

# Amid Mounting Global Threats, Final FY23 Spending Deal Includes Largest Increase for International Affairs Budget in Six Years

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## Executive Summary

After months of tense negotiations that left the federal government operating under Continuing Resolutions for nearly three months and just two days before Christmas, Congress approved a 12-bill Fiscal Year (FY) 2023 omnibus spending package – along with emergency supplemental funding to support Ukraine – that funds the federal government through September 30, 2023.

The spending package provides a total of **\$78.3 billion for the FY23 International Affairs Budget**, including:

- ▶ **\$61.7 billion in regular funding**, a \$3.7 billion (6%) increase compared to the FY22 enacted level
- ▶ **\$16.6 billion in emergency funding** for Ukraine

The USGLC released a [statement](#) welcoming this important outcome, which represents “the most significant increase for the non-emergency International Affairs Budget in six years” at a time when global threats are on the rise. As global instability continues to affect the lives of everyday American families, this spending deal reflects the strong bipartisan commitment in Congress and the voices of business, faith, military, and civic leaders across the country calling for strengthened investments in our civilian development and diplomacy tools.

### INTERNATIONAL AFFAIRS BUDGET SNAPSHOT

FY22 Enacted*	FY23 Request**	FY23 House	FY23 Senate***	FY23 Enacted^
\$58.0 billion	\$68.2 billion	\$66.6 billion	\$66.5 billion	\$61.7 billion

\*Excludes \$29.3 billion in primarily Ukraine and Afghanistan-related emergency funding.

\*\*Reflects CBO’s re-estimate of the Administration’s request.

\*\*\*Excludes \$950 million in FY23 emergency funding for pandemic preparedness and \$5 billion in FY22 emergency funding for the global COVID-19 response.

^Excludes \$4.5 billion in FY23 emergency funding for Ukraine included in the September 2022 Continuing Resolution and \$16.6 billion included in the FY23 Omnibus primarily for Ukraine.

# I. Select Highlights

## Regular/Non-Emergency Funding

With a 6% increase to the overall FY23 International Affairs Budget topline, the vast majority of international affairs programs and accounts saw funding increases compared to their FY22 enacted levels – although there is considerable variation in the additional funding’s distribution. Below are select highlights of significant increases and decreases in programmatic and account funding compared to FY22 enacted levels.

### Increases Compared to FY22 Enacted

- ▶ Global Fund: up \$440 million (28%)
- ▶ International Organizations and Programs (IO&P): up \$86 million (20%)
- ▶ Treasury Department International Programs: up \$288 million (14%)

### Decreases Compared to FY22 Enacted

- ▶ Contributions to International Organizations: down \$225 million (-14%)
- ▶ African Development Fund: down \$40 million (-19%)
- ▶ Asian Development Fund: down \$10 million (-18%)

## Emergency Funding

The spending package also includes \$16.6 billion in emergency supplemental funding primarily to “support Ukraine’s valiant efforts to repulse Russian invaders and bring the conflict to an end,” including:

- ▶ Economic Support Fund (ESF): \$12.97 billion
- ▶ Migration and Refugee Assistance (MRA): \$1.5 billion
- ▶ International Disaster Assistance (IDA): \$938 million
- ▶ International Narcotics Control and Law Enforcement (INCLE): \$375 million
- ▶ Assistance for Europe, Eurasia, and Central Asia (AEECA): \$350 million
- ▶ Diplomatic Programs: \$147 million
- ▶ Nonproliferation, Antiterrorism, Demining and Related (NADR) Programs: \$105 million
- ▶ Foreign Military Financing (FMF): \$80 million
- ▶ Office of Transition Initiatives (OTI): \$50 million
- ▶ Food for Peace (Title II, PL480): \$50 million
- ▶ USAID Inspector General (IG): \$8 million
- ▶ Department of State Inspector General (IG): \$5.5 million
- ▶ McGovern-Dole International Food for Education and Child Nutrition Program Grants: \$5 million
- ▶ USAID Operating Expenses: \$5 million

## II. Notable Programs

Below is an analysis of notable programs and how they fared in the spending package. Unless otherwise noted, the discussion and tables below include only non-emergency funding.

### Global Health Programs: Global Fund Sees Significant Boost

As COVID-19 and other global health threats continue to threaten development progress around the world, the spending package provides a total of \$10.56 billion for global health programs – a \$746 million (8%) increase compared to the FY22 enacted level. Notably, funding for the U.S. contribution to the Global Fund sees a \$440 million (28%) increase – in line with the Administration’s pledge at the recent U.S.-hosted Seventh Replenishment Conference. The spending package also includes a significant \$200 million (29%) increase for Global Health Security, while most other global health programs see more modest increases or are held flat at their FY22 enacted levels.

#### GLOBAL HEALTH FUNDING\*

	FY22 Enacted	FY23 Request	FY23 House**	FY23 Senate^	FY23 Enacted
<b>PEPFAR</b>	\$4.39 billion	\$4.37 billion	\$4.4 billion	\$4.37 billion	\$4.4 billion
<b>Global Fund</b>	\$1.56 billion	\$2.0 billion	\$2.0 billion	\$2.0 billion	\$2.0 billion
<b>USAID HIV/AIDS</b>	\$330 million	\$330 million	\$330 million	\$330 million	\$330 million
<b>Malaria</b>	\$775 million	\$780 million	\$820 million	\$800 million	\$795 million
<b>Tuberculosis</b>	\$371 million	\$350 million	\$469 million	\$400 million	\$395 million
<b>Maternal &amp; Child Health</b>	\$890 million	\$880 million	\$890 million	\$900 million	\$910 million
<b>Vulnerable Children</b>	\$28 million	\$25 million	\$30 million	\$30 million	\$30 million
<b>Nutrition</b>	\$155 million	\$150 million	\$160 million	\$160 million	\$160 million
<b>Family Planning</b>	\$608 million	\$653 million	\$830 million	\$710 million	\$608 million
<b>Neglected Tropical Diseases</b>	\$108 million	\$115 million	\$113 million	\$115 million	\$115 million
<b>Global Health Security</b>	\$700 million	\$995 million	\$1.0 billion	\$745 million	\$900 million
<b>Health Resilience Fund</b>	\$0	\$10 million	\$10 million	\$10 million	\$8 million
<b>Total</b>	<b>\$9.83 billion</b>	<b>\$10.58 billion</b>	<b>\$10.98 billion</b>	<b>\$10.51 billion</b>	<b>\$10.56 billion</b>

\*State Department and USAID Global Health accounts only, except for family planning.

\*\*Excludes \$6.5 billion in mandatory funding requested for a five-year effort to improve pandemic preparedness globally.

^Excludes \$950 million in FY23 emergency funding for pandemic preparedness and \$4.88 billion in FY22 emergency funding for the global COVID-19 response.

## Humanitarian Assistance: Reliance on Emergency Funding Continues

At a time of unprecedented humanitarian crises across the globe – from food insecurity to migration to conflict – the spending package provides \$6.82 billion for humanitarian assistance, the same amount enacted in FY22. In addition, the spending package includes \$2.47 billion in emergency humanitarian assistance funding, \$920 million of which is specifically provided for Ukraine and the remaining \$1.55 billion for other countries grappling with disaster or displacement. While the additional emergency resources are essential to stemming the tide of humanitarian challenges, non-emergency funding remains below FY21 enacted levels and raises concerns about establishing an artificially lower baseline when conversations begin on FY24 spending.

### HUMANITARIAN ASSISTANCE FUNDING

	FY22 Enacted*	FY23 Request	FY23 House	FY23 Senate**	FY23 Enacted^
<b>Disaster Assistance</b>	\$3.91 billion	\$4.7 billion	\$4.4 billion	\$4.48 billion	\$3.9 billion
<b>Migration and Refugees</b>	\$2.91 billion	\$3.91 billion	\$3.7 billion	\$3.64 billion	\$2.9 billion
<b>Emergency Refugee</b>	\$100,000	\$100 million	\$100,000	\$100,000	\$100,000
<b>Total</b>	<b>\$6.82 billion</b>	<b>\$8.71 billion</b>	<b>\$8.1 billion</b>	<b>\$8.12 billion</b>	<b>\$6.82 billion</b>

\*Excludes \$11.8 billion in emergency funding primarily for Ukraine and Afghanistan.

\*\*Excludes \$75 million in FY22 emergency funding for the global COVID-19 response.

^Excludes \$2.47 billion in emergency funding provided in the FY23 Omnibus for Ukraine, as well as other countries (\$938 million for disaster assistance and \$1.5 billion for migration and refugees).

## Development and Economic Assistance: Modest Increases

Most of the major development and economic assistance programs received at least modest increases in non-emergency funding compared to FY22 enacted levels. This includes increases of \$202 million (5%) for the Economic Support Fund (ESF), \$228 million (6%) for Development Assistance (DA), and \$15 million (4%) for the Democracy Fund. In addition, the Millennium Challenge Corporation (MCC) and Peace Corps received respective increases of \$18 million (2%) and \$20 million (5%). Only one major account, Assistance to Europe, Eurasia, and Central Asia (AEECA), is held flat at its FY22 enacted level of \$500 million. It is important to note that the spending package also provides substantial emergency funding for both AEECA (\$350 million) and ESF (\$12.97 billion), both of which could be used to support Ukraine and other countries in the Eurasia region.

### DEVELOPMENT AND ECONOMIC ASSISTANCE FUNDING

	FY22 Enacted*	FY23 Request	FY23 House	FY23 Senate	FY23 Enacted^
<b>Development Assistance</b>	\$4.14 billion	\$4.77 billion	\$4.77 billion	\$4.75 billion	\$4.37 billion
<b>Economic Support Fund</b>	\$4.1 billion	\$4.12 billion	\$4.13 billion	\$4.12 billion	\$4.3 billion
<b>AEECA</b>	\$500 million	\$984 million	\$850 million	\$850 million	\$500 million
<b>Democracy Fund</b>	\$341 million	\$291 million	\$346 million	\$367 million	\$356 million

	FY22 Enacted*	FY23 Request	FY23 House	FY23 Senate	FY23 Enacted^
<b>MCC</b>	\$912 million	\$930 million	\$915 million	\$930 million	\$930 million
<b>Peace Corps</b>	\$411 million	\$431 million	\$431 million	\$431 million	\$431 million

*\*Excludes \$10.5 billion in emergency funding for Ukraine.*

*^Excludes \$17.8 billion in emergency funding for Ukraine, including \$4.5 billion provided in the September 2022 Continuing Resolution and \$13.3 billion provided in the FY23 Omnibus.*

### International Food Aid: Increases to Combat Global Hunger

The spending package provides a \$60 million (3%) increase in non-emergency funding for the Food for Peace program compared to the FY22 enacted level. The McGovern-Dole International Food for Education and Child Nutrition program receives a \$6 million (3%) increase, with up to 10% of the program’s overall funding designated to purchase food aid locally or regionally. Both programs also receive additional emergency resources as part of the spending package.

### INTERNATIONAL FOOD ASSISTANCE FUNDING

	FY22 Enacted*	FY23 Request	FY23 House	FY22 Senate	FY23 Enacted^
<b>Food for Peace/PL 480 Title II</b>	\$1.74 billion	\$1.74 billion	\$1.8 billion	\$1.8 billion	\$1.8 billion
<b>McGovern-Dole</b>	\$237 million	\$230 million	\$265 million	\$250 million	\$243 million
<b>Total</b>	<b>\$1.98 billion</b>	<b>\$1.97 billion</b>	<b>\$2.07 billion</b>	<b>\$2.05 billion</b>	<b>\$2.04 billion</b>

*\*Excludes \$100 million in emergency funding for Ukraine.*

*^Excludes \$50 million in emergency funding for the Food for Peace program and \$5 million in emergency funding for the McGovern-Dole program.*

### International Security Assistance: Steady Funding

The spending package includes \$8.94 billion in non-emergency funding for international security assistance, a \$39 million (0.4%) increase compared to the FY22 enacted level. Apart from Nonproliferation, Antiterrorism, Demining, and Related (NADR) Programs, which received a \$21 million (2%) increase, all of the other accounts within this section were essentially held flat. In addition, the spending package provides emergency funding of \$375 million for International Narcotics Control and Law Enforcement (INCLE), \$105 million for NADR and \$80 million for Foreign Military Financing (FMF).

### Trade and Investment Agency: DFC Sees Big Boost

The spending package includes \$1 billion for the U.S. International Development Finance Corporation (DFC), a \$305 million (43%) increase from the FY22 enacted level and largely in line with the Administration’s request. The three-year-old agency, whose mission is to expand and modernize America’s development finance capabilities, received \$780 million for its program budget and \$220 million for administrative expenses, \$280 million (56%) and \$22 million (11%) increases, respectively, compared to their FY22 enacted levels.

The spending package also provides a \$22 million (18%) increase for the Export-Import Bank (EXIM) and a \$8 million (9%) increase for the U.S. Trade and Development Agency (USTDA) compared to FY22 enacted levels.

### Peacekeeping: Mixed Results

The FY23 spending package decreases funding for Contributions for International Peacekeeping (CIPA), which covers assessed contributions for United Nations (UN) peacekeeping missions, by \$17 million (-1%) while providing a \$6 million (1%) increase for Peacekeeping Operations (PKO), which funds non-UN peacekeeping forces, training, and operations.

As in past years, Congress maintains the 25% legislative cap on UN peacekeeping contributions rather than the assessed rate of 26.94%. As such, the U.S. will not be able to fully meet its peacekeeping obligations and will continue to accumulate arrears, which now total more than \$1 billion.

#### PEACEKEEPING FUNDING

	FY22 Enacted	FY23 Request	FY23 House	FY23 Senate	FY23 Enacted
<b>UN Operations</b>	\$1.5 billion	\$2.33 billion	\$1.8 billion	\$1.96 billion	\$1.48 billion
<b>Non-UN Operations</b>	\$455 million	\$464 million	\$461 million	\$452 million	\$461 million
<b>Total</b>	<b>\$1.95 billion</b>	<b>\$2.79 billion</b>	<b>\$2.26 billion</b>	<b>\$2.41 billion</b>	<b>\$1.94 billion</b>

### Multilateral Assistance: Up Overall, But Mixed

The spending package provides \$509 million for the International Organizations and Programs (IO&P) account, which funds voluntary contributions to various UN-affiliated and other international organizations, a \$86 million (20%) increase from the FY22 enacted level. It also includes \$1.44 billion for the Contribution to International Organizations (CIO) account, which covers assessed contributions to the UN and other international organizations. This represents a \$225 million (-14%) decrease, although this funding level is expected to be sufficient for the U.S. to meet its obligations under the account.

In addition, it includes \$2.35 billion for Treasury International Programs, which provide contributions to various International Financial Institutions, representing a \$288 million (14%) increase from the FY22 enacted level.

### State and USAID Operations: Modest Funding Increase

The spending package includes \$9.6 billion for Diplomatic Programs (DP), which funds State Department staffing and operations – a \$284 million (3%) increase compared to the FY22 enacted level. It also includes \$1.74 billion for USAID Operating Expenses, which funds USAID staffing and operations, a \$107 million (7%) increase compared to the FY22 enacted level.

Embassy security, which is funded through the Worldwide Security Protection and Embassy Security Construction and Maintenance accounts, was held flat at the FY22 enacted level of \$5.8 billion.

## III. Select Other Funding and Policy Priorities

### Countering Chinese and Russian Malign Influence

Remaining at the top of Congress's priority list is ensuring the U.S. Government is well-resourced for near-peer competition. As such, the spending package provides \$325 million for the Countering Chinese Influence Fund and \$300 million for the Countering Russian Influence Fund, increases of \$25 million (8%) and \$5 million (2%), respectively, compared to the FY22 enacted levels.

## Diversity, Equity, and Inclusion

The spending package supports the State Department and USAID's efforts to expand workforce diversity, equity, and inclusion (DEI). Among other things, it requires both agencies to report to Congress within 90 days on progress made toward achieving various DEI goals. In addition, it includes \$18 million for paid internship programs and \$12 million for the Pickering and Rangel Fellowship programs, both of which are intended to enhance diversity at both agencies. Furthermore, it includes \$20 million for USAID to implement its new DEI strategy.

## Environment and Climate

The spending package does not provide detailed funding levels for all programs in the International Affairs Budget related to the environment and climate change. However, in the areas where specific funding levels are indicated, funding is essentially held flat compared to FY22 enacted levels. For example, it provides \$1.1 billion in State Department and USAID bilateral funding for biodiversity, sustainable landscapes, adaptation, and clean energy programs – the same level enacted for FY22. Similarly, funding for the Clean Technology Fund (CTF) was held flat at its FY22 enacted level of \$125 million, while funding for the Global Environment Facility (GEF) received a modest increase of \$1 million (1%) from its FY22 enacted level.

For the second year in a row, the spending package includes no funding for the Green Climate Fund, for which the Administration had requested \$1.6 billion in FY23.

## Gender Equality and Women's Empowerment

The spending package provides \$250 million for programs intended to prevent and respond to gender-based violence, a \$75 million (43%) increase compared to the FY22 enacted level, and \$150 million to support the Women, Peace, and Security Strategy, a \$15 million (11%) increase compared to the FY22 enacted level. In addition, the Gender Equity and Equality Action Fund is maintained at its FY22 enacted level of \$200 million.

# IV. Next Steps

With the annual FY23 spending bills complete, the 118th Congress will soon turn its full attention to the FY24 budget and appropriations process – with the Administration expected to release its FY24 budget request early this year. In a divided government, gridlock is expected to reach new heights – which means reaching a bipartisan deal on FY24 spending will likely prove extremely difficult.

The USGLC looks forward to continuing to work with bipartisan Members of Congress to ensure our international affairs investments match the urgency of this unprecedented moment in history – and reflect the strong, bipartisan support that exists for America's development and diplomacy tools.

# V. Account-by-Account Details

## Download the Account-by-Account Details

- ▶ Download the account-by-account details of the FY23 spending package [here](#).