDP)	1.40

Djibouti

FY11 actual: \$2,368,000
FY12 estimated: \$1,835,000
FY13 requested: \$1,315,000

Djibouti, which is ranked “not free” by Freedom House, hosts the only U.S. military base on the continent. The U.S. military base lease and associated fees are a source of important income to the country’s military and political leadership. A key strategic partner, expectations for the government to support meaningful economic reforms remain low, and security assistance should be delivered in a way that lessens the military’s role in the state.

Gross National Income per capita 2010	\$1,280
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	165
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	100
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	170
Population living under \$2/day	290,078
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	71.09
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	84.69
FDI, net inflows (BoP, current USD millions, 2007-11))	\$26.80
Military Expenditure (% of GDP)	N/A

Ethiopia

FY11 actual: \$650,000
FY12 estimated: \$1,418,000
FY13 requested: \$500,000

Ethiopia has been an important security partner for the United States and currently hosts a U.S. drone base on its soil. In addition, Ethiopia is deeply involved in the often-flawed peacekeeping efforts in Somalia. But the government is often repressive, and while the Ethiopian military is more disciplined than most others on the continent, it continues to have some authoritarian and undisciplined tendencies. Ethiopia is also ranked “not free” by Freedom House.

Gross National Income per capita 2010	\$380
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	174
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	120
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	111
Population living under \$2/day	42,553,420
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	72.51
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	57.42
FDI, net inflows (BoP, current USD millions, 2007-11))	\$184.00
Military Expenditure (% of GDP)	1.12

Gabon

FY11 actual: \$448,000

FY12 estimated: \$200,000

FY13 requested: \$170,000

Even though Gabon is ranked “not free” by Freedom House, its military is reasonably professional and the country instituted some overdue reforms to deal with corruption. The jury is out on whether the reforms have forward momentum.

Gross National Income per capita 2010	\$7,760
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	106
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	100
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	156
Population living under \$2/day	196,040
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	64.45
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	79.90
FDI, net inflows (BoP, current USD millions, 2007-11))	\$170.39
Military Expenditure (% of GDP)	0.95

Guinea

FY11 actual: \$548,000

FY12 estimated: \$100,000

FY13 requested: \$400,000

Guinea recently took some welcome steps forward in dealing with perpetrators of violence against democracy protesters. The country’s transition remains fragile and uncertain.

Gross National Income per capita 2010	\$380
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	178
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	164
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	179
Population living under \$2/day	6,561,984
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	97.16
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	88.52
FDI, net inflows (BoP, current USD millions, 2007-11))	\$101.35
Military Expenditure (% of GDP)	N/A

Mauritania

FY11 actual: \$384,000

FY12 estimated: \$350,000

FY13 requested: \$150,000

Mauritania and the United States have cooperated on a range of antiterror and other issues, but the country continues to be ranked “not free” by Freedom House and there are a range of issues concerning its governance.

Gross National Income per capita 2010	\$1,060
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	159
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	143
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	159
Population living under \$2/day	1,572,780
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	77.73
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	82.78
FDI, net inflows (BoP, current USD millions, 2007-11))	\$13.63
Military Expenditure (% of GDP)	N/A

Mozambique

FY11 actual: \$2,902,000

FY12 estimated: \$2,885,000

FY13 requested: \$2,395,000

The United States is the largest bilateral donor to Mozambique, and relations between both countries are generally on solid footing. On the security side, China has also become a more active donor to the Armed Forces for the Defense of Mozambique. Mozambique has contributed to international peacekeeping and has taken part in a number of regional military exercises. That said, the country has tremendous work to do on corruption and the rule of law, and our continued assistance should be contingent on progress in these areas.

Gross National Income per capita 2010	\$440
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	184
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	120
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	139
Population living under \$2/day	18,254,775
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	63.03
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	61.24
FDI, net inflows (BoP, current USD millions, 2007-11))	\$788.85
Military Expenditure (% of GDP)	N/A

Niger

FY11 actual: \$66,000

FY12 estimated: \$0

FY13 requested: \$115,000

The United States stopped all nonhumanitarian funding to Niger in 2009 as a result of its eroding democracy, though aid levels crept back up as it made progress toward restoring democracy. The funding level is relatively small but warranted in this case in that it may serve as an impetus for further reform.

Gross National Income per capita 2010	\$360
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	186
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	134
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	173
Population living under \$2/day	10,866,400
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	66.82
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	72.25
FDI, net inflows (BoP, current USD millions, 2007-11))	\$946.87
Military Expenditure (% of GDP)	0.85

Rwanda

FY11 actual: \$859,000

FY12 estimated: \$700,000

FY13 requested: \$700,000

As noted previously, Rwanda is a difficult call. It has a very professional military in many respects, but the government has combined a record of economic reform and innovation with a consistent undercurrent of repression and intimidation. Rwanda is ranked “not free” by Freedom House, and both economic and security assistance should make clear that political liberalization must eventually accompany economic liberalization.

Gross National Income per capita 2010	\$540
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	166
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	49
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	45
Population living under \$2/day	8,474,000
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	54.03
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	45.93
FDI, net inflows (BoP, current USD millions, 2007-11))	\$42.33
Military Expenditure (% of GDP)	1.37

Sierra Leone

FY11 actual: \$394,000
FY12 estimated: \$375,000
FY13 requested: \$350,000

Sierra Leone faces persistent challenges as it tries to emerge from a bloody civil war, making this training and assistance well-warranted especially given the international community’s enormous investment in reconstruction and peacekeeping over the last decade.

Gross National Income per capita 2010	\$340
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	180
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	134
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	141
Population living under \$2/day	3,888,291
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	81.99
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	89.00
FDI, net inflows (BoP, current USD millions, 2007-11))	\$86.59
Military Expenditure (% of GDP)	N/A

Somalia

FY11 actual: \$77,300,000
FY12 estimated: \$146,818,000
FY13 requested: \$54,600,000

Most of this funding is directed toward peacekeeping operations rather than the notably corrupt Transitional Federal Government, whose record is abysmal on virtually every front. Yet U.S. policymakers seem intent on looking past the TFG’s multiple failings as Somalia continues to battle the extremists of al-Shabaab. But unless security assistance is predicated on far-improved performance from the TFG, even the defeat of al-Shabaab will not bring lasting stability to the country.

Gross National Income per capita 2010	N/A
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	N/A
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	182
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	N/A
Population living under \$2/day	N/A
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	100.00
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	100.00
FDI, net inflows (BoP, current USD millions, 2007-11))	\$112.00
Military Expenditure (% of GDP)	N/A

Graduation in one to five years countries

The following African countries are well-positioned to graduate from U.S. security assistance in the near to midterm based on need and capacity. In many cases these countries are sufficiently wealthy to cover many of the security costs currently funded with U.S. assistance. Many of these countries receive small amounts of International Military and Education Training funding for training military officers at U.S. facilities. IMET is also often extended to countries to entitle them to reduced military training expenses. As we discuss elsewhere, IMET should not be given for this purpose and the law that ties IMET status to better prices needs to be changed.

Mauritius

FY11 actual: \$155,000

FY12 estimated: \$120,000

FY13 requested: \$90,000

This token program is not a high priority in a country with only 1.2 million people.

Gross National Income per capita 2010	\$7,740
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	77
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	46
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	23
Population living under \$2/day	N/A
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	25.12
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	24.40
FDI, net inflows (BoP, current USD millions, 2007-11))	\$431.05
Military Expenditure (% of GDP)	N/A

Namibia

FY11 actual: \$204,000

FY12 estimated: \$125,000

FY13 requested: \$100,000

This small program is well-poised for graduation. The country enjoys a healthy per capita income and is well-poised to benefit from expanded regional trade. The Namibian military is fairly small and consumes a relatively modest portion of national budgets. The military has participated in U.N. peacekeeping efforts, including in Liberia.

Gross National Income per capita 2010	\$4,650
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	120
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	57
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	78
Population living under \$2/day	943,360
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	38.39
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	40.67
FDI, net inflows (BoP, current USD millions, 2007-11))	\$857.64
Military Expenditure (% of GDP)	3.26

Small or peripheral-interest country programs

The following countries in Africa have small security assistance programs. While countries in this category would not produce major savings, they are also unlikely to produce major results, and so deserve careful consideration if overall spending levels are being curtailed. Appearance on this list is not commentary on the country's general willingness to reform or to work as a partner in the security arena.

Cape Verde

FY11 actual: \$123,000
FY12 estimated: \$120,000
FY13 requested: \$100,000

Cape Verde is slightly larger than Rhode Island with a population of about half a million people. These funds could be better applied to a more pressing strategic concern.

Gross National Income per capita 2010	\$3,160
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	133
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	41
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	119
Population living under \$2/day	128,772
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	36.02
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	46.41
FDI, net inflows (BoP, current USD millions, 2007-11))	\$111.44
Military Expenditure (% of GDP)	0.52

Central African Republic

FY11 actual: \$0
FY12 estimated: \$115,000
FY13 requested: \$100,000

Unless the \$100,000 slated in security assistance for the Central African Republic is directly related to the pursuit of the Lord's Resistance Army, there is no reason for such a small amount of funds to be continued. There are other areas for engagement, particularly since that small amount of money would have little impact on its own. Even if it is to assist with the tactical goal of pursuing the LRA, this security assistance will likely not produce lasting change beyond that goal.

Gross National Income per capita 2010	\$460
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	179
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	154
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	182
Population living under \$2/day	3,394,968
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	93.36
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	94.74
FDI, net inflows (BoP, current USD millions, 2007-11))	\$72.04
Military Expenditure (% of GDP)	2.56

Comoros

FY11 actual: \$125,000

FY12 estimated: \$100,000

FY13 requested: \$90,000

The United States has no comparative advantage in the Comoros given the country's strong military relationship with the French. There are other areas for engagement, particularly since that small amount of money would have little impact on its own.

Gross National Income per capita 2010	\$820
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	163
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	143
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	157
Population living under \$2/day	465,010
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	86.26
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	99.04
FDI, net inflows (BoP, current USD millions, 2007-11))	\$9.39
Military Expenditure (% of GDP)	N/A

The Gambia

FY11 actual: \$120,000

FY12 estimated: \$100,000

FY13 requested: \$90,000

Military assistance to The Gambia has been growing again after it was discontinued following a 1994 coup. The Gambian military does engage with a number of international peacekeeping missions, but this assistance should be phased out given the numerous political and human rights shortcomings of the current government.

Gross National Income per capita 2010	\$440
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	168
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	77
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	149
Population living under \$2/day	889,372
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	63.98
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	70.33
FDI, net inflows (BoP, current USD millions, 2007-11))	\$37.37
Military Expenditure (% of GDP)	N/A

Lesotho

FY11 actual: \$186,000
FY12 estimated: \$100,000
FY13 requested: \$90,000

IMET assistance to Lesotho is of highly limited strategic importance with South Africa essentially guaranteeing its external security. The U.S. focus in Lesotho should remain on health issues.

Gross National Income per capita 2010	\$1,080
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	160
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	77
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	143
Population living under \$2/day	1,191,948
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	53.55
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	57.89
FDI, net inflows (BoP, current USD millions, 2007-11))	\$117.05
Military Expenditure (% of GDP)	N/A

Malawi

FY11 actual: \$400,000
FY12 estimated: \$285,000
FY13 requested: \$270,000

The International Monetary Fund, the United States, and the United Kingdom have all suspended economic aid packages because of disputes over the government’s handling of the economy and a sometimes-violent crackdown on human rights groups. This small program does not make sense given the current state of Malawi’s governance.

Gross National Income per capita 2010	\$330
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	171
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	100
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	145
Population living under \$2/day	12,253,146
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	49.29
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	58.85
FDI, net inflows (BoP, current USD millions, 2007-11))	\$140.00
Military Expenditure (% of GDP)	N/A

Sao Tome and Principe

FY11 actual: \$180,000

FY12 estimated: \$100,000

FY13 requested: \$100,000

Despite Sao Tome's good standing with the United States, it is about the size of metropolitan Indianapolis with a population of 167,000. It does not strike us as an important strategic priority.

Gross National Income per capita 2010	\$1,200
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	144
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	100
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	163
Population living under \$2/day	69,936
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	70.14
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	71.29
FDI, net inflows (BoP, current USD millions, 2007-11))	\$3.00
Military Expenditure (% of GDP)	N/A

Seychelles

FY11 actual: \$94,000

FY12 estimated: \$100,000

FY13 requested: \$90,000

Seychelles is estimated to have one of the smallest populations of any African state at around 90,000 people. Given its size, Seychelles is not a strategic priority in a constrained budget environment.

Gross National Income per capita 2010	\$9,490
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	52
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	50
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	103
Population living under \$2/day	2,241
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	44.08
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	37.80
FDI, net inflows (BoP, current USD millions, 2007-11))	\$368.94
Military Expenditure (% of GDP)	0.77

Togo

FY11 actual: \$286,000
FY12 estimated: \$140,000
FY13 requested: \$120,000

Togo and the United States enjoy good relations, but again, this is a country that does not strike us as a strategic priority given its relatively small size and regional influence.

Gross National Income per capita 2010	\$440
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	162
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	143
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	162
Population living under \$2/day	3,996,292
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	81.04
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	94.26
FDI, net inflows (BoP, current USD millions, 2007-11))	\$41.06
Military Expenditure (% of GDP)	N/A

Poor performance countries

The following countries in Africa do not strike us as good partners based on available evidence, often because of the host country's treatment of its own citizens. While some will argue that continued security aid to these countries is merited due to strategic considerations, such aid may in some cases reinforce the power of entrenched elites and slow broader progress toward these societies becoming freer and more developed. It is vital that security assistance be considered within the broad institutional performance of a recipient country as a whole.

Angola

FY11 actual: \$7,918,000

FY12 estimated: \$7,865,000

FY13 requested: \$6,280,000

The U.S. government pledged almost \$8 million in FY 2012 for security assistance to Angola despite the State Department's own admission in its annual human rights report that: "Corruption and impunity remained serious problems in Angola."⁶ In general, unlawful killings by police and military forces continue to be a problem. This funding should be cut. In addition, Angola is ranked "not free" by Freedom House.

Gross National Income per capita 2010	\$3,960
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	148
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	168
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	172
Population living under \$2/day	12,922,052
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	91.00
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	87.56
FDI, net inflows (BoP, current USD millions, 2007-11))	-\$3,227.21
Military Expenditure (% of GDP)	4.39

Cameroon

FY11 actual: \$285,000

FY12 estimated: \$270,000

FY13 requested: \$250,000

Also ranked "not free" by Freedom House, Cameroon continues to struggle with high levels of corruption and government abuses. This does not seem like the best investment of U.S. tax dollars.

Gross National Income per capita 2010	\$1,160
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	150
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	134
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	161
Population living under \$2/day	5,626,124
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	84.83
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	81.34
FDI, net inflows (BoP, current USD millions, 2007-11))	-\$0.55
Military Expenditure (% of GDP)	1.57

Chad

FY11 actual: \$790,000

FY12 estimated: \$540,000

FY13 requested: \$300,000

All Foreign Military Financing and IMET assistance should be withheld until significant changes come to the country. Based on the State Department's own 2010 findings, "extrajudicial killings, including politically motivated killings; criminal kidnappings of children for ransom; torture, beatings, and rape by security forces" remain regular occurrences. Further, the same report notes that police are corrupt and involved in banditry, arms proliferation, and extortion.³ Security force impunity is widespread and the country is ranked "not free" by Freedom House.

Gross National Income per capita 2010	\$600
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	183
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	168
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	183
Population living under \$2/day	7,557,240
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	96.21
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	95.69
FDI, net inflows (BoP, current USD millions, 2007-11))	\$781.37
Military Expenditure (% of GDP)	2.98

Guinea-Bissau

FY11 actual: \$10,000

FY12 estimated: \$65,000

FY13 requested: \$250,000

The amount of assistance dedicated to Guinea-Bissau is negligible and the program will not make any difference on its own, especially given the 2010 coup attempt and the suspension of related funds. The European Union halted security assistance to Guinea-Bissau given the military's clear disregard for the constitution and rule of law, and the United States should do the same.

Gross National Income per capita 2010	\$540
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	176
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	154
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	176
Population living under \$2/day	1,120,125
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	94.31
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	86.60
FDI, net inflows (BoP, current USD millions, 2007-11))	\$8.85
Military Expenditure (% of GDP)	N/A

Republic of Congo

FY11 actual: \$123,000
FY12 estimated: \$110,000
FY13 requested: \$90,000

Congo is not reform-minded enough for us to justify spending scarce security assistance dollars to maintain our relationship.

Gross National Income per capita 2010	\$2,310
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	137
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	154
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	181
Population living under \$2/day	2,834,304
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	87.68
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	91.39
FDI, net inflows (BoP, current USD millions, 2007-11))	\$2,939.30
Military Expenditure (% of GDP)	1.11

Sudan

FY11 actual: \$3,100,000
FY12 estimated: \$1,100,000
FY13 requested: \$3,000,000

We should cease our security assistance to a country ruled by a wanted genocide suspect.

Gross National Income per capita 2010	\$1,270
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	169
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	177
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	135
Population living under \$2/day	18,622,432
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	93.84
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	93.30
FDI, net inflows (BoP, current USD millions, 2007-11))	\$2,894.38
Military Expenditure (% of GDP)	N/A

Swaziland

FY11 actual: \$199,000

FY12 estimated: \$100,000

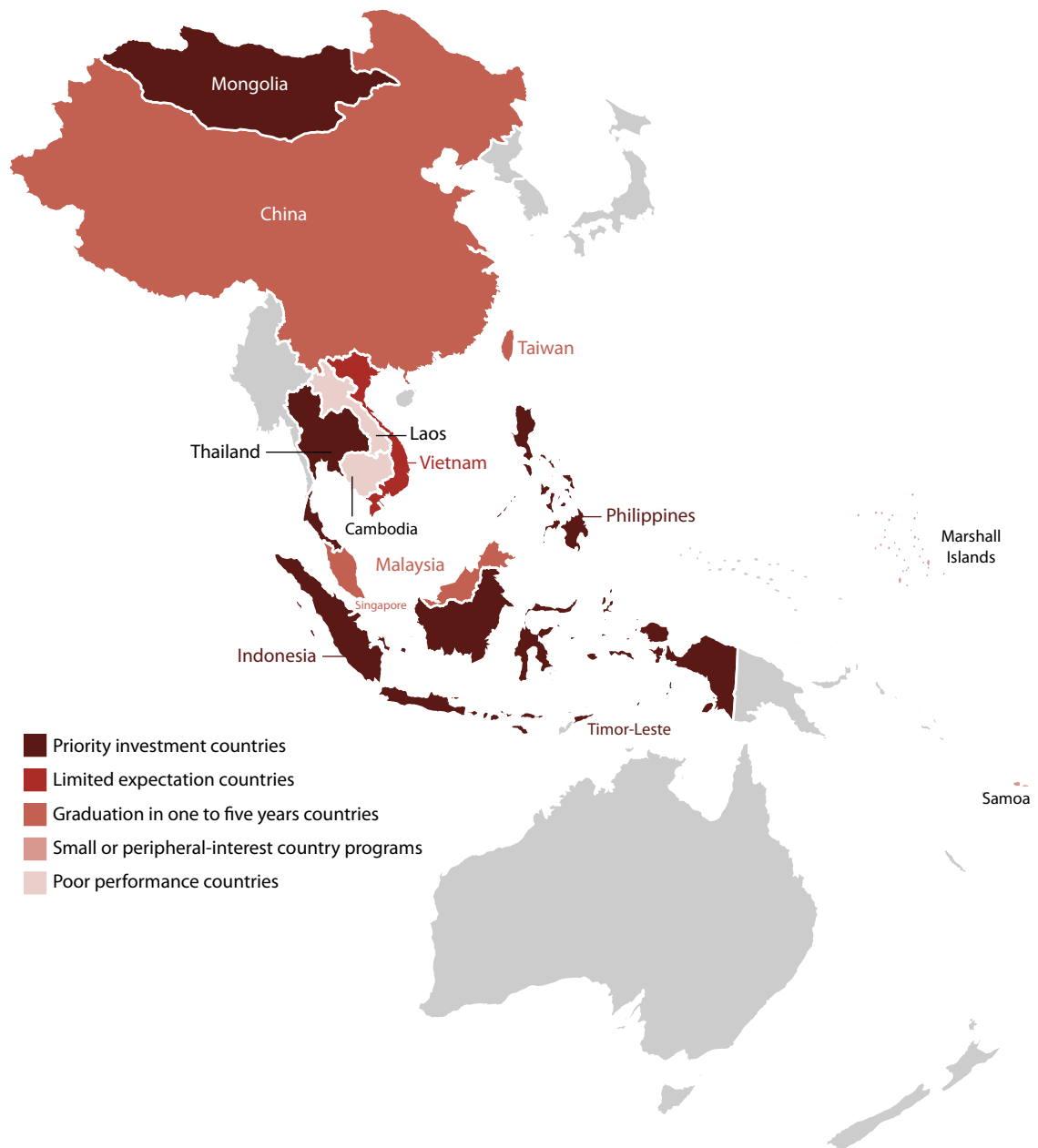
FY13 requested: \$90,000

Security assistance to Swaziland is indefensible given the state’s autocracy.

Gross National Income per capita 2010	\$2,600
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	140
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	95
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	124
Population living under \$2/day	765,440
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	62.09
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	63.64
FDI, net inflows (BoP, current USD millions, 2007-11))	\$92.72
Military Expenditure (% of GDP)	3.35

FOCUSING SECURITY ASSISTANCE BY REGION:

East Asia and the Pacific



Focusing security assistance by region: East Asia and the Pacific

With the renewed U.S. focus on the Pacific, we identify five countries as priority investments, including Thailand and the Philippines. Others, like Cambodia and Laos, should be scaled back and a number of very small programs, like the Marshall Islands and Samoa, need to be re-evaluated and closed.

Priority investment countries

The following countries in East Asia and the Pacific should be given the highest priority for security assistance based on our subjective but data-informed analysis, which takes into consideration their relative strategic importance, commitment to reform, capacity to achieve lasting stability, and need. Fundamental to our approach is an understanding that we need to approach security assistance within a broader framework of effective governance, and a belief that in times of limited resources, it is better to concentrate efforts where they are most likely to be effective and bring enduring returns. In a limited number of cases, we argue for priority investment based on immediate conflict prevention efforts or to ensure that a country that has enjoyed significant previous postconflict investments does not slide backward.

Indonesia

FY11 actual: \$39,291,000

FY12 estimated: \$34,000,000

FY13 requested: \$31,276,000

Indonesia remains a key strategic partner in the region and should remain a priority investment. Indonesia and the United States cooperate on a range of counterterrorism and other issues. U.S. support for strengthened human rights training and norms within the Indonesian military continue to be important. Our security assistance has come under repeated congressional scrutiny during earlier periods for a failure to fully meet these norms.

Gross National Income per capita 2010	\$2,580
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	124
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	100
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	129
Population living under \$2/day	127,724,256
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	68.72
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	52.15
FDI, net inflows (BoP, current USD millions, 2007-11))	\$13,303.65
Military Expenditure (% of GDP)	1.02

Mongolia

FY11 actual: \$4,243,000

FY12 estimated: \$4,125,000

FY13 requested: \$4,000,000

Mongolia, though sparsely populated, has made important economic and political reforms, and its armed forces have participated in a growing number of international peacekeeping efforts. As on the economic assistance side, Mongolia should be able to graduate from security assistance in the next 5 to 10 years.

Gross National Income per capita 2010	\$1,890
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	110
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	120
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	86
Population living under \$2/day	N/A
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	58.77
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	67.94
FDI, net inflows (BoP, current USD millions, 2007-11))	\$1,454.69
Military Expenditure (% of GDP)	0.88

Philippines

FY11 actual: \$25,531,000

FY12 estimated: \$28,380,000

FY13 requested: \$26,750,000

One of the four initial countries selected for the Partnership for Growth program, the Philippines has long been an important strategic partner. The military-to-military relation improved when the United States discontinued its military bases in the country. The United States and Philippines engage in annual bilateral military exercises, and the United States has been supportive of the government's efforts to combat the Abu Sayyaf and Jemaah Islamiyah extremist groups. This IMET program is the largest in the Pacific and the third largest in the world.

Gross National Income per capita 2010	\$2,050
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	112
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	129
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	136
Population living under \$2/day	38,042,723
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	65.40
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	48.33
FDI, net inflows (BoP, current USD millions, 2007-11))	\$1,713.00
Military Expenditure (% of GDP)	0.81

Thailand

FY11 actual: \$6,417,000

FY12 estimated: \$5,503,000

FY13 requested: \$4,889,000

Thailand experienced its share of political turbulence in recent years, but it continues to be an important strategic ally. Since the 1950s more Thai personnel have gone through IMET training than any other country in the world. Both countries engage in regular joint military exercises.

Gross National Income per capita 2010	\$4,210
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	103
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	80
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	17
Population living under \$2/day	3,386,192
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	50.24
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	41.63
FDI, net inflows (BoP, current USD millions, 2007-11))	\$6,306.25
Military Expenditure (% of GDP)	1.52

Timor-Leste

FY11 actual: \$957,000
FY12 estimated: \$960,000
FY13 requested: \$960,000

As Timor-Leste stabilizes after independence, further assistance is warranted to reform its security sector as an important companion effort to relief, reconstruction, and development efforts.

Gross National Income per capita 2010	\$1,280
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	147
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	143
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	168
Population living under \$2/day	762,264
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	89.57
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	89.95
FDI, net inflows (BoP, current USD millions, 2007-11))	\$279.65
Military Expenditure (% of GDP)	2.84

Limited expectation countries

The following countries in East Asia and the Pacific will likely continue to receive significant security assistance largely based on short-term imperatives, but our analysis suggests there are a number of red flags with the performance of these governments.

Vietnam

FY11 actual: \$4,456,000
FY12 estimated: \$7,715,000
FY13 requested: \$7,300,000

Normalization of relations was useful, but U.S. security assistance to Vietnam is rapidly approaching a period when it should be curtailed or even ended. On the plus side, the United States and Vietnam inaugurated annual political-military talks in 2008, and in August 2010 the U.S. Department of Defense and Vietnam’s Ministry of Defense held their first round of annual high-level defense talks. Even so, Vietnam’s disturbing human rights record and oppression of political dissent suggest this is a security relationship that might be on the downside, not the upside.

Gross National Income per capita 2010	\$1,100
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	128
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	112
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	98
Population living under \$2/day	36,882,496
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	61.14
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	55.98
FDI, net inflows (BoP, current USD millions, 2007-11))	\$8,000.00
Military Expenditure (% of GDP)	2.24

Graduation in one to five years countries

The following countries in East Asia and the Pacific are well-positioned to graduate from U.S. security assistance in the near to midterm based on need and capacity. In many cases these countries are sufficiently wealthy and well-developed that they could simply purchase U.S. security expertise from appropriate contractors and partners.

China

FY11 actual: \$800,000

FY12 estimated: \$800,000

FY13 requested: \$800,000

As noted in the economic assistance section, China is the world's second-largest economy, enjoys 9 percent economic growth, and holds a significant amount of U.S. debt. The U.S.-China relationship should be built on collaboration at this juncture, not assistance. Graduation should be immediate.

Gross National Income per capita 2010	\$4,260
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	101
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	75
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	91
Population living under \$2/day	394,351,282
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	55.45
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	40.19
FDI, net inflows (BoP, current USD millions, 2007-11))	\$185,080.74
Military Expenditure (% of GDP)	2.01

Malaysia

FY11 actual: \$2,256,000

FY12 estimated: \$2,325,000

FY13 requested: \$3,000,000

Malaysia is rapidly approaching the point where it is best positioned to procure the security assistance it requires rather than be granted such assistance.

Gross National Income per capita 2010	\$7,900
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	61
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	60
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	18
Population living under \$2/day	528,000
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	34.60
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	17.70
FDI, net inflows (BoP, current USD millions, 2007-11))	\$9,509.27
Military Expenditure (% of GDP)	1.53

Singapore

FY11 actual: \$250,000

FY12 estimated: \$250,000

FY13 requested: \$250,000

With a per capita income of \$40,920, Singapore is ranked by the United Nations as the 26th-most-developed country in the world. It is well-positioned to purchase American security expertise where needed rather than receive bilateral assistance.

Gross National Income per capita 2010	\$40,920
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	26
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	5
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	1
Population living under \$2/day	N/A
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	6.64
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	0.00
FDI, net inflows (BoP, current USD millions, 2007-11))	\$38,638.12
Military Expenditure (% of GDP)	3.77

Small or peripheral-interest country programs

The following countries in East Asia and the Pacific currently have small security assistance programs. While countries in this category would not produce major savings, they are also unlikely to produce major results, and so deserve careful consideration if overall spending levels are being curtailed. Appearance on this list is not commentary on the country's general willingness to reform or to work as a partner in the security arena.

Marshall Islands

FY11 actual: \$45,000

FY12 estimated: \$55,000

FY13 requested: \$50,000

The Marshall Islands are not highly strategic or a budget priority.

Gross National Income per capita 2010	\$2,990
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	N/A
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	N/A
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	106
Population living under \$2/day	N/A
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	52.61
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	92.34
FDI, net inflows (BoP, current USD millions, 2007-11))	\$8.66
Military Expenditure (% of GDP)	N/A

Samoa

FY11 actual: \$113,000

FY12 estimated: \$40,000

FY13 requested: \$40,000

This funding is a good gesture but not necessary in the current budget climate.

Gross National Income per capita 2010	\$2,930
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	99
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	69
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	60
Population living under \$2/day	N/A
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	32.70
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	46.89
FDI, net inflows (BoP, current USD millions, 2007-11))	\$0.73
Military Expenditure (% of GDP)	N/A

Poor performance countries

The following countries in East Asia and the Pacific do not strike us as good partners based on available evidence, often because of the host country's treatment of its own citizens. While some will argue that continued security aid to these countries is merited due to strategic considerations, such aid may in some cases reinforce the power of entrenched elites and slow broader progress toward these societies becoming freer and more developed. It is vital that security assistance be considered within the broad institutional performance of a recipient country as a whole.

Cambodia

FY11 actual: \$3,948,000

FY12 estimated: \$5,200,000

FY13 requested: \$3,960,000

The congressional ban on direct assistance to Cambodia was lifted in 2007, and normalizing relations has been an important step forward for both countries. But an objective analysis of the government's performance and commitment to reform suggests that Cambodia is not a great partner in which to be investing such significant security assistance. It is also ranked "not free" by Freedom House.

Gross National Income per capita 2010	\$760
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	139
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	164
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	138
Population living under \$2/day	7,357,768
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	87.20
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	77.51
FDI, net inflows (BoP, current USD millions, 2007-11))	\$782.60
Military Expenditure (% of GDP)	N/A

Laos

FY11 actual: \$3,100,000

FY12 estimated: \$6,200,000

FY13 requested: \$6,200,000

Substantial security assistance to a single-party state runs counter to our values and may ultimately undermine more substantial reforms in the country. Laos is also ranked "not free" by Freedom House.

Gross National Income per capita 2010	\$1,010
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	138
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	154
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	165
Population living under \$2/day	3,971,394
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	78.67
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	83.25
FDI, net inflows (BoP, current USD millions, 2007-11))	\$350.00
Military Expenditure (% of GDP)	N/A

FOCUSING SECURITY ASSISTANCE BY REGION:

Europe and Eurasia



Focusing security assistance by region: Europe and Eurasia

Countries in this region are of great strategic importance to the United States as security partners and as new and aspiring members of NATO. We recommend nine countries for priority investment. Equally, others are developed enough to no longer need the small sums the United States provides for military education and training courses. These would include 16 countries such as Greece, Poland, and Hungary.

Priority investment countries

The following countries in Europe and Eurasia should be given the highest priority for security assistance based on our subjective but data-informed analysis, which takes into consideration their relative strategic importance, commitment to reform, capacity to achieve lasting stability, and need. Fundamental to our method is an understanding that we need to approach security assistance within a broader framework of effective governance and a belief that in times of limited resources, it is better to concentrate efforts where they are most likely to be effective and bring enduring returns. In a limited number of cases, we argue for priority investment based on immediate conflict-prevention efforts or on ensuring a country that has enjoyed significant previous postconflict investments does not slide backward.

Albania

FY11 actual: \$7,706,000
FY12 estimated: \$6,650,000
FY13 requested: \$10,850,000

Albania, though well positioned to graduate from economic assistance, would still benefit from U.S. security assistance as it professionalizes its forces as a new NATO member.

Gross National Income per capita 2010	\$4,000
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	70
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	95
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	82
Population living under \$2/day	134,832
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	59.24
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	54.55
FDI, net inflows (BoP, current USD millions, 2007-11))	\$1,109.56
Military Expenditure (% of GDP)	1.61

Armenia

FY11 actual: \$4,293,000
FY12 estimated: \$4,250,000
FY13 requested: \$6,889,000

Democratic governance in Armenia is questionable, but the United States and Armenia remain partners on a broad range of fronts. The upcoming legislative and presidential elections will prove an important test case for the state of the relationship.

Gross National Income per capita 2010	\$3,090
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	86
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	129
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	55
Population living under \$2/day	382,228
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	60.19
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	50.24
FDI, net inflows (BoP, current USD millions, 2007-11))	\$570.06
Military Expenditure (% of GDP)	4.50

Bosnia and Herzegovina

FY11 actual: \$6,727,000

FY12 estimated: \$10,750,000

FY13 requested: \$16,985,000

Bosnia continues to face a number of important security reform challenges, and consolidating the peace process is an important step in creating a peaceful, democratic, and stable space in southeastern Europe.

Gross National Income per capita 2010	\$4,790
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	74
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	91
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	125
Population living under \$2/day	5,655
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	55.92
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	72.73
FDI, net inflows (BoP, current USD millions, 2007-11))	\$231.54
Military Expenditure (% of GDP)	1.37

Bulgaria

FY11 actual: \$11,259,000

FY12 estimated: \$10,200,000

FY13 requested: \$9,850,000

Bulgaria is another relatively new NATO member where U.S. economic assistance should be phased out. Nevertheless, a continued security assistance relationship will be useful in the short term.

Gross National Income per capita 2010	\$6,240
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	55
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	86
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	59
Population living under \$2/day	9,144
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	46.92
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	43.54
FDI, net inflows (BoP, current USD millions, 2007-11))	\$2,167.53
Military Expenditure (% of GDP)	1.43

Georgia

FY11 actual: \$20,438,000

FY12 estimated: \$18,325,000

FY13 requested: \$22,040,000

There is broad bipartisan support for U.S. security assistance to Georgia, with Russian troops still occupying part of the country. Georgia's commitment to sweeping economic reforms has only reinforced this sentiment.

Gross National Income per capita 2010	\$2,700
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	75
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	64
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	16
Population living under \$2/day	1,409,484
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	51.18
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	35.89
FDI, net inflows (BoP, current USD millions, 2007-11))	\$814.50
Military Expenditure (% of GDP)	3.90

Macedonia

FY11 actual: \$5,553,000

FY12 estimated: \$5,070,000

FY13 requested: \$6,633,000

Macedonia is a solid diplomatic partner and another country where greater professionalization and modernization of the armed forces would help cement greater stability in the region.

Gross National Income per capita 2010	\$4,520
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	78
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	69
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	22
Population living under \$2/day	87,125
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	53.08
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	51.67
FDI, net inflows (BoP, current USD millions, 2007-11))	\$295.76
Military Expenditure (% of GDP)	1.52

Moldova

FY11 actual: \$2,795,000

FY12 estimated: \$2,400,000

FY13 requested: \$5,630,000

A Millennium Challenge Corporation country, Moldova has also struggled to find a resolution to its long-term crisis with the breakaway region of Transnistria. U.S. security assistance is a useful complement to civilian efforts to help shape further economic and political reforms in the country.

Gross National Income per capita 2010	\$1,810
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	111
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	112
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	81
Population living under \$2/day	246,330
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	57.35
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	68.90
FDI, net inflows (BoP, current USD millions, 2007-11))	\$194.32
Military Expenditure (% of GDP)	0.32

Russia

FY11 actual: \$1,000,000

FY12 estimated: \$800,000

FY13 requested: \$4,982,000

Security assistance to Russia largely concentrates on important nuclear threat-reduction issues of interest to both countries and should continue.

Gross National Income per capita 2010	\$9,910
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	66
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	143
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	120
Population living under \$2/day	113,560
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	73.93
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	58.37
FDI, net inflows (BoP, current USD millions, 2007-11))	\$42,868.43
Military Expenditure (% of GDP)	3.96

Turkey

FY11 actual: \$5,415,000
FY12 estimated: \$4,900,000
FY13 requested: \$4,450,000

Turkey remains a vital strategic partner at a time of numerous stability concerns around the Mediterranean.

Gross National Income per capita 2010	\$9,500
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	92
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	61
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	71
Population living under \$2/day	2,950,272
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	41.71
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	33.97
FDI, net inflows (BoP, current USD millions, 2007-11))	\$9,278.00
Military Expenditure (% of GDP)	2.38

Limited expectation countries

The following countries in Europe and Eurasia will likely continue to receive significant security assistance largely based on short-term imperatives, but our analysis suggests there are a number of red flags raised by the performance of these governments.

Azerbaijan

FY11 actual: \$5,152,000

FY12 estimated: \$4,265,000

FY13 requested: \$5,301,000

Azerbaijan's range of serious governance issues suggests that progress within the country will be limited even though it is strategically located and has large oil reserves. Azerbaijan is also ranked "not free" by Freedom House.

Gross National Income per capita 2010	\$5,180
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	76
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	143
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	66
Population living under \$2/day	245,280
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	78.20
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	77.99
FDI, net inflows (BoP, current USD millions, 2007-11))	\$563.13
Military Expenditure (% of GDP)	2.90

Kosovo

FY11 actual: \$6,428,000

FY12 estimated: \$4,450,000

FY13 requested: \$15,124,000

The United States has a considerable obligation to continue assisting Kosovo with security-sector reforms, given its role with NATO in the war that ultimately resulted in Kosovo's independence. The record to date, however, suggests that this will remain a challenging process.

Gross National Income per capita 2010	\$3,300
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	N/A
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	112
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	117
Population living under \$2/day	N/A
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	69.19
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	67.46
FDI, net inflows (BoP, current USD millions, 2007-11))	\$413.40
Military Expenditure (% of GDP)	N/A

Ukraine

FY11 actual: \$13,607,000
FY12 estimated: \$11,400,000
FY13 requested: \$15,350,000

Flawed elections, deeply divisive domestic politics, and the use of selective prosecutions by the government against political opponents suggest that the path forward will remain turbulent in this strategically important nation.

Gross National Income per capita 2010	\$3,010
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	76
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	152
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	152
Population living under \$2/day	60,138
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	74.88
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	75.12
FDI, net inflows (BoP, current USD millions, 2007-11))	\$6,495.00
Military Expenditure (% of GDP)	2.69

Blueprint recommended funding levels

FY13: \$15,350,000
FY14: \$15,350,000
FY15: \$15,350,000
FY16: \$15,350,000
FY17: \$15,350,000
Five-year budget impact: \$0

Graduation in one to five years countries

The following countries in Europe and Eurasia are well-positioned to graduate from U.S. security assistance in the near to mid term based on need and capacity. In many cases these countries are sufficiently wealthy and well-developed so that they could simply purchase U.S. security expertise from appropriate contractors and partners.

Croatia

FY11 actual: \$4,899,000

FY12 estimated: \$4,850,000

FY13 requested: \$4,700,000

Croatia's per-capita income and development is rapidly pushing the country into a position to procure, rather than be granted, security assistance.

Gross National Income per capita 2010	\$13,760
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	46
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	66
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	80
Population living under \$2/day	3,987
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	39.34
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	29.67
FDI, net inflows (BoP, current USD millions, 2007-11))	\$334.16
Military Expenditure (% of GDP)	1.69

Cyprus

FY11 actual: \$500,000

FY12 estimated: \$0

FY13 requested: \$0

Highly developed, Cyprus is past the point of being a priority for U.S. security assistance, and we support the 2013 request for no funding.

Gross National Income per capita 2010	\$30,460
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	31
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	30
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	40
Population living under \$2/day	N/A
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	13.74
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	9.57
FDI, net inflows (BoP, current USD millions, 2007-11))	\$4,841.38
Military Expenditure (% of GDP)	2.15

Czech Republic

FY11 actual: \$7,980,000
FY12 estimated: \$6,900,000
FY13 requested: \$6,800,000

The Czech Republic is another prosperous nation where it is time for our security relationship to evolve.

Gross National Income per capita 2010	\$17,870
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	27
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	57
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	64
Population living under \$2/day	14,588
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	19.91
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	19.14
FDI, net inflows (BoP, current USD millions, 2007-11))	\$6,720.06
Military Expenditure (% of GDP)	1.33

Estonia

FY11 actual: \$3,838,000
FY12 estimated: \$3,525,000
FY13 requested: \$3,500,000

Estonia is another prosperous nation where it is time for our security relationship to evolve.

Gross National Income per capita 2010	\$14,360
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	34
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	29
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	24
Population living under \$2/day	8,576
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	16.11
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	14.83
FDI, net inflows (BoP, current USD millions, 2007-11))	N/A
Military Expenditure (% of GDP)	1.72

Greece

FY11 actual: \$98,000

FY12 estimated: \$100,000

FY13 requested: \$100,000

Despite its recent economic woes, Greece is far past the point of needing U.S. security assistance.

Gross National Income per capita 2010	\$27,240
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	29
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	80
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	100
Population living under \$2/day	N/A
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	33.18
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	31.58
FDI, net inflows (BoP, current USD millions, 2007-11))	\$2,250.19
Military Expenditure (% of GDP)	3.11

Hungary

FY11 actual: \$2,075,000

FY12 estimated: \$1,850,000

FY13 requested: \$1,800,000

The United States generally does not need to provide generous security assistance packages to NATO members, including Hungary.

Gross National Income per capita 2010	\$12,990
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	38
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	54
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	51
Population living under \$2/day	35,140
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	27.01
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	28.23
FDI, net inflows (BoP, current USD millions, 2007-11))	-\$41,989.24
Military Expenditure (% of GDP)	1.05

Latvia

FY11 actual: \$3,929,000
FY12 estimated: \$3,400,000
FY13 requested: \$3,400,000

Latvia is another prosperous nation where it is time for our security relationship to evolve.

Gross National Income per capita 2010	\$11,620
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	43
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	61
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	21
Population living under \$2/day	8,399
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	26.07
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	27.75
FDI, net inflows (BoP, current USD millions, 2007-11))	\$369.00
Military Expenditure (% of GDP)	1.05

Lithuania

FY11 actual: \$4,137,000
FY12 estimated: \$3,675,000
FY13 requested: \$3,650,000

Lithuania is another prosperous nation where it is time for our security relationship to evolve.

Gross National Income per capita 2010	\$11,400
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	40
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	50
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	27
Population living under \$2/day	14,784
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	27.96
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	25.84
FDI, net inflows (BoP, current USD millions, 2007-11))	N/A
Military Expenditure (% of GDP)	1.26

Malta

FY11 actual: \$552,000
FY12 estimated: \$150,000
FY13 requested: \$150,000

Although a non-NATO member, Malta is in a position to pay for most of its security needs.

Gross National Income per capita 2010	\$18,350
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	36
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	39
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	N/A
Population living under \$2/day	N/A
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	9.95
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	17.22
FDI, net inflows (BoP, current USD millions, 2007-11))	\$998.62
Military Expenditure (% of GDP)	0.69

Montenegro

FY11 actual: \$2,927,000
FY12 estimated: \$3,200,000
FY13 requested: \$4,926,000

Montenegro has reached graduation status in terms of both economic and security assistance.

Gross National Income per capita 2010	\$6,690
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	54
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	66
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	56
Population living under \$2/day	1,890
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	45.02
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	42.11
FDI, net inflows (BoP, current USD millions, 2007-11))	\$760.44
Military Expenditure (% of GDP)	1.30

Poland

FY11 actual: \$36,022,000
FY12 estimated: \$26,265,000
FY13 requested: \$22,000,000

Poland has made remarkable progress since the fall of the Berlin Wall. Our security relationship should be reconsidered, if not terminated.

Gross National Income per capita 2010	\$12,420
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	39
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	41
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	62
Population living under \$2/day	95,325
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	30.81
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	27.27
FDI, net inflows (BoP, current USD millions, 2007-11))	\$9,056.00
Military Expenditure (% of GDP)	1.90

Portugal

FY11 actual: \$93,000
FY12 estimated: \$100,000
FY13 requested: \$100,000

Security assistance to Portugal—given its position as a stable and highly developed country—cannot be considered a budget priority in this fiscal environment.

Gross National Income per capita 2010	\$21,860
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	41
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	32
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	30
Population living under \$2/day	N/A
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	16.59
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	18.18
FDI, net inflows (BoP, current USD millions, 2007-11))	\$1,476.27
Military Expenditure (% of GDP)	2.20

Romania

FY11 actual: \$14,724,000

FY12 estimated: \$13,750,000

FY13 requested: \$13,700,000

Romania is another instance where graduation within the next five years is both attainable and desirable.

Gross National Income per capita 2010	\$7,840
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	50
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	75
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	72
Population living under \$2/day	421,596
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	43.60
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	49.76
FDI, net inflows (BoP, current USD millions, 2007-11))	\$3,453.00
Military Expenditure (% of GDP)	1.36

Serbia

FY11 actual: \$3,939,000

FY12 estimated: \$5,350,000

FY13 requested: \$8,150,000

The United States has achieved a great deal with sustained security assistance to Europe over the years, including through a much-improved relationship with Serbia. It is time for these relationships to transition from assistance.

Gross National Income per capita 2010	\$5,820
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	59
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	86
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	92
Population living under \$2/day	47,775
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	56.87
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	48.80
FDI, net inflows (BoP, current USD millions, 2007-11))	\$1,340.24
Military Expenditure (% of GDP)	2.21

Slovakia

FY11 actual: \$2,347,000
FY12 estimated: \$1,900,000
FY13 requested: \$1,900,000

Slovakia is another instance where graduation within the next five years is both attainable and desirable.

Gross National Income per capita 2010	\$16,220
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	35
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	66
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	48
Population living under \$2/day	9,197
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	33.65
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	22.97
FDI, net inflows (BoP, current USD millions, 2007-11))	\$553.14
Military Expenditure (% of GDP)	1.11

Slovenia

FY11 actual: \$1,460,000
FY12 estimated: \$1,125,000
FY13 requested: \$1,100,000

Slovenia is another instance where graduation within the next five years is both attainable and desirable.

Gross National Income per capita 2010	\$23,860
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	21
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	35
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	37
Population living under \$2/day	1,616
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	17.54
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	18.66
FDI, net inflows (BoP, current USD millions, 2007-11))	\$366.16
Military Expenditure (% of GDP)	1.63

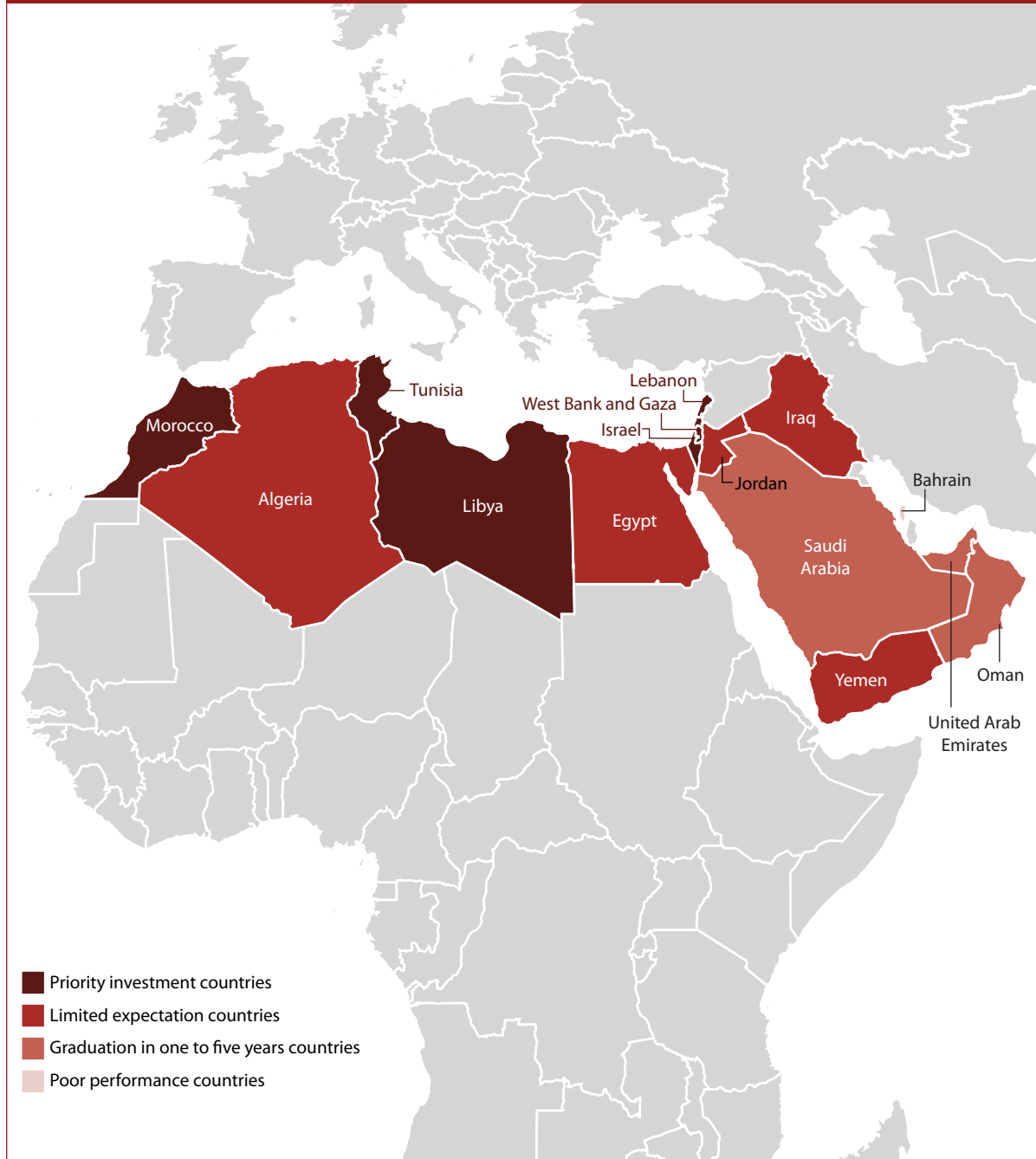
Small or peripheral-interest country programs

No countries in the Europe and Eurasia region currently fall in this category.

Poor performance countries

No countries in the Europe and Eurasia region currently fall in this category.

Near East



Focusing security assistance by region: Near East

The Near East region is a great challenge to U.S. foreign policy. Many of its countries such as Israel and the West Bank and Gaza are considered critical to U.S. strategic interests. At the same time, a number of countries will continue to receive assistance—even though questions surround its effectiveness—including Egypt, Jordan, and Yemen. Still others such as Oman, Saudi Arabia, and the United Arab Emirates no longer need U.S. assistance.

Priority investment countries

The following countries in the Near East should be given the highest priority for security assistance based on our subjective but data-informed analysis, which takes into consideration their relative strategic importance, commitment to reform, capacity to achieve lasting stability, and need. Fundamental to our method is an understanding that we need to approach security assistance within a broader framework of effective governance and a belief that in times of limited resources, it is better to concentrate efforts where they are most likely to be effective and bring enduring returns. In a limited number of cases we argue for priority investment based on immediate conflict prevention efforts or on ensuring that a country that has enjoyed significant previous postconflict investments does not slide backward.

Israel

FY11 actual: \$2,994,000,000

FY12 estimated: \$3,075,000,000

FY13 requested: \$3,100,000,000

U.S. support for Israel enjoys strong bipartisan support and has been a cornerstone of U.S. policy in the region. But it is reasonable to ask if the billions of dollars in U.S. security aid to Israel should continue in perpetuity. We suggest a bipartisan presidential panel review the issue in 2013 and develop long-term recommendations.

Gross National Income per capita 2010	\$27,340
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	17
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	36
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	34
Population living under \$2/day	N/A
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	23.70
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	13.40
FDI, net inflows (BoP, current USD millions, 2007-11))	\$5,152.20
Military Expenditure (% of GDP)	6.46

Lebanon

FY11 actual: \$101,626,000

FY12 estimated: \$106,425,000

FY13 requested: \$97,450,000

Lebanon continues to be a high strategic priority and has traditionally been one of the most contested political spaces in the region. It should continue to be a priority for security assistance.

Gross National Income per capita 2010	\$9,020
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	71
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	134
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	104
Population living under \$2/day	N/A
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	69.67
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	56.94
FDI, net inflows (BoP, current USD millions, 2007-11))	\$4,954.86
Military Expenditure (% of GDP)	4.19

Libya

FY11 actual: \$0

FY12 estimated: \$2,450,000

FY13 requested: \$1,450,000

Libya is undergoing a precarious transition period and will need all the help it can get to professionalize its military, promote accountability, and build basic institutions. Dealing with former militia groups will be particularly important if the oil-rich country is to achieve more lasting stability.

Gross National Income per capita 2010	\$12,020
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	64
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	168
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	N/A
Population living under \$2/day	N/A
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	82.46
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	90.43
FDI, net inflows (BoP, current USD millions, 2007-11))	\$3,833.39
Military Expenditure (% of GDP)	N/A

Morocco

FY11 actual: \$12,821,000

FY12 estimated: \$14,605,000

FY13 requested: \$12,930,000

U.S.-Moroccan relations are longstanding and positive. Morocco has been a stable, moderate country in a region where those traits are something of a commodity. Continued investments in security assistance are well-warranted.

Gross National Income per capita 2010	\$2,850
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	130
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	80
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	94
Population living under \$2/day	3,811,644
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	49.76
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	51.20
FDI, net inflows (BoP, current USD millions, 2007-11))	\$1,240.63
Military Expenditure (% of GDP)	3.48

Tunisia

FY11 actual: \$20,749,000
FY12 estimated: \$19,854,000
FY13 requested: \$26,600,000

Tunisia, the birthplace of the Arab Spring and a country that navigated the transition fairly well, will obviously be a focus of continued U.S. assistance. U.S. security assistance will need to place particular emphasis on democratic norms and civilian control, given the backburner these issues have received throughout the long history of U.S.-Tunisian relations.

Gross National Income per capita 2010	\$4,070
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	94
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	73
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	46
Population living under \$2/day	573,315
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	40.76
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	36.84
FDI, net inflows (BoP, current USD millions, 2007-11))	\$1,400.87
Military Expenditure (% of GDP)	1.22

West Bank and Gaza

FY11 actual: \$150,000,000
FY12 estimated: \$100,000,000
FY13 requested: \$70,000,000

Assistance to the West Bank and Gaza has often been controversial and something of a political football in the United States. But it is impossible to imagine a peaceful, long-term resolution to Israeli-Palestinian tensions without more professional and accountable security institutions in the West Bank and Gaza.

Gross National Income per capita 2010	N/A
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	N/A
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	N/A
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	131
Population living under \$2/day	48,856
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	50.71
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	59.33
FDI, net inflows (BoP, current USD millions, 2007-11))	N/A
Military Expenditure (% of GDP)	N/A

Limited expectation countries

The following countries in the Near East will likely continue to receive significant security assistance largely based on short-term imperatives. But our analysis suggests there are a number of red flags raised by the performance of these governments.

Algeria

FY11 actual: \$1,603,000

FY12 estimated: \$2,125,000

FY13 requested: \$2,950,000

After considerable foot-dragging, President Abdelaziz Bouteflika promised to push forward on political reforms after a steady undercurrent of political unrest. The government deserves credit for enacting new laws on elections, political parties, and the media. Spring elections for the National Assembly will be a key barometer. Algeria remains an import trade partner in the region, and U.S.-Algerian military cooperation is on the rise. But if progress on reform stalls or reverses, this level of security assistance should be reduced.

Gross National Income per capita 2010	\$4,460
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	96
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	112
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	148
Population living under \$2/day	4,782,327
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	72.99
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	66.03
FDI, net inflows (BoP, current USD millions, 2007-11))	\$2,291.20
Military Expenditure (% of GDP)	3.56

Egypt

FY11 actual: \$1,304,275,000

FY12 estimated: \$1,306,500,000

FY13 requested: \$1,313,274,000

The United States has made massive investments in the Egyptian military over the years, and many credit the strength of the bilateral military relationship as a key factor in the Egyptian military's relatively calm response to the democratic uprising. As noted in the economic assistance section, the U.S.-Egyptian relationship has now entered a turbulent period, and the military's role in political and economic life will continue to be a crucial issue—one for which there are no easy answers. We can only assert that the outcome of this very fluid situation should determine the types and levels of aid.

Gross National Income per capita 2010	\$2,340
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	113
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	112
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	110
Population living under \$2/day	12,061,280
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	48.34
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	59.81
FDI, net inflows (BoP, current USD millions, 2007-11))	\$6,385.60
Military Expenditure (% of GDP)	2.00

Iraq

FY11 actual: \$146,096,000

FY12 estimated: \$1,383,945,000

FY13 requested: \$1,782,347,000

The track record of security and economic assistance to Iraq remains poor, and billions of dollars have been expended with shoddy controls and poor overall design. That said, the U.S. military is disengaging from Iraq, and we anticipate this level of assistance can and should come down sharply in future budget requests. Iraq is also ranked “not free” by Freedom House.

Gross National Income per capita 2010	\$2,320
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	132
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	175
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	164
Population living under \$2/day	5,631,588
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	98.10
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	90.91
FDI, net inflows (BoP, current USD millions, 2007-11))	\$1,426.40
Military Expenditure (% of GDP)	5.97

Jordan

FY11 actual: \$315,910,000

FY12 estimated: \$315,950,000

FY13 requested: \$310,600,000

Jordan is a strategic partner with the United States on regional security and stability, and even though it is ranked “not free” by Freedom House, it will remain in the top tier of security aid recipients. On the plus side, the United States and Jordan have very strong bilateral relations, and Jordan has been a part of regional problemsolving.

Gross National Income per capita 2010	\$4,350
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	95
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	56
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	96
Population living under \$2/day	121,590
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	38.86
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	42.58
FDI, net inflows (BoP, current USD millions, 2007-11))	\$1,701.41
Military Expenditure (% of GDP)	5.20

Yemen

FY11 actual: \$27,304,000
FY12 estimated: \$35,850,000
FY13 requested: \$29,150,000

The United States will continue to push security assistance into Yemen, given the large number of extremist groups and the frail nature of the state. But such funding may ultimately prove insufficient for Yemen to reverse course.

Gross National Income per capita 2010	\$1,060
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	154
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	164
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	99
Population living under \$2/day	10,407,537
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	85.78
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	85.65
FDI, net inflows (BoP, current USD millions, 2007-11))	-\$329.00
Military Expenditure (% of GDP)	N/A

Graduation in one to five years countries

The following countries in the Near East are well-positioned to graduate from U.S. security assistance in the near to mid term based on need and capacity. In many cases these countries are sufficiently wealthy and well-developed so that they could simply purchase U.S. security expertise from appropriate contractors and partners.

Oman

FY11 actual: \$16,122,000
FY12 estimated: \$11,150,000
FY13 requested: \$11,050,000

Oman is ranked “not free” by Freedom House but is also a solidly middle-income country. With dwindling oil resources, the country has tried to diversify its economy, and it should be increasingly able to purchase needed security assistance rather than receive it as aid.

Gross National Income per capita 2010	\$17,890
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	89
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	50
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	49
Population living under \$2/day	N/A
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	31.75
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	30.62
FDI, net inflows (BoP, current USD millions, 2007-11))	\$2,332.90
Military Expenditure (% of GDP)	N/A

Saudi Arabia

FY11 actual: \$364,000
FY12 estimated: \$0
FY13 requested: \$10,000

Saudi Arabia will likely continue to be a key strategic partner for the United States primarily because of our mutual interest in maintaining a steady world energy supply. That said, there is little reason for the United States taxpayer to underwrite security assistance to a government that remains so inimical to our basic values. Saudi Arabia possesses enormous natural resources but a highly autocratic ruling monarchy that restricts basic liberties.

Gross National Income per capita 2010	\$17,200
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	56
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	57
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	12
Population living under \$2/day	N/A
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	39.81
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	47.37
FDI, net inflows (BoP, current USD millions, 2007-11))	\$21,560.17
Military Expenditure (% of GDP)	10.41

United Arab Emirates

FY11 actual: \$230,000

FY12 estimated: \$0

FY13 requested: \$0

The State Department's 2011 Background Note on the U.A.E. observes that "[t]he country has no political parties, and the rulers hold power on the basis of their dynastic position and their legitimacy in a system of tribal consensus."⁴ The U.A.E. remains one of the largest purchasers of U.S. defense equipment and has bought more than \$14 billion in weapons and systems to date. The U.A.E. is also ranked "not free" by Freedom House. We support the zero dollar request for 2013.

Gross National Income per capita 2010	N/A
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	30
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	28
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	33
Population living under \$2/day	N/A
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	36.97
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	23.92
FDI, net inflows (BoP, current USD millions, 2007-11))	\$3,948.30
Military Expenditure (% of GDP)	5.40

Small or peripheral-interest country programs

No countries in the Near East region currently fall in this category.

Poor performance countries

The following countries in the Near East do not strike us as good partners based on available evidence, often because of the host country's treatment of its own citizens. While some will argue that continued security aid to these countries is merited due to strategic considerations, such aid may in some cases reinforce the power of entrenched elites and slow broader progress of these societies becoming freer and more developed. It is vital that security assistance be considered within the broad institutional performance of a recipient country as a whole.

Bahrain

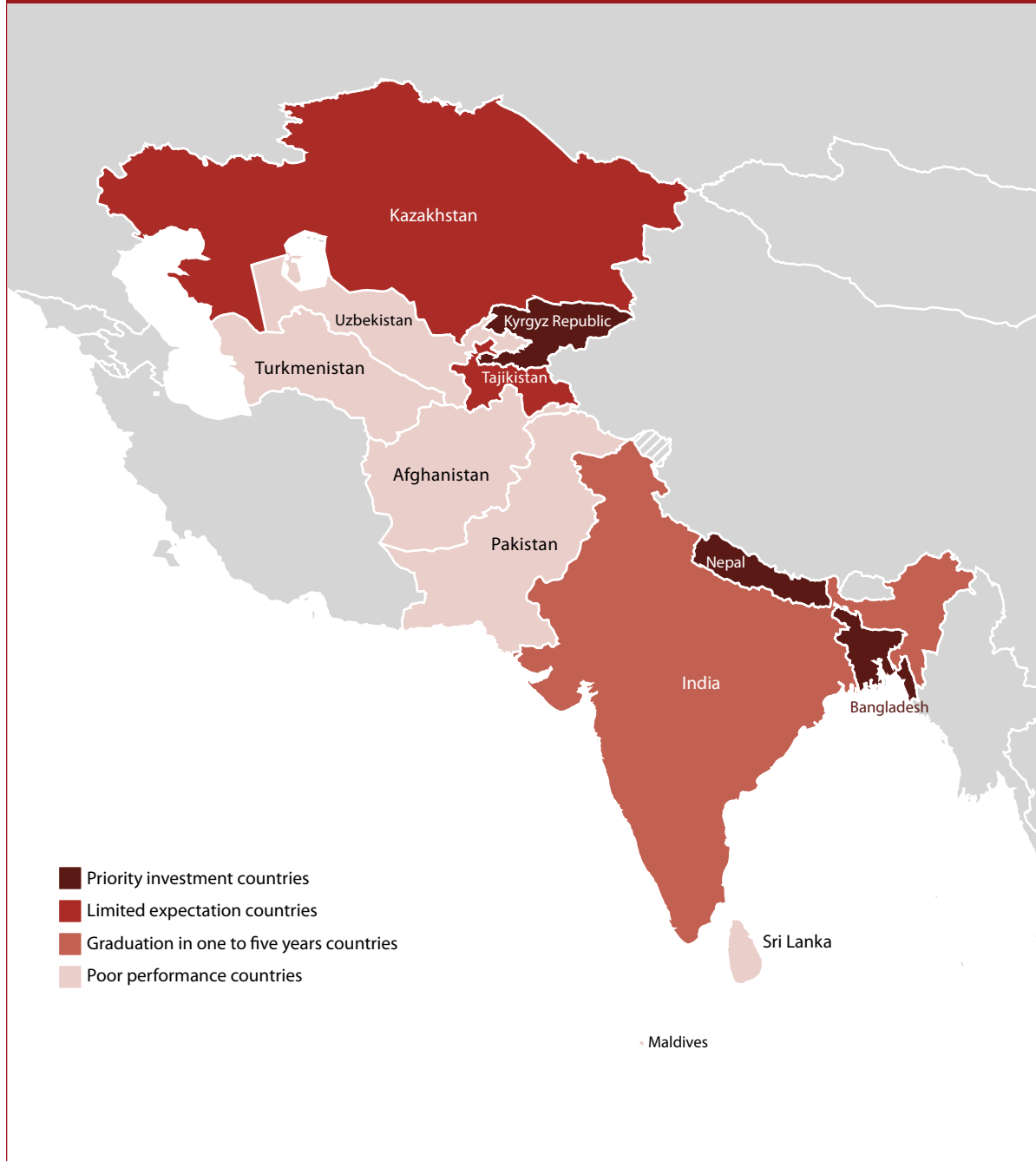
FY11 actual: \$17,396,000
FY12 estimated: \$11,200,000
FY13 requested: \$11,175,000

While publicly supporting democratic upheaval across the Middle East, the United States has had precious little to say about countries in the region ruled by monarchies. The United States maintains key basing rights in Bahrain—rights that are all the more important given the escalating tensions with Iran—but there should be less security assistance until greater reforms are evident. The government’s treatment of democracy protestors has been excessive, and it is ranked “not free” by Freedom House.

Gross National Income per capita 2010	\$25,420
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	42
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	46
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	38
Population living under \$2/day	N/A
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	35.55
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	30.14
FDI, net inflows (BoP, current USD millions, 2007-11))	\$155.77
Military Expenditure (% of GDP)	N/A

FOCUSING SECURITY ASSISTANCE BY REGION:

South and Central Asia



Focusing security assistance by region: South and Central Asia

This region—with both Afghanistan and Pakistan—presents a number of challenges to U.S. foreign policy. We identify three countries as priority investments—including Nepal and Bangladesh—but have limited expectations for Kazakhstan and Tajikistan. India should be able to graduate in the near term. We seriously doubt whether aid to Afghanistan and Pakistan will be effective even though we recognize a security relationship is important.

Priority investment countries

The following countries in South and Central Asia should be given the highest priority for security assistance based on our subjective but data-informed analysis, which takes into consideration their relative strategic importance, commitment to reform, capacity to achieve lasting stability, and need. Fundamental to our method is an understanding that we need to approach security assistance within a broader framework of effective governance and a belief that in times of limited resources, it is better to concentrate efforts where they are most likely to be effective and bring enduring returns. In a limited number of cases we argue for priority investment based on immediate conflict prevention efforts or on ensuring that a country that has enjoyed significant previous postconflict investments does not slide backward.

Bangladesh

FY11 actual: \$6,876,000
FY12 estimated: \$6,790,000
FY13 requested: \$6,589,000

Bangladesh traditionally has a highly tumultuous and often very corrupt political environment, and those concerns have not disappeared. But India-Bangladesh relations have improved, and Bangladesh has made important efforts to deal with homegrown extremist groups. It remains the second-largest contributor of troops to international peacekeeping missions in the world, and its relations with the United States are good.

Gross National Income per capita 2010	\$640
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	146
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	120
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	122
Population living under \$2/day	114,070,868
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	73.46
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	78.47
FDI, net inflows (BoP, current USD millions, 2007-11))	\$967.65
Military Expenditure (% of GDP)	1.23

Kyrgyz Republic

FY11 actual: \$3,866,000
FY12 estimated: \$3,750,000
FY13 requested: \$9,906,000

After a series of ethnic clashes in 2010, the situation in Kyrgyzstan has significantly calmed, and it has moved further and more rapidly toward democracy than most of the Central Asian states. U.S.-Kyrgyz relations are also good.

Gross National Income per capita 2010	\$880
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	126
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	164
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	70
Population living under \$2/day	1,094,016
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	92.42
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	69.38
FDI, net inflows (BoP, current USD millions, 2007-11))	\$437.59
Military Expenditure (% of GDP)	N/A

Nepal

FY11 actual: \$6,508,000
FY12 estimated: \$6,604,000
FY13 requested: \$5,900,000

Accelerated progress on security sector reform is essential if Nepal’s peace process is to produce lasting stability. Nepal needs to develop a significantly smaller, better-trained, and better-compensated force, while effectively implementing the agreement with the Maoists that would demobilize some of their fighters and move them into noncombat security roles. U.S. assistance should be conditioned upon further progress in security sector reform by all parties and should emphasize the notion of civilian control of the military. Nepal is also an important contributor to U.S. peacekeeping operations.

Gross National Income per capita 2010	\$490
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	157
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	154
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	107
Population living under \$2/day	18,771,263
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	83.89
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	74.64
FDI, net inflows (BoP, current USD millions, 2007-11))	\$87.85
Military Expenditure (% of GDP)	1.54

Limited expectation countries

The following countries in South and Central Asia will likely continue to receive significant security assistance largely based on short-term imperatives. But our analysis suggests there are a number of red flags raised by the performance of these governments.

Kazakhstan

FY11 actual: \$5,171,000

FY12 estimated: \$4,285,000

FY13 requested: \$5,508,000

Ranked “not free” by Freedom House, Kazakhstan has been slow to embrace political liberalization. This level of funding should be revisited going forward, even though the country has played an admirable role in nuclear threat reduction, and the United States maintains strategic interests in the country’s considerable oil and gas reserves.

Gross National Income per capita 2010	\$7,440
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	68
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	120
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	47
Population living under \$2/day	137,896
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	68.25
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	55.50
FDI, net inflows (BoP, current USD millions, 2007-11))	\$9,961.01
Military Expenditure (% of GDP)	0.89

Tajikistan

FY11 actual: \$2,944,000

FY12 estimated: \$3,020,000

FY13 requested: \$10,780,000

Tajikistan is another Central Asian country ranked “not free” by Freedom House. Corruption is high, and political power is largely consolidated in a few hands. Absent much broader political reforms, the United States should rethink this security assistance as it begins the military drawdown in Afghanistan.

Gross National Income per capita 2010	\$780
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	127
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	152
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	147
Population living under \$2/day	2,152,842
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	88.63
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	81.82
FDI, net inflows (BoP, current USD millions, 2007-11))	\$15.79
Military Expenditure (% of GDP)	N/A

Graduation in one to five years countries

The following countries in South and Central Asia are well-positioned to graduate from U.S. security assistance in the near to mid term based on need and capacity. In many cases these countries are sufficiently wealthy and well-developed so that they could simply purchase U.S. security expertise from appropriate contractors and partners.

India

FY11 actual: \$6,801,000
FY12 estimated: \$6,530,000
FY13 requested: \$6,310,000

As noted in the economic assistance section, India’s economy continues to grow at 10 percent annually, and the country is a military and economic powerhouse in Asia. U.S. security assistance—almost all of which is focused on counterterrorism activities—could be purchased rather than granted, even though India’s development remains highly uneven, and the country faces numerous security challenges. The relationship should increasingly transition to partnership rather than aid.

Gross National Income per capita 2010	\$1,340
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	134
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	95
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	132
Population living under \$2/day	862,063,554
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	45.50
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	44.98
FDI, net inflows (BoP, current USD millions, 2007-11))	\$24,159.18
Military Expenditure (% of GDP)	2.40

Small or peripheral-interest country programs

No countries in the South and Central Asia region currently fall in this category.

Poor performance countries

The following countries in South and Central Asia do not strike us as good partners based on available evidence, often because of the host country's treatment of its own citizens. While some will argue that continued security aid to these countries is merited due to strategic considerations, such aid may in some cases reinforce the power of entrenched elites and slow broader progress of these societies becoming freer and more developed. It is vital that security assistance be considered within the broad institutional performance of a recipient country as a whole.

Afghanistan

FY11 actual: \$470,855,000

FY12 estimated: \$390,700,000

FY13 requested: \$655,750,000

Afghanistan will continue to receive significant but declining security assistance from the U.S. government. Its relative failure to improve governance, however, suggests that the ultimate returns on these investments are highly tenuous, and this funding should be reduced given the continuing lack of broader reforms by President Hamid Karzai.

Gross National Income per capita 2010	\$330
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	172
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	180
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	160
Population living under \$2/day	N/A
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	99.53
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	95.22
FDI, net inflows (BoP, current USD millions, 2007-11))	\$75.65
Military Expenditure (% of GDP)	N/A

Maldives

FY11 actual: \$179,000

FY12 estimated: \$590,000

FY13 requested: \$1,026,000

This assistance should be terminated in light of the recent military coup.

Gross National Income per capita 2010	\$4,270
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	109
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	134
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	79
Population living under \$2/day	20,863
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	54.50
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	53.59
FDI, net inflows (BoP, current USD millions, 2007-11))	\$163.82
Military Expenditure (% of GDP)	N/A

Pakistan

FY11 actual: \$735,781,000
FY12 estimated: \$1,237,208,000
FY13 requested: \$1,299,346,000

Pakistan has received enormous amounts of U.S. security assistance since September 11, and the returns have been consistently unimpressive. U.S.-Pakistani relations continue to fray, and unfortunately, the pattern of U.S. security assistance to Pakistan has only reinforced rather than reduced the military’s central role in the state. Although Pakistan should be treated differently than most poor performing countries because of its strategic importance, we are overinvested in the country given its track record.

Gross National Income per capita 2010	\$1,050
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	145
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	134
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	105
Population living under \$2/day	100,715,160
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	74.41
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	74.16
FDI, net inflows (BoP, current USD millions, 2007-11))	\$2,016.00
Military Expenditure (% of GDP)	3.24

Sri Lanka

FY11 actual: \$2,400,000
FY12 estimated: \$6,055,000
FY13 requested: \$5,620,000

This is a high level of assistance, given the numerous outstanding issues on impunity of the military from the waning days of the civil war with the Tamil Tigers.

Gross National Income per capita 2010	\$2,290
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	97
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	86
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	89
Population living under \$2/day	5,404,080
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	47.39
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	50.72
FDI, net inflows (BoP, current USD millions, 2007-11))	\$478.21
Military Expenditure (% of GDP)	2.78

Turkmenistan

FY11 actual: \$2,113,000

FY12 estimated: \$1,885,000

FY13 requested: \$2,085,000

Turkmenistan is included in Freedom House's list of the nine most repressive countries on the planet. U.S. security assistance should be terminated, not increased.

Gross National Income per capita 2010	\$3,700
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	102
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	177
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	N/A
Population living under \$2/day	73,308
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	95.73
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	96.65
FDI, net inflows (BoP, current USD millions, 2007-11))	\$2,083.00
Military Expenditure (% of GDP)	N/A

Uzbekistan

FY11 actual: \$889,000

FY12 estimated: \$2,400,000

FY13 requested: \$3,083,000

Uzbekistan remains highly repressive and this funding level should be reduced.

Gross National Income per capita 2010	\$1,280
Freedom status 2011	Not Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	115
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	177
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	166
Population living under \$2/day	N/A
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	95.26
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	76.08
FDI, net inflows (BoP, current USD millions, 2007-11))	\$822.00
Military Expenditure (% of GDP)	N/A

FOCUSING SECURITY ASSISTANCE BY REGION:

Western Hemisphere



Focusing security assistance by region: Western Hemisphere

Drug trafficking, violent gang activity, and armed guerrilla movements in some countries continue to dominate security concerns in Latin America. Those nations we recommend for priority investments such as Colombia, Mexico, and some countries in Central America are on the front lines of issues that are important to U.S. security. Others—Argentina, Chile, Brazil, and Uruguay—are now capable of addressing more security responsibilities on their own.

Priority investment countries

The following countries in the Western Hemisphere should be given the highest priority for security assistance based on our subjective but data-informed analysis, which takes into consideration their relative strategic importance, commitment to reform, capacity to achieve lasting stability, and need. Fundamental to our method is an understanding that we need to approach security assistance within a broader framework of effective governance and a belief that in times of limited resources, it is better to concentrate efforts where they are most likely to be effective and bring enduring returns. In a limited number of cases we argue for priority investment based on immediate conflict prevention efforts or on ensuring that a country that has enjoyed significant previous postconflict investments does not slide backward.

Colombia

FY11 actual: \$258,349,000

FY12 estimated: \$204,015,000

FY13 requested: \$176,825,000

The United States has given enormous amounts of security assistance to Colombia over the years, and the efficacy of this assistance is hotly debated. Colombia faces the double challenge of a well-entrenched drug business and a longstanding guerrilla force. Still, it remains a stable U.S. ally in the region.

Gross National Income per capita 2010	\$5,510
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	87
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	80
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	42
Population living under \$2/day	9,398,088
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	54.98
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	39.23
FDI, net inflows (BoP, current USD millions, 2007-11))	\$6,764.51
Military Expenditure (% of GDP)	3.72

Dominican Republic

FY11 actual: \$600,000

FY12 estimated: \$810,000

FY13 requested: \$765,000

The Dominican Republic is an important ally, and its political system is generally free and fair. It remains an important partner in the hemisphere on narcotics trafficking in the Caribbean.

Gross National Income per capita 2010	\$4,860
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	98
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	129
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	108
Population living under \$2/day	1,070,328
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	75.36
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	68.42
FDI, net inflows (BoP, current USD millions, 2007-11))	\$1,625.80
Military Expenditure (% of GDP)	0.65

El Salvador

FY11 actual: \$2,768,000

FY12 estimated: \$2,300,000

FY13 requested: \$2,800,000

One of the four initial countries selected for the U.S. government's Partnership for Growth program, El Salvador has many of the hallmarks of a good security and development partner. Providing security assistance alongside economic assistance to El Salvador makes strategic sense, given the challenges it faces from gang-related and narcotics-related violence.

Gross National Income per capita 2010	\$3,360
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	105
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	80
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	112
Population living under \$2/day	860,039
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	77.25
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	44.02
FDI, net inflows (BoP, current USD millions, 2007-11))	-\$5.56
Military Expenditure (% of GDP)	0.64

Guatemala

FY11 actual: \$4,683,000

FY12 estimated: \$6,260,000

FY13 requested: \$3,470,000

Guatemala has considerable need and reasonable institutional capacity. Continued security assistance is useful as the country downsizes its military and seeks to further professionalize the force. The United States also played an important role helping support the country's peace accord.

Gross National Income per capita 2010	\$2,740
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	131
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	120
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	97
Population living under \$2/day	3,538,865
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	84.36
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	71.77
FDI, net inflows (BoP, current USD millions, 2007-11))	\$686.90
Military Expenditure (% of GDP)	0.41

Honduras

FY11 actual: \$1,763,000

FY12 estimated: \$1,700,000

FY13 requested: \$3,650,000

A longtime U.S. partner in the region, Honduras needs to aggressively embrace reform and address corruption, but continued security assistance seems well-warranted for now.

Gross National Income per capita 2010	\$1,880
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	121
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	129
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	128
Population living under \$2/day	2,379,800
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	76.78
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	69.86
FDI, net inflows (BoP, current USD millions, 2007-11))	\$797.39
Military Expenditure (% of GDP)	1.60

Mexico

FY11 actual: \$131,690,000

FY12 estimated: \$262,515,000

FY13 requested: \$211,499,000

U.S. security assistance to Mexico, though not without problems, addresses a wide range of mutual security and strategic issues. Helping Mexico address drug trafficking, cross-border crimes, and gang activities is important to U.S. national interests.

Gross National Income per capita 2010	\$9,330
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	57
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	100
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	53
Population living under \$2/day	5,730,634
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	66.35
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	38.28
FDI, net inflows (BoP, current USD millions, 2007-11))	\$18,679.27
Military Expenditure (% of GDP)	0.52

Panama

FY11 actual: \$2,984,000

FY12 estimated: \$2,750,000

FY13 requested: \$3,655,000

As the country graduates from economic assistance, continued security assistance seems worthwhile, given the range of shared interests—including the mutual interest in the safe, secure, and dependable operation of the Panama Canal.

Gross National Income per capita 2010	\$6,990
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	58
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	86
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	61
Population living under \$2/day	538,439
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	48.82
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	39.71
FDI, net inflows (BoP, current USD millions, 2007-11))	\$2,362.50
Military Expenditure (% of GDP)	N/A

Peru

FY11 actual: \$37,619,000

FY12 estimated: \$33,550,000

FY13 requested: \$26,365,000

Peru is a priority country on the economic assistance side as well, and counternarcotics is a major concern in the bilateral relationship.

Gross National Income per capita 2010	\$4,710
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	80
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	80
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	41
Population living under \$2/day	4,209,234
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	67.77
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	52.63
FDI, net inflows (BoP, current USD millions, 2007-11))	\$7,328.24
Military Expenditure (% of GDP)	1.37

Limited expectation countries

The following countries in the Western Hemisphere will likely continue to receive significant security assistance largely based on short-term imperatives, but our analysis suggests there are a number of red flags raised by the performance of these governments as a whole.

Bolivia

FY11 actual: \$15,198,000

FY12 estimated: \$7,730,000

FY13 requested: \$5,200,000

U.S.-Bolivian relations have tensed considerably, peaking with the unjustified expulsion of U.S. Ambassador Phillip Goldberg in June 2008. But things have improved to a degree since then now that both governments are engaged in a dialogue to improve relations. Much of the U.S. strategic interest in Bolivia continues to be driven by counternarcotics concerns.

Gross National Income per capita 2010	\$1,790
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	108
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	118
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	153
Population living under \$2/day	2,394,418
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	86.73
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	60.77
FDI, net inflows (BoP, current USD millions, 2007-11))	\$622.00
Military Expenditure (% of GDP)	1.64

Ecuador

FY11 actual: \$5,399,000

FY12 estimated: \$5,830,000

FY13 requested: \$5,310,000

U.S. interests in Ecuador also continue to be driven by counternarcotics concerns, among other factors. But governance issues and a strained relationship with the United States suggest that security assistance may have a limited impact on Ecuador.

Gross National Income per capita 2010	\$4,510
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	83
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	120
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	130
Population living under \$2/day	1,830,612
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	88.15
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	70.81
FDI, net inflows (BoP, current USD millions, 2007-11))	\$167.30
Military Expenditure (% of GDP)	3.78

Haiti

FY11 actual: \$21,237,000

FY12 estimated: \$19,640,000

FY13 requested: \$19,320,000

The amount of security assistance to Haiti is small compared to how much economic assistance the United States provides. That said, assistance should be used to help professionalize its security forces and recover from the earthquake. Professionalizing Haiti's military has long been a daunting task.

Gross National Income per capita 2010	\$650
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	158
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	175
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	174
Population living under \$2/day	7,681,938
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	94.79
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	97.13
FDI, net inflows (BoP, current USD millions, 2007-11))	\$150.00
Military Expenditure (% of GDP)	N/A

Jamaica

FY11 actual: \$739,000

FY12 estimated: \$700,000

FY13 requested: \$398,000

Jamaica is another instance where security assistance is largely aimed at narcotics interdiction.

Gross National Income per capita 2010	\$4,750
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	79
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	86
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	88
Population living under \$2/day	118,360
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	62.56
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	37.32
FDI, net inflows (BoP, current USD millions, 2007-11))	\$227.67
Military Expenditure (% of GDP)	0.75

Paraguay

FY11 actual: \$1,306,000
FY12 estimated: \$1,230,000
FY13 requested: \$860,000

Paraguay and the United States cooperate on a range of issues, including counternarcotics, and the government has made some efforts to address corruption. Paraguay remains a useful partner.

Gross National Income per capita 2010	\$2,940
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	107
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	154
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	102
Population living under \$2/day	841,673
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	80.57
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	82.30
FDI, net inflows (BoP, current USD millions, 2007-11))	\$426.70
Military Expenditure (% of GDP)	0.88

Graduation in one to five years countries

The following countries in the Western Hemisphere are well-positioned to graduate from U.S. security assistance in the near to mid term based on need and capacity. In many cases these countries are sufficiently wealthy and well-developed so that they could simply purchase U.S. security expertise from appropriate contractors and partners.

Argentina

FY11 actual: \$897,000

FY12 estimated: \$1,350,000

FY13 requested: \$814,000

Argentina is well-positioned to underwrite its own security needs.

Gross National Income per capita 2010	\$8,450
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	45
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	100
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	113
Population living under \$2/day	1,337,364
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	67.30
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	53.11
FDI, net inflows (BoP, current USD millions, 2007-11))	\$6,336.83
Military Expenditure (% of GDP)	0.90

The Bahamas

FY11 actual: \$201,000

FY12 estimated: \$190,000

FY13 requested: \$180,000

It does not make sense for the U.S. taxpayer to be underwriting security assistance to the Bahamas, which has a robust per-capita income and a healthy tourist trade.

Gross National Income per capita 2010	N/A
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	53
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	21
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	85
Population living under \$2/day	N/A
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	31.28
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	21.53
FDI, net inflows (BoP, current USD millions, 2007-11))	\$861.48
Military Expenditure (% of GDP)	N/A

Barbados and Eastern Caribbean

FY11 actual: \$806,000

FY12 estimated: \$800,000

FY13 requested: \$800,000

In addition to Barbados, this includes the six independent countries of the Organization of Eastern Caribbean States: Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines. With relatively high incomes and high institutional capacity, these countries are well-positioned to move beyond the need for assistance. (The data below are for Barbados.)

Gross National Income per capita 2010	N/A
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	47
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	16
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	N/A
Population living under \$2/day	N/A
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	17.06
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	11.00
FDI, net inflows (BoP, current USD millions, 2007-11))	\$80.00
Military Expenditure (% of GDP)	N/A

Brazil

FY11 actual: \$2,031,000

FY12 estimated: \$3,940,000

FY13 requested: \$2,895,000

Brazil is a global power on the rise, and U.S.-Brazil security cooperation should be deepened in ways other than aid. Brazil should be able to graduate from receiving security assistance relatively soon.

Gross National Income per capita 2010	\$9,390
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	84
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	73
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	126
Population living under \$2/day	21,663,174
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	44.55
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	43.06
FDI, net inflows (BoP, current USD millions, 2007-11))	\$48,437.73
Military Expenditure (% of GDP)	1.61

Chile

FY11 actual: \$1,321,000

FY12 estimated: \$1,155,000

FY13 requested: \$1,080,000

Chile is well-developed and well-positioned to easily assume the burdens of security within five years. We should develop enhanced security cooperation outside of an aid relationship similar to that of our relationship with Brazil.

Gross National Income per capita 2010	\$9,940
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	44
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	22
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	39
Population living under \$2/day	450,240
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	12.32
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	16.27
FDI, net inflows (BoP, current USD millions, 2007-11))	\$15,094.83
Military Expenditure (% of GDP)	3.25

Costa Rica

FY11 actual: \$743,000

FY12 estimated: \$690,000

FY13 requested: \$1,752,000

Costa Rica is an important success story in the region, and security assistance could be phased out closer to the five-year mark. Although the country does not have a standing army, its Coast Guard has become increasingly capable in drug interdiction efforts, and most security assistance is oriented toward that goal. The 2013 request is more than double the 2012 level.

Gross National Income per capita 2010	\$6,580
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	69
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	50
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	121
Population living under \$2/day	225,548
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	35.07
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	35.41
FDI, net inflows (BoP, current USD millions, 2007-11))	\$1,465.63
Military Expenditure (% of GDP)	N/A

Uruguay

FY11 actual: \$989,000
FY12 estimated: \$465,000
FY13 requested: \$450,000

Uruguay has trimmed the size of its military and is an important contributor to U.N. peacekeeping efforts. Bilateral relations are good, and the country’s democratic credentials are solid.

Gross National Income per capita 2010	\$10,590
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	48
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	25
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	90
Population living under \$2/day	58,828
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	28.91
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	29.19
FDI, net inflows (BoP, current USD millions, 2007-11))	\$1,626.95
Military Expenditure (% of GDP)	1.46

Small or peripheral-interest country programs

The following countries in the Western Hemisphere currently have small security assistance programs. While countries in this category will not produce major savings, they are also unlikely to produce major results, and so deserve careful consideration if overall spending levels are being curtailed. Appearance on this list is not commentary on the country's general willingness to reform or to work as a partner in the security arena.

Belize

FY11 actual: \$390,000
FY12 estimated: \$390,000
FY13 requested: \$1,030,000

This aid could be significantly reduced given Belize’s limited strategic importance.

Gross National Income per capita 2010	\$3,740
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	93
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	N/A
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	93
Population living under \$2/day	76,736
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	56.40
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	60.29
FDI, net inflows (BoP, current USD millions, 2007-11))	\$96.45
Military Expenditure (% of GDP)	1.10

Guyana

FY11 actual: \$386,000
FY12 estimated: \$315,000
FY13 requested: \$300,000

Although U.S. military medical and engineering teams continue to conduct training exercises in Guyana, this program does not seem to be the highest priority.

Gross National Income per capita 2010	\$3,270
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	117
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	134
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	114
Population living under \$2/day	124,650
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	60.66
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	49.28
FDI, net inflows (BoP, current USD millions, 2007-11))	\$187.55
Military Expenditure (% of GDP)	N/A

Suriname

FY11 actual: \$251,000

FY12 estimated: \$240,000

FY13 requested: \$225,000

As the smallest country in South America with an estimated population of around 500,000, Suriname is neither a U.S. geostrategic concern nor a budget priority.

Gross National Income per capita 2010	\$5,920
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	104
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	100
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	158
Population living under \$2/day	100,412
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	47.87
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	47.85
FDI, net inflows (BoP, current USD millions, 2007-11))	-\$255.70
Military Expenditure (% of GDP)	N/A

Trinidad and Tobago

FY11 actual: \$253,000

FY12 estimated: \$180,000

FY13 requested: \$180,000

Trinidad and Tobago is not enough of a geostrategic concern to be a budget priority at this time, with an estimated population of just more than one million people.

Gross National Income per capita 2010	\$15,380
Freedom status 2011	Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	62
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	91
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	68
Population living under \$2/day	19,285
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	52.13
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	36.36
FDI, net inflows (BoP, current USD millions, 2007-11))	\$549.40
Military Expenditure (% of GDP)	N/A

Poor performance countries

The following countries in the Western Hemisphere do not strike us as good partners based on available evidence, often because of the host country's treatment of its own citizens. While some will argue that continued security aid to these countries is merited due to strategic considerations, such aid may in some cases reinforce the power of entrenched elites and slow broader progress of these societies becoming freer and more developed. It is vital that security assistance be considered within the broad institutional performance of a recipient country as a whole.

Nicaragua

FY11 actual: \$877,000
FY12 estimated: \$1,189,000
FY13 requested: \$1,099,000

Similar to the economic assistance side, Nicaragua should face cuts in security assistance given its lack of effort to improve governance.

Gross National Income per capita 2010	\$1,080
Freedom status 2011	Partly Free
Human Development Index 2011 (Range: 1-187, 1=most developed)	129
TI Corruptions Perceptions Index 2011 (Range: 1-182, 1=least corrupt)	134
Doing Business Index 2012 (Range: 1-183, 1=most conducive to business)	118
Population living under \$2/day	1,455,684
WGI Rule of Law Percentile rank (Range: 0-100, 0=high rule of law)	75.83
WGI Government Effectiveness Percentile Rank (Range: 0-100, 1=most effective)	84.21
FDI, net inflows (BoP, current USD millions, 2007-11))	\$508.00
Military Expenditure (% of GDP)	0.68

Data sources

Gross National Income per capita 2010: World Development Indicators, World Bank (Atlas method), 2010.

Freedom status 2011: Freedom House, 2011.

Human Development Index: Human Development Report 2011, United Nations Development Programme.

Corruption Perceptions Index: Transparency International, 2011.

Doing Business Index 2012: Doing Business Report 2012, International Finance Corporation/World Bank.

Population Living under \$2 per day: Population and poverty headcount data from PovcalNet, World Bank, 2010, or latest available data.

Rule of Law Percentile Rank: Worldwide Governance Indicators, Daniel Kaufmann, Aart Kraay, Massimo Mastruzzi, 2010.

Government Effectiveness Percentile Rank: Worldwide Governance Indicators, Daniel Kaufmann, Aart Kraay, Massimo Mastruzzi, 2010.

Net ODA Received per Capita: World Development Indicators, World Bank, current 2009 USD.

Foreign Direct Investment (net inflows): World Development Indicators, World Bank, current USD in millions, 2007–2011.

Military Expenditure (percent of GDP): World Development Indicators, World Bank, current USD, 2010.

Endnotes

- 1 Food for Peace funding does not include FY11 humanitarian assistance food aid since those allocations are contingent upon need.
- 2 There are 31 PEPFAR countries for which operational plans are prepared, 29 countries in the Global Health Initiative, and 20 in Feed the Future. Within the Global Health Initiative, eight countries are further identified as “Plus” countries indicating a higher level of funding and attention from the U.S. government. The Partnership for Growth program is currently in four countries: El Salvador, the Philippines, Ghana, and Tanzania.
- 3 U.S. Department of State, *Human Rights Report on Angola* (2010), available at <http://www.state.gov/documents/organization/160519.pdf>.
- 4 U.S. Department of State, *Human Rights Report on Chad* (2010), available at <http://www.state.gov/documents/organization/160115.pdf>.

About the Center for American Progress

The Center for American Progress is a nonpartisan research and educational institute dedicated to promoting a strong, just and free America that ensures opportunity for all. We believe that Americans are bound together by a common commitment to these values and we aspire to ensure that our national policies reflect these values. We work to find progressive and pragmatic solutions to significant domestic and international problems and develop policy proposals that foster a government that is “of the people, by the people, and for the people.”



Center for American Progress
1333 H Street, NW, 10th Floor
Washington, DC 20005
Tel: 202.682.1611 • Fax: 202.682.1867
www.americanprogress.org

About the Center for Global Development

The Center for Global Development works to reduce global poverty and inequality through rigorous research and active engagement with the policy community to make the world a more prosperous, just, and safe place for us all. The policies and practices of the United States and other rich countries, the emerging powers, and international institutions and corporations have significant impacts on the developing world's poor people. We aim to improve these policies and practices through research and policy engagement to expand opportunities, reduce inequalities, and improve lives everywhere.



Center for Global Development
1800 Massachusetts Avenue NW, Third Floor
Washington, DC 20036
Tel: 202.416.4000 • Fax: 202.416.4050
www.cgdev.org
