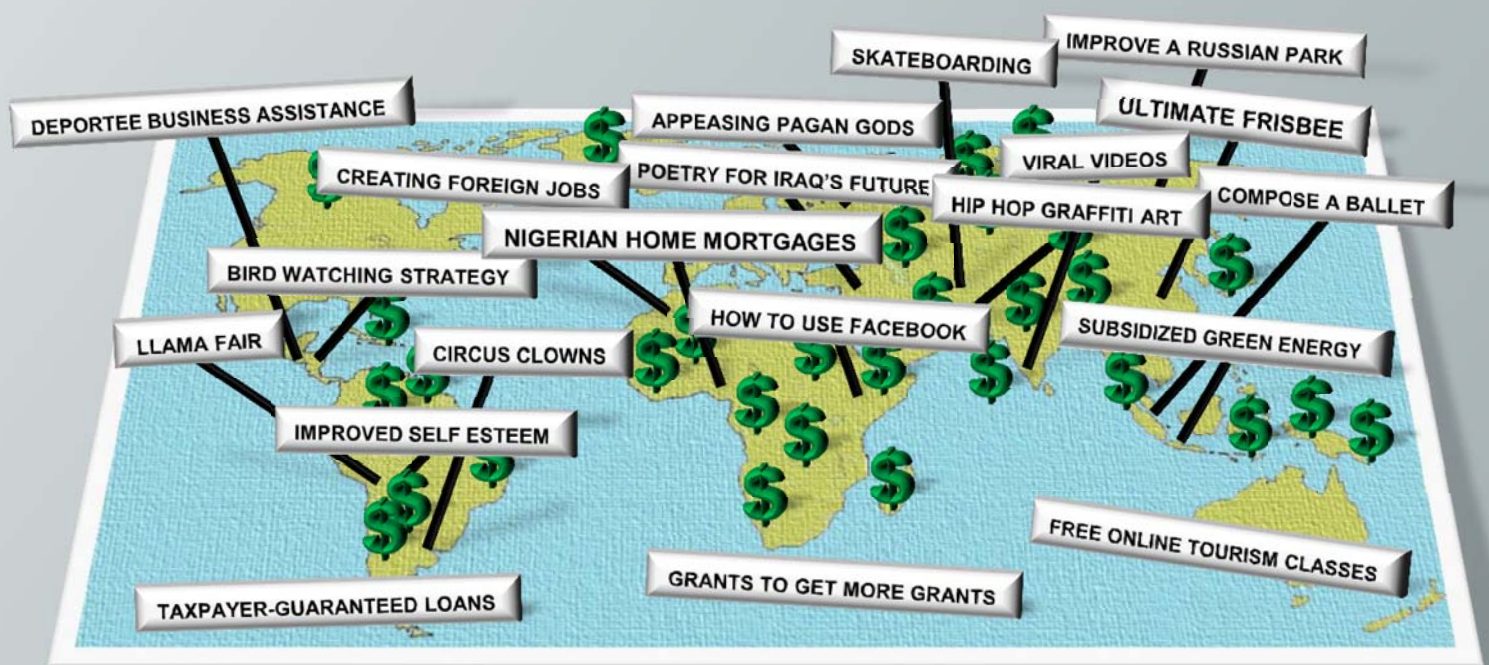


# WORLDWIDE WASTE

HOW THE GOVERNMENT IS USING AND LOSING YOUR MONEY ABROAD

## PART VII: INSTITUTIONAL DEVELOPMENT



An Oversight Report Series by  
**Senator Rand Paul, M.D.**

Chairman, Subcommittee on Federal Spending Oversight  
Committee on Homeland Security and Governmental Affairs

Member, Committee on Foreign Relations

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## ***“From the American People”***

The American people have never wavered in their support for those in need, both at home and abroad. Americans privately gave \$373 billion of their own money to charities in the 2015 tax year<sup>1</sup>—more than the total government expenditures of South Korea,<sup>2</sup> Sweden,<sup>3</sup> or Mexico,<sup>4</sup> respectively. These private donations include more than \$15 billion<sup>5</sup> for international organizations that respond to disasters or promote development, not to mention countless volunteer hours from Americans around the world. Importantly, though, these efforts must be built on a foundation of accountability—no one would likely support a cause without clear direction, give to an organization that burns money on overhead costs, or like to watch their money wasted. Transparent data helps inform people on the uses of their money and the results of their work. Yet when it comes to the government, the necessary accountability remains lacking. Tax dollars are collected from Americans and sent abroad to advance causes that might sound good to a few government employees in Washington, D.C., but may not enjoy the support of the taxpayers compelled to provide the funds.

The government’s overseas presence has grown vast and increasingly unmanageable. Attempts at transparency can be overwhelmed by the tax dollars put towards the government’s foreign assistance programs (\$48 billion in 2015 alone<sup>6</sup>), a number that has made oversight unapproachable for the many Americans that do not have the time on their hands to sift through reams of grant data or hundreds of thousands of complex government grants and transactions. The importance of foreign assistance accountability has also been hampered by leaders who try to downplay the size of the government’s foreign assistance apparatus. This dismissal tactic portrays valid concerns with foreign assistance as somehow overplayed because foreign assistance only takes up “...about one percent of our entire federal budget,” as President Obama has argued.<sup>7</sup>

Only in Washington could \$48 billion be dismissed as an inconsequentially small number.

That amount represents the average tax liability of 6.6 million Americans<sup>8</sup>—about one-and-a-half times the population of Kentucky.

As a result of these dynamics, taxpayers have lost billions to waste overseas. American taxpayers see their priorities and needs neglected at home while their tax dollars fund solutions to some of the same problems abroad. **By its end, this series will identify over \$3 billion in wasteful spending** throughout these programs abroad. Yet this is just the tip of the iceberg when it comes to foreign assistance.

**“Only in Washington could \$48 billion be dismissed as an inconsequentially small number. That amount represents the average tax liability of 6.6 million Americans—which is about one-and-a-half times the population of Kentucky.”**

The United States Agency for International Development (USAID) uses the slogan “From the American People.” While the meaning behind the slogan is technically true—the programs are paid for with taxpayer dollars—the all-too-frequent reality has been that the benefits are more from the American government than its people, with too great of a disconnect between the labyrinth of government assistance programs and the taxpayers that provide the funds. But this series is intended to close that gap—to bring further exposure to the waste within our foreign assistance spending; to equip the American taxpayer with examples of how their money is being used; to offer possible solutions; and, perhaps most importantly, to narrow the accountability gap between the American taxpayer and their representatives who have searched frantically for excuses to protect the status quo when it comes to government spending abroad.

\* \* \*

## Foreign Institutional Development

Not all foreign initiatives of the federal government are as broad as economic support; they may not be as large in scale as a foreign military intervention or as expensive as a highway in Afghanistan. Sometimes the projects stand independently as their own priority for policymakers. From promoting transparent governance, providing education, or improving access to technology, these foreign initiatives represent the small ways that the U.S. tries to lend a helping hand—to make countries or foreign populations stronger in any number of ways, or to even to help Americans gain understanding of the same issues.

Unmoored from significant strategic priorities, however, the projects tend to bring less benefit to American taxpayers—if any at all. Identifying the benefit and comparing it to the cost is difficult in these cases. The projects may benefit someone or something, but funding programs that do not meet a policy priority and that do not benefit American taxpayers is simply bad policy. Congress should do more to reform or eliminate these programs to prevent the kind of wasteful spending examined here.

### CORPORATE WELFARE TO GLOBAL MOBILE PHONE GIANTS

**USAID PUBLIC-PRIVATE  
PARTNERSHIP**

**\$3,349,178<sup>9</sup>**

To address certain development goals that might also overlap with business goals, USAID runs what it calls Global Development Alliances, or GDAs. These GDAs can be thought of as partnerships between the government and business to address the same objective. In the case of the GDA in question, the goal is to get mobile phones into the hands of more women around the globe. Giving people mobile phones to create more customers might make sense for the wireless and mobile phone industries, but it is not clear why American taxpayers should be asked to put their tax dollars toward building a new customer base for these large corporations.

In 2010, the Global Association of Mobile Operators (GSMA), which “represents the interests of mobile operators worldwide[...],”<sup>10</sup> and the Cherie Blair Foundation identified what they termed a “mobile phone gender gap” in their *Women & Mobile* report.<sup>11</sup> The report notes that women in low and middle-income countries are 21% less likely to own a mobile phone than men, representing many billions of dollars in market opportunity for mobile operators if that gap could be closed.<sup>12</sup> Interestingly, one year after the *Women & Mobile* report identified billions in potential new revenue for mobile operators, USAID announced a partnership with GSMA to put millions in taxpayer dollars toward closing the new-found mobile phone gender gap.<sup>13</sup> At the time of the partnership’s announcement, then-Secretary of State Hillary Clinton stated—as quoted in USAID’s press release—that “investing in women’s progress is the most direct and effective way to invest in progress economically and socially globally [sic].”<sup>14</sup>

#### Revenue Opportunities Range from US\$740 Million in Latin America to US\$4 Billion in East Asia

Closing the mobile gender gap by adding 300 million women subscribers in low and middle-income countries will bring significant social benefits to women and their families as well as US\$13 billion immediate incremental revenue (ARPU or average revenue per user) to mobile operators.

The incremental revenue opportunity ranges from US\$740 million in Latin America to US\$4 billion in East Asia. The greatest incremental gains for women can be made in South Asia, the Middle East and Africa, the three regions where the gender gap is the biggest.

The long-term opportunity is even larger. Over the next five years, two out of every three potential new subscribers will be women. By connecting all of these women, mobile operators have the potential to add 600 million subscribers and boost their collective annual revenues by US\$29 billion.

*Taxpayers spent millions helping wealthy telecom companies gain new subscribers and access billions in potential revenue (Excerpt from Women & Mobile: A Global Opportunity [2010])*

Increased access to mobile phones almost certainly does bring social and economic benefits, but that does not mean that spending taxpayer dollars is necessary when a market need has already been identified. Importantly, GSMA represents some of the biggest and most profitable telecommunication companies in the world representing many hundreds of billions in market value, including AT&T, Verizon, China Mobile and Vodafone.<sup>15</sup> Profitable companies like these have plenty of motivation to pursue billions in untapped revenue on their own—without handouts from the government.



## EXPANDING HEALTH INSURANCE AND EASING MEDICAL DEBT IN A FOREIGN COUNTRY

### USAID SUPPORT TO SOCIAL HEALTH PROTECTION PROJECT

**\$9,416,610**<sup>16</sup>

Access to health care and the expense of health insurance have been and remain hot-button issues in the United States. Americans continue to feel the effects of Obamacare and watch anxiously as their costs skyrocket. Yet as many Americans fret about whether they can afford their ever-increasing premiums for their plans under Obamacare, the federal government is using their tax dollars to improve health insurance access and medical care elsewhere.

For example, USAID has put over \$9 million towards bolstering a World Bank low-income health insurance program in Cambodia. A USAID website for the program notes a “...large portion of [Cambodia] that is vulnerable to health shocks... that could force families to borrow money at higher rates, sell their assets and push them deeper into poverty.”<sup>17</sup> The same site reports that, as a result of efforts to expand health coverage, “fewer households [in Cambodia] are falling into debt to pay for health care.” Yet medical debt is hardly a problem confined to Cambodia. In fact, a recent analysis found that medical debt is the leading cause of bankruptcy in the United States.<sup>18</sup> American taxpayers may be disheartened to learn, then, that their tax dollars help Cambodians stay out of medical debt while they drown in debt of their own—or live in fear that they might one day be bankrupted by medical debt.

The need for medical care exists in varying forms around the world, and the federal government should not go abroad under the assumption that the U.S. is any different. American taxpayers clearly deserve better prioritization and a greater understanding from their government of the health care situation in their own backyard. Congress should push for programs that reform and improve American health marketplaces, and spend less time taking money from debt-saddled Americans to ease the medical debt of foreign populations.

## PROVIDING FREE HEALTH CARE TO HELP COLOMBIA'S NATIONAL POLICE

### STATE DEPARTMENT GRANT **\$177,047**<sup>19</sup>

American taxpayers might know about government initiatives to provide emergency healthcare in the wake of a disaster abroad, or perhaps they have heard of the government's efforts to combat diseases like Ebola. But other health care programs abroad may not be as widely known. For example, taxpayers may not be aware that they provided free health care in certain communities in Colombia to help the Colombian National Police (CNP) make inroads.

Under this 2015 grant, the U.S. Embassy in Bogotá provided free health care in six Colombian municipalities to help the CNP's counternarcotics unit. According to the State Department, the free medical care was used to “...[create] an entry point to communities with which the CNP would not otherwise routinely interact.”<sup>20</sup> In other words, the message of the program could be summarized as: come for the free medical care, stay for the “...presentations on the negative effects drug consumption has on public health, society, and the rule of law.”<sup>21</sup>

## SCHOLARSHIPS FOR AFGHAN SHARIA LAW STUDENTS TO STUDY LAW IN THE U.S.

### STATE DEPARTMENT GRANT **\$2,981,004**<sup>22</sup>

Know an Afghan graduate in Sharia law interested in advancing their legal studies in America? If so, they might be interested in the State Department's 3-year partnership with Ohio Northern University to educate Afghan lawyers. The grant enables up to 10 Afghan participants annually to study and earn an LL.M. in the United States, with tuition, fees, housing, insurance, travel costs, and a monthly \$825 stipend covered by the American taxpayer.<sup>23</sup> Applicants for the program need a recognized law degree, with studies in Sharia law counting toward satisfaction of this requirement.<sup>24</sup>

This latest effort to fortify the legal structures of Afghanistan is hardly the first, though. Since 2004, the University of Washington has worked with the State Department to offer the Afghanistan Legal Education Support Program,



giving professors and graduates from Sharia and law schools in Afghanistan the opportunity to expand their learning.<sup>25</sup> The program works with 25 Law and Sharia faculties at 17 universities in Afghanistan and has helped bring seven deans of Law and Sharia to the U.S. for visits to cities including New York and Washington, D.C.<sup>26</sup>

CHANGING INTERNATIONAL PERCEPTIONS OF AFGHAN ARTISANS	
<b>USAID REBRANDING AFGHANISTAN</b>	<b>\$4,800,000</b> <sup>27</sup>
<b>USAID GRANT FOR SMITHSONIAN DISPLAY</b>	<b>\$535,000</b> <sup>28</sup>
<b>DEPARTMENT OF DEFENSE</b>	<b>\$1,887,478</b> <sup>29</sup>

A recent Harris poll found that 46% of adults said that the word “artisan” or “artisanal” affixed to a product conveyed higher quality.<sup>30</sup> To USAID, it seemingly follows that exposing Americans to artisan products from Afghanistan would “shape a more positive international image of Afghanistan through the rebranding of Afghan artisan products.”<sup>31</sup>

This is the core of USAID’s *Rebranding Afghanistan* project, which in cooperation with the Turquoise Mountain Institute aims to help Afghanistan’s reputation by exposing more people to artisans such as ceramicists, painters, jewelry makers, and woodworkers. The Turquoise Mountain Institute is, according to its website, “Afghanistan’s premier arts vocational training institution [...]”.<sup>32</sup> It is also unique among non-governmental organizations operating in Afghanistan given that Turquoise Mountain itself was founded by Prince Charles of Wales.<sup>33</sup>

Additionally, and with USAID funding, Turquoise Mountain arranged for Afghan artisans and their crafts to be featured in the Murad Khani exhibit at the Smithsonian’s Sackler Gallery of Art in Washington, D.C. Data from the Special Inspector General for Afghanistan Reconstruction (SIGAR) indicates that the exhibit alone carried an estimated cost of \$535,000.<sup>34</sup> Federal Spending Oversight subcommittee staff visited the exhibit to further explore this use of taxpayer funding. The exhibit entrance, as well as the Smithsonian’s website,<sup>35</sup> makes clear that

American taxpayers funded the project through USAID:



“Turquoise Mountain: Artists Transforming Afghanistan is organized by the Arthur M. Sackler Gallery and the Turquoise Mountain Trust. This exhibition is made possible by the support the American people have given to Turquoise Mountain through the United States Agency for International Development (USAID).”

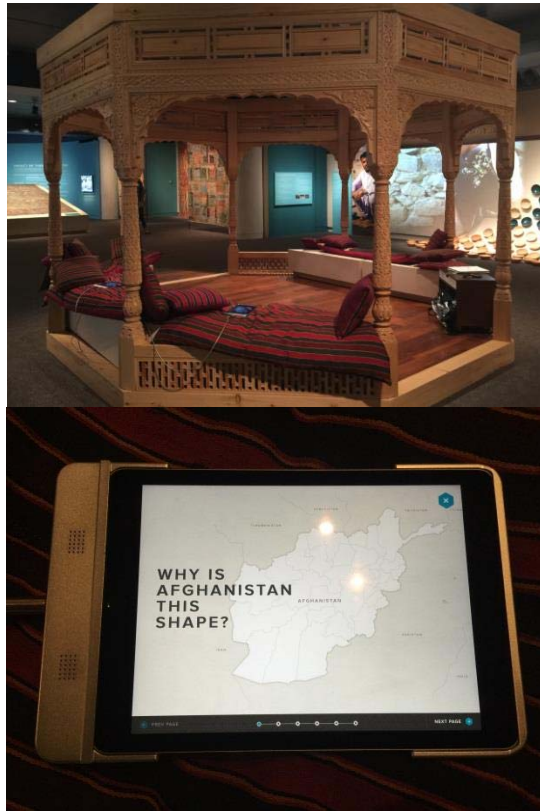
In addition to USAID being a Principal Sponsor, the exhibit entrance also lists the taxpayer-supported U.S. Institute of Peace (USIP) as a Major Sponsor.

Once inside the exhibit, visitors are greeted by a short film explaining the history of the Murad Khani area of Kabul and the effort to revive it, though one slide encapsulates the entirety of U.S. involvement in Afghanistan quite succinctly:



“America in Afghanistan: 2001—  
But high hopes for peace were dashed on harsh realities”

The exhibit gives guests the opportunity to sit on cushions in the handcrafted pavilion, where they can browse one of several iPads with a custom interface, allowing exploration of questions such as “Why is Afghanistan This Shape?” and “How Old is Afghanistan?” as well as features on Turquoise Mountain projects throughout Afghanistan.



*Scenes from the display to alter perceptions about Afghanistan*

Artisan products are on display throughout the exhibit, from woodwork to jewelry to rugs. Visitors are encouraged to pick up and touch the products throughout the exhibit so that they can gain an appreciation for the quality of the craftsmanship. Upon exiting, guests are asked to take a survey rating their experience, with questions including:

- “Describe your current perception of Afghanistan” (from Very Negative to Very Positive)
- “How would you describe handmade goods from Afghanistan?” (from Very Low Quality to Very High Quality)
- “Please consider the following statement: ‘After visiting this exhibition I would purchase objects made in Afghanistan in the

future.’” (from Strongly Disagree to Strongly Agree)

Visitors to the exhibit are possibly unaware of its backstory or the extent to which they have paid for the exhibit. Taxpayers, meanwhile, may not be aware of the cyclical nature of these kinds of projects—that, in essence, the federal government is taking tax dollars to pay NGOs to convince the very taxpayers that provided the funds to think good things about Afghan artisan products.

Remarkably, this is not the first attempt by the U.S. government to promote artisan products from Afghanistan. For example, in December 2014, SIGAR highlighted a Department of Defense effort to support Afghan jewelers through its Task Force for Business and Stability Operations (TFBSO).<sup>36</sup> According to SIGAR, this program “...sent Afghan jewelers to months-long gem training programs in India and sent other individuals to locations including Paris and Milan.”<sup>37</sup> In its response to SIGAR, TFBSO reported that it had partnered with Turquoise Mountain to connect new customers with its graduates’ businesses. TFBSO “...helped promote Afghanistan as a source of production to major fashion and home goods brands, including Kate Spade and the Ippolita jewelry brand” and secured site visits to Kabul from executives from both companies, though “...both companies cited quality issues with their [sample] orders that led them to source their products elsewhere.”<sup>38</sup> This Pentagon project would eventually help launch an Afghan-made jewelry brand, which received its first orders in the fall of 2014. Data included in the response by TFBSO put the total taxpayer cost of the effort at \$1,887,478 from 2012 to 2014.<sup>39</sup>

This is not an indictment of Afghan artisans themselves, of course. But a craft sold from Afghanistan nonetheless replaces a craft that might have been sold someplace else. Does the U.S. government also plan to provide assistance to artisans in other countries that might lose business to taxpayer-subsidized Afghan artisans—including American artisans? With government debt piling up by the minute, Congress needs to assess whether American taxpayers receive any

value for the millions they have spent (and may continue to spend) boosting the sales and changing perceptions of Afghanistan's artisans.

## PROMOTING REGULATORY RELIEF ABROAD BUT OPPOSING IT AT HOME

**USAID GRANT** **\$400,000**<sup>40</sup>

American businesses are struggling with the burden and cost of ever-increasing regulations from the federal government. An analysis from the Competitive Enterprise Institute has estimated that regulations cost the American economy \$1.88 trillion every year.<sup>41</sup> Analyses from the Mercatus Center<sup>42</sup> and Competitive Enterprise Institute<sup>43</sup> have each estimated that the government spends in the neighborhood of \$50 to \$60 million per year just to administer and enforce its own regulations—regulations that often stifle economic opportunity for countless Americans.

Taxpayers have not only had to suffer under the regulatory burden at home, but they have paid to free foreign economies from their own regulatory burden. In this case, USAID spent \$400,000 in support of a regulatory “guillotine” in Armenia to weed out regulations that were not necessary or business friendly.<sup>44</sup> By comparison, the United States has more than 1 million different regulations<sup>45</sup>, which is **40 times** more than Armenia.

To be clear, the emerging effort to reduce regulations is a very good thing. The government **should** be working on ways to make regulations more workable so that businesses can thrive. But the simple truth is that the United States desperately needs a “guillotine” for regulations of its own **here at home**. Congress should worry about fixing real problems here instead of funding programs to fix the same problems abroad.

## ADVISING A FOREIGN CENTRAL BANK ON AMERICAN-STYLE MONETARY POLICY

**DEPT. OF TREASURY OFFICE  
OF TECHNICAL ASSISTANCE** **\$551,777**<sup>46</sup>

The 2008 financial crisis caused tremendous harm to American families and to the economy at large. The Department of the Treasury moved

swiftly to bail out banks that had put nearly a trillion dollars into exceedingly risky investments, while the Federal Reserve (more commonly known as “the Fed”) purchased more underwater assets from the big banks. Purchases like this by the Fed lack any semblance of transparency, and taxpayers have little idea who has gotten what from this enormous pile of money. Meanwhile, the continued manipulation of global markets and interest rates jeopardizes economic stability (again). Calls to conduct a much-needed audit of the Fed continue to grow, with the need for one perhaps never greater.

With all this in mind, American taxpayers may be surprised to learn that the Department of the Treasury is nonetheless working overseas to help the National Bank of Moldova to adopt “...techniques and practices used widely in the international banking community to diagnose problem banks, and to take early corrective action[...].”<sup>47</sup> While this is a laudable pursuit, it would be helpful if the United States had obviously learned these lessons itself, but there is little reason for taxpayers to feel confident.



Nevertheless, while Americans have little access or ability to scrutinize the forces at work at their own Federal Reserve, the Treasury Department puts taxpayer dollars towards helping Moldova's central bank to, among other things, “...establish target interest rates and adopt appropriate monetary instruments to regulate inflationary pressures.” Perhaps Treasury will also coach Moldova's central bank on how to avoid transparency and to ignore calls for an audit, as the Fed does at home. Regardless, taxpayers should hope that risky American monetary manipulation does not spread into other countries.



## BUILDING LIBYAN CONFIDENCE IN LIBYA'S GOVERNMENT AND DEMOCRACY

**USAID LIBYA ELECTIONS AND GOVERNANCE SUPPORT** **\$8,820,839<sup>48</sup>**

In 2011, the United States, along with allies from NATO, intervened in Libya to topple the Qaddafi government amidst an uprising and civil war. The legacy of the U.S. intervention in Libya has been far-reaching. Libya has fallen into disarray, and large swaths of territory are effectively controlled by terrorists. Americans have died trying to bring stability to the country. According to the Congressional Research Service, Libya has been described as a terrorist safe haven by the U.S. State Department, and that "...military action against the Islamic State, Al Qaeda, and other extremists in Libya may continue and/or expand in as yet unspecified ways, even if political consensus among Libyans remains elusive."<sup>49</sup>

*"[...] We thought we knew what would happen in Libya. We thought we knew what would happen in Egypt. We thought we knew what would happen in Iraq, and we guessed wrong. In each one of these countries the thing we have to consider is that there is some structure... that's holding the society together. And as we learned, especially in Libya, when you remove the top and the whole thing falls apart, there's nothing underneath it you get chaos."*

**Gen. Colin Powell (Ret.)**

*As quoted in The Atlantic, September 30, 2015*

Against this backdrop, USAID has spent millions to instill trust in the Libyan people toward their new democratic government, as well as belief in the democratic process "...as a vehicle for peacefully and democratically selecting leaders."<sup>50</sup> However, the elections support program highlighted here is only one example of the significant taxpayer cost to build Libya's institutions and to establish democratic values in a country where they face significant challenges.

For example, **foreign assistance data compiled by USAID shows taxpayers have spent approximately \$297 million in Libya since 2011 when Qaddafi was toppled,**<sup>51</sup> a figure that is incomplete given that 2016 and 2015 reporting is not yet finalized. Of the total

spending figures available, though, around \$150 million has been put toward Libya's governance since 2011.<sup>52</sup> Administering these programs and assessing their success is complicated by the fact that the U.S. Embassy in Libya has been abandoned since 2014 due to security concerns.<sup>53</sup>



*Militants play in the swimming pool at a U.S. diplomatic facility in Libya in 2014  
(New York Daily News, Aug 31, 2014)*

The security situation in Tripoli, Libya's capital, deteriorated so quickly that U.S. personnel were forced to make an armored car getaway to Tunisia while being escorted by F-16s and other military aircraft.<sup>54</sup> At least part of the diplomatic complex has since fallen into the hands of militant groups. While the U.S. government's effort to help Libyans secure their country and establish institutions continues, taxpayers are already confronted with the difficult questions that come with leaving a power vacuum in a volatile region of the world. It is important to study whether the high cost has been justified, to learn from this U.S. intervention for the future, and determine how much more time the U.S. should devote to cleaning up the mess in Libya.

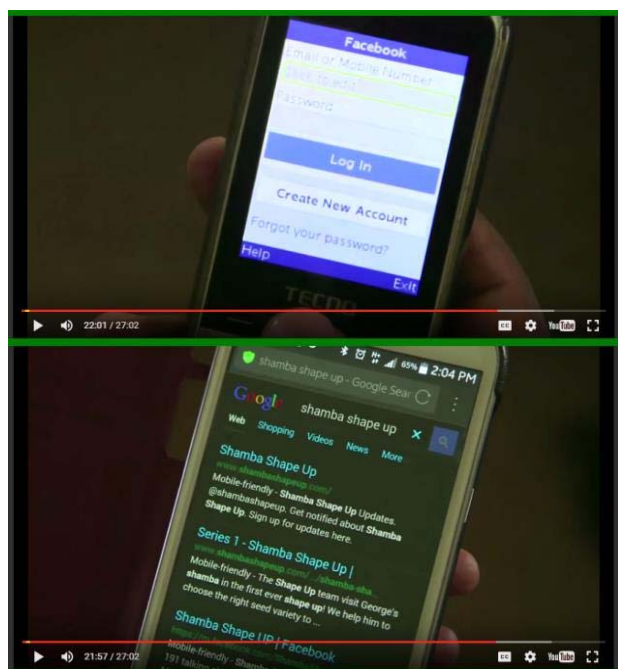
## TEACHING KENYAN FARMERS HOW TO USE GOOGLE & FACEBOOK ON THEIR SMARTPHONES

**USAID DEVELOPMENT INNOVATION VENTURES GRANT** **\$99,787<sup>55</sup>**

Farmers in Kenya could harness the power of mobile devices to improve their crops, but they suffer from "device illiteracy," with many lacking the ability "...to perform the basic handset operations needed to take advantage of these services."<sup>56</sup> At least, this was the premise behind the *Simu Shape Up: Edutainment to Shape Up Cell Phone use Among African Rural Farmers* program, a USAID-funded effort to improve cell phone literacy among rural farmers in Kenya.<sup>57</sup> Using this "edutainment" model, this project developed

“educational short programming... to share the benefits of mobile programming for agriculture.”<sup>58</sup>

The project produced segments to air on the *Shamba Shape Up* television show, a reality-format show airing on Citizen TV Kenya. According to a 2013 feature in *Modern Farmer*, the *Shamba Shape Up* program is wildly popular across Africa, where the hosts visit farms across Kenya on the brink of collapse and offer advice on how to save them, or to solve problems that confront them<sup>59</sup>—a familiar construct for reality television. The segments associated with this U.S. taxpayer-assisted project aired as part of episodes on June 19; September 11; and September 18, 2015.<sup>60</sup>



In addition to instruction on buying data and reinforcing the need for a smartphone to browse the internet, one segment also includes instruction on how to use Google and log on to Facebook (Shamba Shape Up YouTube)

Interestingly, the *Modern Farmer* feature notes that the creators of the *Shamba Shape Up* program were already using text messages as a tool to interact with farmers—and at least a year before USAID funded a program to improve cell phone literacy among Kenyan farmers. It turns out that farmers can send a text message to *Shamba Shape Up* to request a free brochure on any of the topics discussed by the show, with **four to six thousand brochures** requested each week as of 2013.<sup>61</sup>

In other words, farmers were already harnessing text messages and mobile technology to help their farms, with the pace of progress likely only increasing their numbers. American taxpayers, meanwhile, receive little to no benefit from producing television infomercials telling foreign audiences how to Google.

## AWARDING GRANTS TO BUILD CAPACITY FOR MORE GRANTS

USAID DEVELOPMENT GRANTS PROGRAM

**\$273,000,000**<sup>62</sup>

Scenario: USAID wants to advance healthcare administration in a particular country. But instead of giving a healthcare administration grant to a non-governmental organization (NGO) with experience in the subject, USAID intentionally awards the grant to an NGO that **does not** have the ability to complete a healthcare administration project.

Taxpayers may be dismayed to learn that the government devoted \$273 million to this practice.<sup>63</sup> At the core of these grants is the concept of “capacity building.” The goal of these grants is not so much to complete a strategic priority like healthcare administration (though that may be a secondary objective); rather, the primary goal is to help an up-and-coming NGO learn about the grant process; the basics of fundraising; how to work with USAID; and how to implement projects on the ground—including **future** USAID projects. So, in other words, an NGO that doesn’t have the capacity to execute a USAID project gets a grant from USAID so the NGO can learn how to get a USAID grant one day in the future.

From 2008 until 2015, USAID operated the Development Grants Program (DGP) to “create new partnerships between USAID and NGOs that have had limited or no prior funding from and experience working directly with USAID.”<sup>64</sup> Reporting documents submitted to Congress by USAID in 2008 outline the program’s objectives, including to “partner with US [private voluntary organizations] and indigenous NGOs that have limited or no experience managing direct USAID grants” and to “help grantees improve their planning and management systems and other

competencies for USAID-funded development work and increase prospects for organizational and programmatic sustainability.”<sup>65</sup>

The program provided “...support to help U.S. [private voluntary organization] grantees learn to effectively manage USAID funds” and “training on forging partnerships with the private sector and other development partners.”<sup>66</sup>

Perhaps realizing that this program was running in circles and accomplishing very little, Congress abolished the DGP and specifically replaced it with a new small grants program, referred to by USAID as *localworks*.<sup>67</sup>

The \$45 million *localworks* program is geared toward mobilizing local resources in a few select countries while moving away from “...ongoing dependence on externally-funded services.”<sup>68</sup> USAID even went so far as to emphasize in a project solicitation for *localworks* that “the focus of localworks is not on developing the capacity of individual organizations to implement USAID projects.[emphasis in the original]”<sup>69</sup>



## PRODUCTION OF FOREIGN DRAMATIC TELEVISION PROGRAMS

<b>USAID GRANT FOR MADAM PRESIDENT</b>	<b>\$1,985,000<sup>70</sup></b>
<b>USAID GRANT FOR SINGHA DURBAR</b>	<b>\$1,003,000<sup>71</sup></b>

Binge-watching episode after episode of a television series has never been easier with the emergence of online streaming services like Netflix, Amazon Prime and Hulu. Subscribers to these services in search of political dramas can stream programs like *House of Cards* or old episodes of the *The West Wing* (to name a few). Most likely, though, most would-be binge-watchers have not heard of *Madam President*,

which is available to stream on Amazon Prime and Hulu—and this is unfortunate, given that *Madam President* was funded by U.S. taxpayers.

*Madam President* was developed to air on television networks across the Middle East to promote “democratization, transparent governance, and an increased leadership role for women.”<sup>72</sup> To date, the show has aired on Iraqi Lana TV, Tunisian NESSMA, Dubai-based AL-AAN, and West Bank-based MA’AN networks.<sup>73</sup> *Madam President* aired in 15 separate episodes, each fitting in an hour-long time slot.<sup>74</sup> The synopsis from the show’s Lana TV website describes the program as follows:

Madame President follows Noura Sa’ad, a deeply idealistic minister who becomes the first female president of the fictional Middle Eastern country Jabalein.

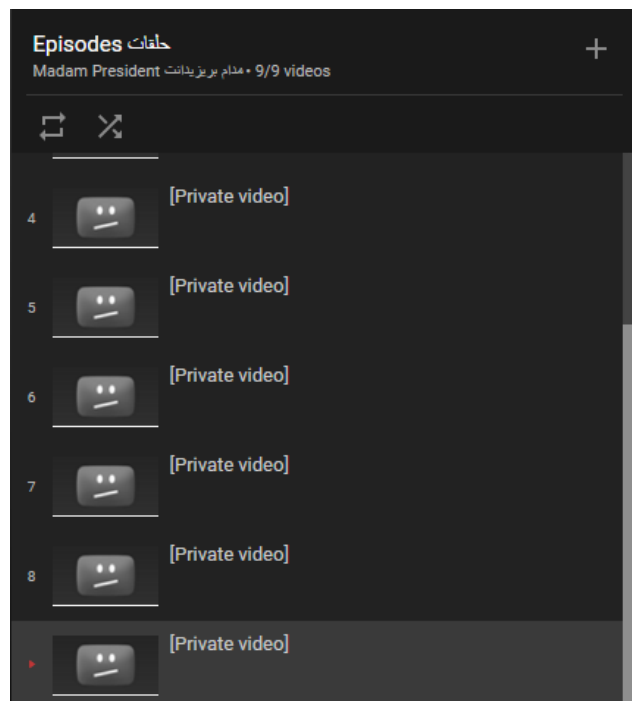
Following her predecessor’s death and his deputy’s shameful resignation, President Sa’ad sets out to reconnect with her citizens before elections are held in one year. But Sa’ad has inherited a country restless for change, and generations of youth desperate for work. From water scarcity to refugee rights and corruption, Noura must crack some of the country’s most stubborn problems, while fending off her most rigid opponents, including the formidable Speaker of the Assembly, BASSEM, and neighbouring President GENERAL NAJEM.

Helping her navigate this political labyrinth is the cautious but pragmatic Chief of Staff MALIK alongside Press Secretary SAMAR, who wrangles a media bent on dissecting Noura’s every move.<sup>75</sup>

*Madam President* also has its own show page (<http://madampresidenttv.com>) with a short synopsis for each of the 15 episodes, links to episodes on YouTube, background pages for the show’s characters, and a simulated Wikipedia page to tell the story of the fictitious country of Jabalein. The grantee’s production website for *Madam President* notes that “[e]very episode of *Madam President* is available on Facebook with English subs.”<sup>76</sup> This is important to note considering the show’s *Madam President* website links to YouTube, not Facebook. The show’s YouTube videos were found to be private and inaccessible despite repeated attempts over several months. When asked about the video and website accessibility issues, USAID indicated that



the episodes had been moved from YouTube to the show's Facebook page and that the "migration was neither as complete nor as user friendly as it could have been, and we are working to rectify these issues."<sup>77</sup> Yet after several more months the show's own website still directs visitors to dead YouTube links, and continues to do so as of the release of this report.



Episodes of *Madam President* subtitled in English on the program's YouTube account were repeatedly found to be "private" and inaccessible (YouTube)

This point is important given that part of the motivation for producing *Madam President* was to **promote transparency**, yet the public that funds the program would have difficulty finding anything about the content of the show. In order to watch English-captioned episodes, would-be viewers must navigate through web links on the show's website that lead to nothing. They must somehow arrive at the show's Facebook page—perhaps by accidentally landing on the grantee's film production website—or they must pay for a subscription-based streaming service like Hulu.

It is also important to have viewership metrics in order to understand the reach of the program and the success of the show's message, but USAID has identified a lack of reliable TV audience measurement in the Middle East.<sup>78</sup> Without reliable data, taxpayers are left to rely on anecdotal information provided by USAID, which

is not likely to bring comfort to taxpayers who put nearly \$2 million into supporting the program.

Another consideration for taxpayers is that putting a taxpayer-funded television program onto a subscription-based streaming service means additional revenue streams for views—something that should definitely be of interest.

In response to questions from the Federal Spending Oversight subcommittee, USAID provided assurances that the grantee for the *Madam President* project is barred from making a profit on the show. However, from the perspective of taxpayers, a revenue stream is a revenue stream. Money is fungible and income that is limited to maintaining the show's properties nonetheless saves the contractor from costs elsewhere. USAID did indicate that *Madam President's* streaming revenue can be used, among other things, to update the website,<sup>79</sup> yet the website still directs visitors to inaccessible videos—months after the first inquiry from the Federal Spending Oversight subcommittee about the show's website issues.

Another television program highlighted in this section is called *Singha Durbar*, roughly meaning "The Lion's Palace"—also called *Madam Prime Minister*. This \$1 million program to depict a democratic government that is "...inclusive [and] transparent..."<sup>80</sup> airs in Nepal on Nepal Television and is available on YouTube. The contractor for the project described the show in a press release announcing the show's launch:

*Madam Prime Minister* stars veteran film actress Gauri Malla as Nepal's first female Prime Minister. Directed by Tsering Rhiter Sherpa, the show focuses on the challenges the she [sic] faces in her quest to establish a governance system of transparency, accountability, and collaborative leadership in a post-constitution Nepal. Depicting the inner workings of the central government, the 13-episode political drama cherishes women's leadership in a historic moment for Nepal, right after the election of both its first female Speaker of the House and President.<sup>81</sup>



(YouTube)

The good news for fans of the show—and particularly for those behind the production—is that *Madam Prime Minister* has been renewed for a second season following season one’s 13-episode run. In fact, the show’s Facebook page has already been looking to make new taxpayer-funded hires to start rolling with production.

### CALL FOR WRITERS (Re-advertisement)

Search for Common Ground (SFCG) is an international non-governmental and not for profit, conflict transformation organization. Its mission is to transform how individuals, organizations, and governments deal with conflict – away from adversarial approaches and toward cooperative solutions. SFCG Nepal is implementing Singha Durbar, a multimedia and dialogue engagement project with financial support from USAID Nepal. The project aims to create possibilities for a collaborative political culture in the Nepali public imagination. The overarching theme of Singha Durbar project is good governance and leadership – depicting how an inclusive government can function well in challenging times by presenting a model of collaborative leadership and showcasing the ability to resolve differences without resorting to violence.

**SFCG Nepal seeks the services of the following:**

- Drama Writers - up to 4
- Lead Drama Writer - 1
- Dialogue Writers - up to 2

The Drama Writers will write scripts for Singha Durbar TV series Season 2, and the Lead Drama Writer will lead and manage the team of Drama Writers. The Dialogue Writer will write dialogues in Nepali and English. Individuals with experience in writing dialogues/scripts for movies and television dramas are encouraged to apply.

For detailed Terms of Reference (TOR), please email at [sfcgnepal@sfcg.org](mailto:sfcgnepal@sfcg.org) with the subject line: Drama Writer; Lead Drama Writer; Dialogue Writer, as applicable.

Individuals shall be required to submit a cover letter, CV and one sample script/ dialogue along with a scanned copy of their PAN registration. The closing date for application is June 30, 2016. Please send in your documents to [sfcgnepal@sfcg.org](mailto:sfcgnepal@sfcg.org).

*Madam Prime Minister is seeking up to four drama writers, a lead drama writer, and up to two dialogue writers for work on Season Two of the taxpayer-backed Nepalese television program (Singha Durbar Facebook)*

## FUNDING TEAMS COMPETING IN THE MEXICO LEAGUE OF ROBOTICS

**STATE DEPARTMENT GRANT      \$33,017<sup>82</sup>**

Taxpayers spent \$33,017 on 10 robotics teams to compete in the FIRST robotics league in Mexico. The program originated with a how-to course for science teachers on teaching science, technology, engineering and math (STEM) fields, and those teachers were then given grant money to form robotics teams to “give them a new avenue to attract their students’ interest.”<sup>83</sup> No doubt many American schools would like to devote funding to STEM education for their students, but that money was instead taken by the federal government and redistributed for the benefit of foreign students—students that may one day use their American taxpayer-boosted STEM experience to compete against American workers for skilled jobs in the United States.

## EDUCATION AND JOBS FOR JUVENILE OFFENDERS IN JAMAICA

**USAID NEW PATH PROGRAM      \$1,936,543<sup>84</sup>**

The challenge of how best to integrate non-violent offenders into society is difficult—something that Americans are grappling with more often than in years past. Providing opportunities for people who have made youthful mistakes to get a second chance at life and a career is important. But as difficult as it has been to confront this issue at home, there is little chance that American taxpayers can bear the cost to carry that mission globally.

With the national debt approaching \$20 trillion, it is a good idea to assess whether job placement for juvenile offenders in Jamaica is a high enough priority to justify borrowing nearly \$2 million for the program. Yet that is the ongoing objective for the *New Path* program—funded by USAID and operated by the Organization for American States (OAS) through 2016—which seeks to assist with reintegration into society for those that, as a USAID project fact sheet delicately puts it, are “...in conflict with the law.”<sup>85</sup>

The USAID fact sheet identifies *New Path*’s two objectives: providing “...marketable technical

skills, life skills, and individualized psychosocial attention...” to young women at a Jamaican correctional facility; and providing access to “...educational, vocational, and internship/employment opportunities...” to those released from the South Camp and Metcalfe facilities.<sup>86</sup> The program also provides for “...comprehensive case management for six to twelve months after release.”<sup>87</sup> A Jamaican media account of *New Path*’s progress describes efforts such as “...a six week summer [program] with the assistance of Junior Achievement, a music [program] in collaboration with the National Youth Orchestra and a sports aspect facilitated by the Youth for Development Network.”<sup>88</sup>

## HELPING SUSTAINABLE DEVELOPMENT IN SIBERIA

**STATE DEPARTMENT GRANT      \$346,515<sup>89</sup>**

Between annexing Crimea, supporting separatists in eastern Ukraine, and saber-rattling across Eastern Europe, Russia’s relationship with the West has chilled considerably under Vladimir Putin. Given this reality, any assistance committed by the U.S. government inside Russia would have to be studied very carefully. Yet details of a multi-year grant effort to support sustainable development in Siberia are hard to come by.

Publicly available grant data shows that the State Department awarded a grant to the Rural Community Assistance Corporation for “Sustainable Development in Siberia.”<sup>90</sup> Inquiries to the State Department revealed little else about the project beyond the promotion of “citizen responsibility” and to “motivate citizen participation in Russian communities.”<sup>91</sup>

Taxpayers, for their part, deserve better transparency on these types of grants, as well an opportunity to ask what their tax dollars bought and to examine what benefit they received from promoting Russian citizen participation and responsibility.

## GATHERING FEEDBACK ON VIETNAM’S GOVERNMENT COMPETENCE

**PROVINCIAL  
COMPETITIVENESS INDEX      \$1,500,000<sup>92</sup>**

In collaboration with the Vietnam Chamber of Commerce and Industry, USAID conducts an annual assessment of Vietnam’s provinces to measure economic governance.<sup>93</sup> First used in 2005, the Provincial Competitiveness Index (PCI) measures the “...ease of doing business” in each of Vietnam’s 63 provinces<sup>94</sup> through an annual business survey.<sup>95</sup> Workshops in conjunction with the PCI surveys allow opportunities for “...policy dialogue where government leaders hear first-hand about their performance and receive suggestions from the private sector for improvement.”<sup>96</sup>

It is unclear why Vietnamese officials and businesses need a middleman in the form of the U.S. government in order to communicate. Preparation of this report carries significant costs for taxpayers, yet they receive no benefit for the expense—unlike Vietnamese businesses and approximately 2,000 Foreign Invested Enterprises that have a stake in the Vietnamese market.

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## Notes:

- Grant awards referenced can be viewed by Award ID number at <http://www.USASpending.gov> unless otherwise indicated.
- Web sources also saved offline.

<sup>1</sup> Data from Charity Navigator:

<http://www.charitynavigator.org/index.cfm?bay=content.view&cpid=42#.Vz8WDYQrKUK>

<sup>2</sup> CIA World Factbook:

<https://www.cia.gov/library/publications/the-world-factbook/geos/ks.html>

<sup>3</sup> CIA World Factbook; <https://www.cia.gov/library/publications/the-world-factbook/geos/sw.html>

<sup>4</sup> CIA World Factbook; <https://www.cia.gov/library/publications/the-world-factbook/geos/mx.html>

<sup>5</sup> *ibid*

<sup>6</sup> Lawson, Marian; Tarnoff, Curt; *US Foreign Assistance*; Congressional Research Service; January 21, 2016

<sup>7</sup> President's speech on fiscal policy; George Washington Univ., Washington, DC. April 13, 2011. YouTube:

<https://www.youtube.com/watch?v=bu3RyUKP828>

<sup>8</sup> FSO subcommittee calculation of Federal tax data

<sup>9</sup> AID-OAA-A-11-00016

<sup>10</sup> <http://www.gsma.com/aboutus/>

<sup>11</sup> [http://www.cherieblairfoundation.org/wp-content/uploads/2012/07/women\\_and\\_mobile\\_a\\_global\\_opportunity.pdf](http://www.cherieblairfoundation.org/wp-content/uploads/2012/07/women_and_mobile_a_global_opportunity.pdf)

<sup>12</sup> *ibid*

<sup>13</sup> <https://www.usaid.gov/news-information/press-releases/usaidsaid-gsma-and-visa-partner-gsma-mwomens-programme-global>

<sup>14</sup> *ibid*

<sup>15</sup> <http://www.gsma.com/membership/who-are-our-gsma-members/full-membership/>

<sup>16</sup> AID-442-A-14-00002

<sup>17</sup> <https://www.usaid.gov/news-information/frontlines/extreme-poverty/lifting-some-cambodias-poorest-out-of-poverty-health-insurance>

<sup>18</sup> <http://www.cnn.com/id/100840148>

<sup>19</sup> SCO20015GR018

<sup>20</sup> State Dept. response to FSO inquiry

<sup>21</sup> State Dept. response to FSO inquiry

<sup>22</sup> SINLEC16CA0001

<sup>23</sup> [https://www.onu.edu/ruleoflaw/afghan\\_ilm\\_program/quick\\_facts](https://www.onu.edu/ruleoflaw/afghan_ilm_program/quick_facts)

<sup>24</sup> [https://www.onu.edu/ruleoflaw/afghan\\_ilm\\_program/application\\_process](https://www.onu.edu/ruleoflaw/afghan_ilm_program/application_process)

<sup>25</sup> <http://www.law.washington.edu/Programs/LESPA/>

<sup>26</sup> <http://www.law.washington.edu/AsianLaw/Countries/Afghanistan.aspx>

<sup>27</sup> AID306F1500001; <https://www.usaid.gov/news-information/fact-sheets/re-branding-afghanistan-creating-jobs-changing-perceptions-empowering>

<sup>28</sup> AID306G1500003

<sup>29</sup> <https://www.sigar.mil/pdf/special%20projects/SIGAR-15-23-SP.pdf>

<sup>30</sup> <http://www.pnewsire.com/news-releases/new-harris-poll-looks-at-craft-y-marketing-language-300133443.html>

<sup>31</sup> *ibid*

<sup>32</sup> <http://turquoisemountain.org/institute>

<sup>33</sup> <http://turquoisemountain.org/about>

<sup>34</sup> <https://www.sigar.mil/pdf/quarterlyreports/2016-04-30qr-section3-economic.pdf>

<sup>35</sup> <http://www.asia.si.edu/exhibitions/current/turquoisemountain/>

<sup>36</sup> <https://www.sigar.mil/pdf/special%20projects/SIGAR-15-23-SP.pdf>

<sup>37</sup> *ibid*

<sup>38</sup> *ibid*

<sup>39</sup> *ibid*

<sup>40</sup> AID-111-IO-12-00001

<sup>41</sup> *Ten Thousand Commandments 2015: Fact Sheet*; Competitive Enterprise Institute, 2015

<sup>42</sup> Ellig, Jerry, and Broughel, James; *While Regulatory Spending and Output Increase, Economic Analysis of Regulations Is Often Incomplete*; Mercatus Center at George Mason University, May 2014

<sup>43</sup> Crews, Clyde Wayne; *Ten Thousand Commandments: An Annual Snapshot of the Federal Regulatory State*. 2014 Edition. Competitive Enterprise Institute.

<sup>44</sup> Minasyan, Karine; First Deputy Minister of Economy, Republic of Armenia; *Better Regulation in Armenia—Case of the Guillotine Reform*, Presentation made at OSCE Economic and Environmental Forum; Dublin, Ireland, April 2012

<sup>45</sup> *Why We Need Regulatory Reform in Two Charts*; Regdata.org; Mercatus Center at George Mason University; 2013

<sup>46</sup> OTA1010; Treasury Office of Technical Assistance; 2011-2017 (projected); Data collected from ForeignAssistance.gov

<sup>47</sup> *ibid*

<sup>48</sup> AID-OAA-LA-12-00006

<sup>49</sup>

<http://www.crs.gov/Reports/RL33142?source=search&guid=a52181c7b8964197a6d74fd36537ccc6&index=0>

<sup>50</sup> <https://www.usaid.gov/libya/fact-sheets/libya-elections-and-governance-support>

<sup>51</sup> Staff data analysis (explorer.usaid.gov/country-detail.html#libya)

<sup>52</sup> *ibid*

<sup>53</sup> <http://abcnews.go.com/International/us-begin-returning-tripoli-2016/story?id=31214421>

<sup>54</sup> *ibid*

<sup>55</sup> AIDOAAF1400028

<sup>56</sup> <http://cas.msu.edu/researchers-working-to-improve-livelihoods-of-farmers-in-kenya/>

<sup>57</sup> <https://www.usaid.gov/div/portfolio>

<sup>58</sup> *ibid*

<sup>59</sup> <http://modernfarmer.com/2013/07/shamba-shape-up/>

<sup>60</sup> [http://pdf.usaid.gov/pdf\\_docs/PA00KQKH.pdf](http://pdf.usaid.gov/pdf_docs/PA00KQKH.pdf)

<sup>61</sup> *ibid*

<sup>62</sup> Opportunity number RFA-OAA-13-000020; <https://www.usaid.gov/niger/partnership-opportunities/development-grants-program>

Information provided by USAID in response to FSO inquiry

<sup>63</sup> *ibid*

<sup>64</sup>

[http://photos.state.gov/libraries/sarajevo/30982/pdfs/20110317\\_rfa\\_final.pdf](http://photos.state.gov/libraries/sarajevo/30982/pdfs/20110317_rfa_final.pdf)

<sup>65</sup> [http://pdf.usaid.gov/pdf\\_docs/PBAAC627.pdf](http://pdf.usaid.gov/pdf_docs/PBAAC627.pdf)

<sup>66</sup> *ibid*

<sup>67</sup> Sec. 7080, P.L. 113-235

<sup>68</sup> BAA-OAA-LWK-2015; June 11, 2015

<sup>69</sup> *ibid*

<sup>70</sup> AID-263-A-13-00005

<sup>71</sup> AID-367-A-14-00001

<sup>72</sup> Information provided by USAID in response to FSO inquiry

<sup>73</sup> Information provided by USAID in response to FSO inquiry

<sup>74</sup> Information provided by USAID in response to FSO inquiry

<sup>75</sup> <http://www.lana-tv.com/en/madam-president-1>

<sup>76</sup> <https://www.sfcg.org/madam-president/>

<sup>77</sup> Information provided by USAID in response to FSO inquiry

<sup>78</sup> Information provided by USAID in response to FSO inquiry

<sup>79</sup> Information provided by USAID in response to FSO inquiry

<sup>80</sup> Information provided by USAID in response to FSO inquiry

<sup>81</sup> <https://www.sfcg.org/madam-prime-minister-launches-in-nepal/>

<sup>82</sup> AID-OAA-A-11-00016

<sup>83</sup> State Dept. response to FSO inquiry

<sup>84</sup> AID-532-IO-14-00001; USAID Fact Sheet

<sup>85</sup>

<https://www.usaid.gov/sites/default/files/documents/1862/FACT%20SHEET-%20A%20NEW%20PATH-%20nov%202015.pdf>

<sup>86</sup> *ibid*

<sup>87</sup> <https://www.usaid.gov/documents/1862/%E2%80%9Cnew-path%E2%80%9D-%E2%80%93promoting-healthy-environment-productive-alternatives-juvenile>

<sup>88</sup> <http://jamaica-gleaner.com/article/news/20160625/new-path-programme-helping-juvenile-wards-reintegrate-society>

<sup>89</sup> SLMAQM13GR1150

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<sup>90</sup> *ibid*

<sup>91</sup> Dept. of State response to FSO inquiry

<sup>92</sup>

<sup>93</sup> [https://www.usaid.gov/sites/default/files/documents/1861/FS\\_PCI\\_Eng.pdf](https://www.usaid.gov/sites/default/files/documents/1861/FS_PCI_Eng.pdf)

<sup>94</sup> *ibid*

<sup>95</sup> *ibid*

<sup>96</sup> <http://eng.pcivietnam.org/gioi-thieu-pci-c2.html>

<sup>97</sup> *ibid*