

FY2008 INTERNATIONAL AFFAIRS BUDGET REQUEST
ACCOUNT-BY-ACCOUNT OVERVIEW

EXPORT-IMPORT BANK

FY08 Request: \$ 1 million net
FY07 CR estimate: \$ 55 million net
Change from FY07 to FY08: \$ -54 million (98% decrease)

While it appears that the request for the Export-Import Bank is a reduction, the decreased appropriation is the result of an accounting change and will have no effect on EximBank operations. In fact, the Administration estimates that the Bank will lend \$18.7 billion in FY2008, compared with \$15.9 billion estimated for FY2007. The EximBank FY2008 request of \$1 million funds operating costs of the Inspector General.

OVERSEAS PRIVATE INVESTMENT CORPORATION (OPIC)

FY08 Request: \$ 77 million for admin and credit subsidy
FY07 CR estimate: \$ 62 million for admin and credit subsidy
Change from FY07 to FY08: \$ 15 million (24% increase)

TRADE AND DEVELOPMENT AGENCY (TDA)

FY08 Request: \$ 50 million
FY07 CR estimate: \$ 50 million
Change from FY07 to FY08: \$ 0 million (0% change)

CHILD SURVIVAL AND HEALTH PROGRAMS FUND (CSH)

FY08 Request: \$ 1.56 billion
FY07 Supplemental Request \$ 160 million
FY07 CR estimate: \$ 1.88 billion
Change from FY07 to FY08: \$ -320 million (17% decrease)

- o *Malaria initiative -- \$385 million, an increase from the \$248 million in the FY07 CR*
- o *HIV/AIDS -- \$314 million, a decrease from \$347 million in the FY07 CR*
- o *Child Survival and Maternal Health -- \$346 million, a \$10 million decrease from FY06 (FY07 CR total is uncertain)*
- o *Family Planning -- \$302 million, a \$69 million decrease from FY06 (FY07 CR total is uncertain)*
- o *Avian Influenza -- \$100 million, plus \$161 million in the FY07 supplemental*

DEVELOPMENT ASSISTANCE (DA)

FY08 Request: \$ 1.04 billion
FY07 CR estimate: \$ 1.51 billion
Change from FY07 to FY08: \$ -470 million (31% decrease)

There are substantial shifts of DA resources to ESF in the FY2008. Sudan and Afghanistan account for about half of the reduction compared with FY2006. Further details are needed to assess the complete impact of the request.

INTERNATIONAL DISASTER AND FAMINE ASSISTANCE (IDFA)

FY08 Request:	\$ 297 million
FY07 Supplemental Request:	\$ 105 million
FY07 CR estimate:	\$ 361 million
Change from FY07 to FY08:	\$ -64 million (17.7% decrease)

Part of the reduction is accounted for by shift of \$50 million for Sudan to ESF. Net reduction is \$14 million (-4.5%). Sudan receives \$114 million of the IDFA request.

TRANSITION INITIATIVES (TI)

FY08 Request:	\$ 37 million
FY07 CR estimate:	\$ 40 million
Change from FY07 to FY08:	\$ -3 million (7.5% decrease)

USAID OPERATING EXPENSES (OE)

FY08 Request:	\$ 609 million
FY08 GWOT Emergency:	\$ 62 million
FY07 Supplemental Request:	\$ 6 million
FY07 CR estimate:	\$ 630 million
Change from FY07 to FY08:	\$ -21 million (3.3% decrease)

The Administration says that it will accommodate the reduced request through "institutional reforms to streamline USAID and improve the efficiency and effectiveness of supporting the delivery of foreign aid." Part of the FY08 GWOT emergency is to fund USAID operating costs in Iraq.

USAID CAPITAL INVESTMENT FUND

FY08 Request:	\$ 126 million
FY07 CR estimate:	\$ 69 million
Change from FY07 to FY08:	\$ 57 million (83% increase)

The increase for FY08 will permit full participation of USAID in the Capital Security Cost Sharing Program (CSCS).

USAID INSPECTOR GENERAL OPERATING EXPENSES (IG)

FY08 Request:	\$ 38 million
FY07 CR estimate:	\$36 million
Change from FY07 to FY08:	\$ 2 million (5.6% increase)

ECONOMIC SUPPORT FUND (ESF)

FY08 Request:	\$ 3.32 billion
FY08 GWOT Request	\$ 1.11 billion
FY07 Supplemental Request	\$ 3.03 billion
FY07 CR estimate:	\$ 2.46 billion
Change from FY07 to FY08:	\$ 860 million (35% increase)

- o *Part of the FY08 increase is the result of moving FY07 Development Assistance and Andean Counternarcotics Initiative (ACI) funds to ESF. Alternative Development transfers from the ACI total \$182 million.*
- o *Africa -- \$ 374 million, an increase of \$191 million from FY06. Most funds are concentrated in Democratic Republic of Congo, Liberia, and Sudan.*
- o *Middle East -- \$2.02 billion, \$660 million less than in FY06. Substantial FY07 supplemental (\$ 2.37 billion) and FY08 GWOT emergency (\$772 million), however, are also requested for Iraq and Lebanon.*

- South Asia -- \$1.43 billion, \$598 million higher than FY06. Substantial FY07 supplemental (\$653 million) and FY08 GWOT emergency (\$339 million) are also requested for Afghanistan.
- Latin America -- \$364 million, \$226 million higher than FY06. Of this increase, \$182 million results from the transfer of Alternative Development funds from the ACI account, leaving a net increase of \$44 million (+32%).

ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC STATES (SEED)

FY08 Request:	\$ 289 million
FY07 Supplemental Request:	\$ 279 million
FY07 CR estimate:	\$ 274 million
Change from FY07 to FY08:	\$ 15 million (5.5% increase)

Aid for Kosovo doubles compared with FY06, plus the FY07 supplemental would provide an additional \$279 million for Kosovo.

ASSISTANCE FOR THE INDEPENDENT STATES OF THE FORMER SOVIET UNION (FSA)

FY08 Request:	\$ 352 million
FY07 CR estimate:	\$ 452 million
Change from FY07 to FY08:	\$ -100 million (-22.1%)

Aid levels for all FSA countries decline, compared with FY06, except for Tajikistan and Turkmenistan. Russia assistance totals \$50 million, compared with \$80 million in FY06.

PEACE CORPS

FY08 Request:	\$ 334 million
FY07 CR estimate:	\$ 319 million
Change from FY07 to FY08:	\$ 15 million (4.7% increase)

INTER-AMERICAN FOUNDATION

FY08 Request:	\$ 19 million
FY07 CR estimate:	\$ 19 million
Change from FY07 to FY08:	\$ 0 million (0% change)

AFRICAN DEVELOPMENT FOUNDATION

FY08 Request:	\$ 30 million
FY07 CR estimate:	\$ 23 million
Change from FY07 to FY08:	\$ 7 million (30.4% increase)

MILLENNIUM CHALLENGE CORPORATION

FY08 Request:	\$3.00 billion
FY07 CR estimate:	\$1.75 billion
Change from FY07 to FY08:	\$1.25 billion (71.2% increase)

The MCC plans on up to six new Compacts in FY08, averaging \$400-\$500 million per Compact.

INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT (INCLE)

FY08 Request: \$ 635 million
FY08 GWOT Emergency Request: \$ 159 million
FY07 Supplemental Request: \$ 260 million
FY07 CR estimate: \$ 472 million
Change from FY07 to FY08: \$ 163 million (34.5% increase)

There is a large FY07 supplemental and FY08 GWOT Emergency requests for Iraq and Lebanon.

ANDEAN COUNTERDRUG INITIATIVE (ACI)

FY08 Request: \$ 443 million
FY07 CR estimate: \$ 722 million
Change from FY07 to FY08: \$ -279 million (38.6% decrease)

Most of the reduction in the ACI account is the result of shifting Alternative Development funds for Colombia, Peru, Bolivia, and Ecuador to the ESF account.

MIGRATION AND REFUGEE ASSISTANCE (MRA)

FY08 Request: \$ 774 million
FY08 GWOT Emergency Request: \$ 35 million
FY07 Supplemental Request: \$ 72 million
FY07 CR estimate: \$ 833 million
Change from FY07 to FY08: \$ -59 million (7.1% decrease)

- o *Overseas assistance for FY08 totals \$498 million, \$64 million less than in the FY06 base appropriation. Of this, Africa is \$298 million, \$68 million less than in the FY06 base.*
- o *Refugee admissions for FY08 is \$213 million, \$54 million higher than in the FY06 base.*
- o *FY07 supplementals (\$71.5 million) are requested for Burundi, Democratic Republic of Congo, Palestinians, and Iraq, and a \$35 million is requested as an FY08 GWOT Emergency for Iraq.*

U.S. EMERGENCY REFUGEE AND MIGRATION ASSISTANCE (ERMA)

FY08 Request: \$ 55 million
FY07 Supplemental Request: \$ 30 million
FY07 CR estimate: \$ 55 million
Change from FY07 to FY08: \$ 0 million (0% change)

NON-PROLIFERATION, ANTI-TERRORISM, DEMINING (NADR)

FY08 Request: \$ 464 million
FY07 Supplemental Request: \$ 28 million
FY07 CR estimate: \$ 406 million
Change from FY07 to FY08: \$ 58 million (14.3% increase)

Increases are proposed for the Terrorist Interdiction Program (TIP), Demining, and prevention of MANPADS proliferation.

GLOBAL HIV/AIDS INITIATIVE

FY08 Request: \$ 4.15 billion
FY07 CR estimate: \$ 3.25 billion
Change from FY07 to FY08: \$ 900 million (27.8% increase)

- o *Of the total request for FY08, \$3.6 billion is for the 15 focus countries, compared with \$1.24 billion in FY06.*
- o *No funds are requested for the Global Fund to Fight HIV/AIDS, Tuberculosis, and Malaria. The total amount for the Global Fund -- \$300 million -- is proposed as part of the Department of Health and Human Services budget.*

TREASURY TECHNICAL ASSISTANCE

FY08 Request: \$ 25 million
FY07 Supplemental Request: \$ 3 million
FY07 CR estimate: \$ 20 million
Change from FY07 to FY08: \$ 5 million (25% increase)

DEBT RESTRUCTURING

FY08 Request: \$ 207 million
FY07 CR estimate: \$ 64 million
Change from FY07 to FY08: \$ 143 million (223% increase)
The FY08 request includes a substantial amount for cancellation of debt owed by the Democratic Republic of Congo under the Heavily Indebted Poor Country (HIPC) initiative.

INTERNATIONAL MILITARY EDUCATION AND TRAINING PROGRAM (IMET)

FY08 Request: \$ 90 million
FY07 CR estimate: \$ 86 million
Change from FY07 to FY08: \$ 4 million (4.7% increase)
The request includes new IMET programs for Iraq and Sudan, and proposes doubling IMET for Afghanistan.

FOREIGN MILITARY FINANCING (FMF)

FY08 Request: \$4.54 billion
FY07 Supplemental Request: \$ 220 million
FY07 CR estimate: \$ 4.56 billion
Change from FY07 to FY08: \$ -20 million (0.5% decrease)
FMF for Israel increases to \$2.4 billion in the FY08 request. A request of \$220 million for Lebanon as an FY07 supplemental is also made.

PEACEKEEPING OPERATIONS (PKO)

FY08 Request: \$ 221 million
FY07 Supplemental Request: \$ 278 million
FY07 CR estimate: \$ 223 million
Change from FY07 to FY08: \$ -2 million (0.9% decrease)
The FY07 supplemental request provides \$150 million for Sudan and \$128 million for new operations in Africa.

INTERNATIONAL FINANCIAL INSTITUTIONS

FY08 Request: \$1.50 billion
 FY07 CR Estimate: \$1.24 billion
 Change from FY07 to FY07: \$ 260 million (21% increase)

(\$ in thousands)	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
International Financial Institutions			
Global Environment Facility	79,200	79,200	106,763
International Development Association	940,500	940,500	1,060,000
Multilateral Investment Guarantee Agency	1,287	0	1,082
Asian Development Fund	99,200	99,000	133,906
African Development Fund	134,343	134,343	140,584
African Development Bank	3,602	3,602	2,037
European Bank for Reconstruction and Development	1,006	0	10
Enterprise for the Americas Multilateral Investment Fund	1,724	1,724	29,232
Inter-American Investment Corporation	1,724	0	7,264
International Fund for Agricultural Development	14,850	14,850	18,072
Arrears	[5,453]	[4,018]	[175,000]
International Development Association Rescission	0	-31,000	0
Total, International Financial Institutions	1,277,236	1,242,219	1,498,950

INTERNATIONAL ORGANIZATIONS AND PROGRAMS (IO&P)

FY08 Request: \$ 289 million
 FY07 CR estimate: \$ 326 million
 Change from FY07 to FY08: \$ -37 million (11.3% decrease)
*The FY08 request for UNDP is \$75.3 million, compared with \$108.9 million in FY06.
 UNICEF's contribution would also decline slightly (\$123 million).*

DIPLOMATIC AND CONSULAR PROGRAMS

FY08 Request: \$ 4.943 billion
 FY08 GWOT Emergency Request: \$1.882 billion
 FY07 Supplemental Request: \$ 913 million
 FY07 CR estimate: \$ 4.314 billion
 Change from FY07 to FY08: \$ 629 million (14.6% increase)
Large FY07 supplemental and FY08 GWOT emergency proposals are requested for State Department operations in Iraq.

CAPITAL INVESTMENT FUND

FY08 Request: \$ 70 million
 FY07 CR estimate: \$ 58 million
 Change from FY07 to FY08: \$ 12 million (20.7% increase)

EMBASSY SECURITY, CONSTRUCTION & MAINTENANCE

FY08 Request: \$ 1.60 billion
FY07 CR estimate: \$ 1.49 billion
Change from FY07 to FY08: \$ 110 million (7.3% increase)

STATE DEPARTMENT OFFICE OF THE INSPECTOR GENERAL

FY08 Request: \$ 33 million
FY07 Supplemental Request: \$ 35 million
FY07 CR estimate: \$ 30 million
Change from FY07 to FY08: \$3 million (10% increase)

Educational and Cultural Exchange Programs

FY08 Request: \$ 486 million
FY07 Supplemental Request: \$ 20 million
FY07 CR estimate: \$ 445 million
Change from FY07 to FY08: \$ 41 million (9.2% increase)

Priorities in FY08 request include exchanges and programs in the Muslim world and the President's National Security Language Institution.

OTHER ADMINISTRATION OF FOREIGN AFFAIRS

FY08 Request: \$ 62 million
FY07 CR estimate: \$ 39 million
Change from FY07 to FY08: \$ 23 million (59% increase)

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

FY08 Request: \$ 1.35 billion
FY08 GWOT Request: \$ 53 million
FY07 CR estimate: \$ 1.15 billion
Change from FY07 to FY08: \$ 200 million (17.6% increase)

The FY08 request includes \$496 million for the regular assessed UN budget, an increase of \$55 million from FY06. The request also states that the \$1.35 billion request will result in a shortfall of \$53 million of assessed dues to all organizations. The FY08 GWOT emergency request would provide resources for new UN assistance missions in Iraq and Afghanistan.

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

FY08 Request: \$ 1.11 billion
FY07 Supplemental Request: \$ 200 million
FY07 CR estimate: \$ 1.14 billion
Change from FY07 to FY08: \$ -30 million (2.5% decrease)

Funding for UN peacekeeping operations in Lebanon, Liberia, and Sudan would increase in the FY08 request. The FY07 supplemental request proposes \$184 million for Lebanon and \$16 million for East Timor.

RELATED APPROPRIATIONS

FY08 Request:	\$ 102 million
FY07 CR estimate:	\$ 108 million
Change from FY07 to FY08:	\$ -6 million (5.6% decrease)
o <i>Asia Foundation:</i>	<i>\$10 million</i>
o <i>National Endowment for Democracy:</i>	<i>\$80 million</i>
o <i>East-West Center:</i>	<i>\$10 million</i>

BROADCASTING BOARD OF GOVERNORS

FY08 Request:	\$ 668 million
FY07 Supplemental Request	\$10 million
FY07 CR estimate:	\$ 644 million
Change from FY07 to FY08:	\$ 24 million (3.7 % increase)
o <i>International Broadcasting Operations:</i>	<i>\$619 million</i>
o <i>Broadcasting to Cuba:</i>	<i>\$39 million</i>
o <i>Broadcasting Capital Improvements:</i>	<i>\$11 million</i>

AGRICULTURAL PROGRAMS

FY08 Request:	\$ 1.32 billion
FY07 Supplemental Request	\$ 350 million
FY07 CR estimate:	\$ 1.31 billion
Change from FY07 to FY08:	\$ 10 million (0.4% increase)
o <i>PL 480 Title II:</i>	<i>\$1.219 billion</i>
o <i>McGovern-Dole International Food for Education:</i>	<i>\$100 million</i>
o <i>The Administration is proposing for FY08 that 25% of food commodities financed under PL480 be available for purchase in local and regional markets overseas. Congress considered, but rejected similar proposals in recent years.</i>	
o <i>The FY07 supplemental provides \$350 million for Sudan.</i>	