

# GAO Highlights

Highlights of [GAO-14-799](#), a report to congressional requesters

## Why GAO Did This Study

For over 30 years, Egypt has been a key strategic partner of the United States and the recipient of billions of dollars of U.S. assistance. Starting with its revolution in January 2011, Egypt has undergone a series of political transitions. Shortly after the revolution, the U.S. government allocated \$65 million in assistance for a range of activities to support Egypt's progress toward democracy. However, the Egyptian government objected to the U.S. government providing this assistance directly to NGOs, including to some that it viewed not to be registered under Egyptian law. In June 2013, the Egyptian government convicted employees of four U.S. NGOs.

This report examines (1) the extent to which the U.S. government identified and managed potential risks of providing U.S. democracy and governance assistance in Egypt; (2) what support, if any, the U.S. government provided to the NGOs prosecuted by the Egyptian government; and (3) the extent to which U.S. democracy and governance assistance in Egypt has been affected, if at all, by the prosecution of NGO workers. GAO analyzed U.S. government and NGO documents and interviewed U.S., Egyptian, and NGO officials in Washington, D.C., and Egypt.

## What GAO Recommends

GAO recommends that State and USAID incorporate lessons learned from their experience in Egypt into risk management plans for future democracy and governance assistance efforts. State and USAID concurred with the recommendation.

View [GAO-14-799](#). For more information, contact Charles Michael Johnson at (202) 512-7331 or [johnsoncm@gao.gov](mailto:johnsoncm@gao.gov).

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## DEMOCRACY ASSISTANCE

### Lessons Learned from Egypt Should Inform Future U.S. Plans

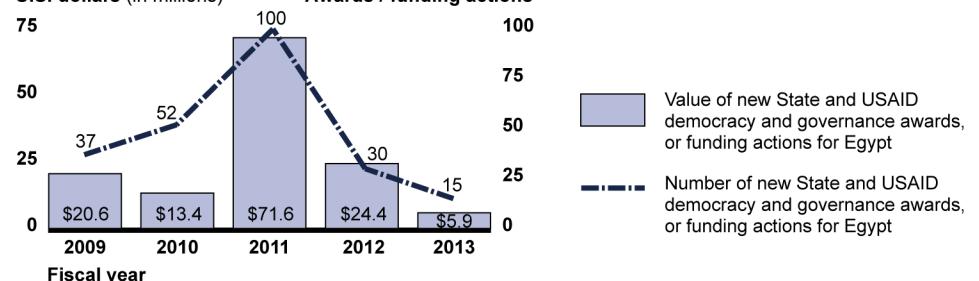
## What GAO Found

The U.S. government identified potential risks in providing democracy and governance assistance in Egypt, including the Egyptian government's likely objection to the U.S. plan to use \$65 million to directly fund nongovernmental organizations (NGO) in 2011. The Egyptian government had repeatedly raised objections to such direct funding since the U.S. Agency for International Development (USAID) began it in 2005. USAID and Department of State (State) guidance calls for the development of risk management plans for their programs. State and USAID have taken some steps to manage the risks of providing democracy and governance assistance in Egypt, including the issuance of an April 2013 cable that provided guidance on how to counter increasing risks to NGOs globally. However, State and USAID have not documented lessons learned from the U.S. experience in Egypt or used these lessons to inform their risk management plans for future democracy and governance assistance.

The U.S. government provided the four prosecuted U.S. NGOs with diplomatic, legal, financial, and grant flexibility support. The U.S. government's diplomatic efforts included holding multiple meetings with Egyptian officials to try to defend the NGO employees. U.S. legal support to the NGOs included working with the NGOs' lawyers to develop legal strategies for the case. U.S. financial support allowed the four U.S. NGOs to use a total of \$4.9 million in funding from their grants to pay for various legal costs related to the trial. Finally, the U.S. government allowed the four NGOs to modify their grants to adjust their planned activities and time frames as a result of the trial.

The Egyptian government's trial of the four U.S. NGOs significantly affected U.S. democracy and governance assistance in Egypt. The four prosecuted U.S. NGOs are no longer conducting activities inside Egypt and modified or stopped a number of their programs. Other NGOs implementing U.S. democracy and governance programs reported experiencing delays in obtaining Egyptian government approval to receive U.S. funds. Since the start of the trial, in 2012, the amount of funding and number of grants awarded for democracy and governance projects in Egypt decreased (see fig.) and some activities are now more challenging for the U.S. government to implement.

**New U.S. Agency for International Development (USAID) and Department of State (State) Democracy and Governance Awards or Funding Actions for Egypt, Fiscal Years 2009-2013**  
U.S. dollars (in millions) Awards / funding actions



Source: GAO analysis of State and USAID data. | GAO-14-799