

# As Global Instability Threatens American Interests, Budget Proposes Smart and Strategic Investments in Development and Diplomacy

Analysis of the Administration's FY24 International Affairs Budget Request

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## Introduction

From China's growing global influence to Russia's devastating war in Ukraine to a historic food crisis, this year's federal budget process unfolds against a backdrop of converging global threats that have significant and increasing security and economic impacts here at home.

With global instability continuing to find its way to America's shores, the Administration's FY24 budget request seeks to "renew and revitalize U.S. leadership in the world, tackle global challenges, and ensure our foreign policy delivers for the American people" by proposing an \$8.9 billion increase for the International Affairs Budget compared to the FY23 non-emergency enacted level.<sup>1</sup>

Specifically, the request **includes \$70.6 billion in discretionary non-emergency funding for the International Affairs Budget – 14% above the FY23 enacted level.** Similar to last year, the Administration proposes funding increases across a wide range of programs and accounts, from humanitarian assistance to climate change to global health.

Above and beyond its discretionary funding proposal, the Administration is requesting a total of **\$13.1 billion in mandatory international affairs resources** to compete with China. This innovative proposal is a clear recognition that development and diplomacy programs are a powerful tool in America's strategy when it comes to China – particularly as China's development spending and financing have increased by 270% over the last decade.

As the budget and appropriations process begins in earnest, the **USGLC urges Congress to support no less than \$70.6 billion as the floor in FY24 discretionary spending negotiations.**

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<sup>1</sup> For the purposes of this analysis, comparisons are to the unadjusted FY23 enacted level, which does not include \$2.12 billion in FY23 emergency funding not specifically designated for Ukraine. It is important to note that the Administration does incorporate this emergency funding into its adjusted FY23 enacted level, resulting in a more modest \$6.8 billion (11%) increase.

# Key Takeaways

Below are seven key takeaways from the Administration's FY24 International Affairs Budget request. Additional details are provided later in this analysis.

## 1. International Affairs Topline: Strategic Investments to Advance U.S. National Interests

At a time of immense global uncertainty that risks undermining U.S. security and stability, the Administration's budget reinforces a commitment to strengthening America's civilian national security tools – proposing to increase overall funding for the International Affairs Budget by 14%. This echoes [warnings](#) by top retired military leaders that “shortchanging our investment in these critical tools is dangerous to our own national interests” and stands in stark contrast to calls by some for draconian cuts to development and diplomacy.

## 2. China: Strong Signals on Outcompeting the PRC

Grounded in the Administration's assessment that, “China is the U.S.'s only competitor with the intent and the means to reshape the international order and is the most consequential geopolitical challenge of our era,” the request increases discretionary funding focused on countering China's global influence. More significantly, the Administration is also requesting an additional \$13.1 billion in mandatory funding to strengthen alliances and partnerships in the region, expand international infrastructure investments, and offer alternatives to China's coercive practices. While there is strong bipartisan support in Congress for strengthening America's global competitiveness – including through diplomacy and development tools – expect Members to scrutinize this consequential new use of mandatory spending.

## 3. Russia: Strengthening Democratic Resilience Against Rising Authoritarianism

As Russia's war on Ukraine enters its second year, the Administration's request includes a 110% increase in non-emergency funding for Assistance to Europe, Eurasia, and Central Asia (AEECA) – nearly half of which is specifically designated for Ukraine, including to strengthen energy security, combat disinformation, facilitate trade, bolster anti-corruption efforts, and enhance investments in transparency and accountability. This proposed boost in core funding is particularly important given recent statements from the Administration that it will not seek new emergency resources for Ukraine this fiscal year.

## 4. Humanitarian Assistance: Responding to Historic Needs

As humanitarian crises reach historic heights – with a staggering 339 million people in need of assistance in 2023, a 25% increase from last year – the Administration's budget proposes a 22% overall increase in non-emergency funding for humanitarian aid. It is important to note that core funding for humanitarian assistance has remained relatively flat in recent years, with critical increases dependent on the passage of emergency supplementals. Moving forward, it is essential for the regular budget to reflect the true scope and scale of enduring needs.

## 5. Global Health: Sustained Funding to Reinforce U.S. Leadership

Building on America's legacy of leadership in advancing global health and recognizing that “significant work remains,” the Administration's request continues solid funding for overall global health programs with a 3% boost. New resources are focused on bolstering global health security and pandemic preparedness, as well as strengthening the global health workforce through a new presidential initiative. Additionally, the request provides funding for a new global health bureau at the State Department – a proposal that, to date, has been met with significant questions on Capitol Hill.

## 6. Strategic Priorities: Targeted Resources for Key Areas of Focus

In line with the Administration’s strategic foreign policy and national security priorities, the FY24 budget request increases funding in several areas, including:

- ▶ **Food Security:** The proposal increases funding for agriculture and food security by 18%, including supporting Feed the Future’s ongoing expansion and a new initiative to build more sustainable food systems by improving soil health and developing more resilient crops.
- ▶ **Climate Change:** The request roughly doubles funding for international climate change programs, in line with the Administration’s commitment to provide over \$11 billion in climate finance annually to help developing countries adapt to the impacts of climate change.
- ▶ **Gender:** The request proposes the largest-ever investment in programs that advance gender equality and empowerment of women and girls – a total of \$3.1 billion across all accounts. This includes increased funding to combat gender-based violence, strengthen women’s participation in peace and security, and empower women economically.

## 7. Global Workforce: New Investments to Increase Personnel and Strengthen Capacity

Reflecting a commitment to “continue to invest in our workforce and modernize American diplomacy to meet the tests of the 21st century,” the Administration’s request increases funding for the State Department and USAID accounts that fund personnel and the U.S. diplomatic presence around the world by 10% and 9%, respectively. These proposed increases would support new Foreign Service and Civil Service positions and sustain investments in initiatives that promote diversity, equity, and inclusion, strengthen cybersecurity, and improve and modernize technology and communications.

## Included in this Analysis

- I. Mandatory Funding: Spotlight on Proposal to Outcompete China
- II. Discretionary Funding: Notable Programs and Policy Issues
- III. Snapshot of Regional and Country Funding
- IV. What’s Ahead
- V. Additional Information and Resources
- VI. Account-by-Account Details

## About this Analysis

In general, this analysis compares funding levels in the FY24 request to FY23 non-emergency enacted levels. It does not adopt the Administration's approach of comparing the FY24 request to FY23 "adjusted" enacted levels that include \$2.12 billion in FY23 emergency funding not specifically designated for Ukraine. However, where relevant, this analysis notes where the inclusion of this emergency funding impacts comparisons.

## I. Mandatory Funding: Spotlight on Proposal to Outcompete China

For the first time ever, the Administration's proposal includes \$13.1 billion over 20 years in "multifaceted mandatory funding" to address the long-term challenge of competing with China – approximately \$1.9 billion of which is requested for FY24. This funding is broken down as follows:

- ▶ **Compacts of Free Association (COFA):** \$7.1 billion over 20 years for economic and related assistance (previously funded through Department of Interior mandatory programs) to be negotiated through new long-term Compacts of Free Association with Micronesia, the Marshall Islands, and Palau.
- ▶ **International Infrastructure:** \$2 billion over 5 years for an International Infrastructure Fund to support "strategic 'hard' infrastructure projects" in countries vulnerable to Chinese malign influence.
- ▶ **Indo-Pacific Strategy:** \$2 billion over 5 years to support implementation of the Administration's Indo-Pacific Strategy – above and beyond funding requested through the discretionary budget – to improve economic resiliency in the region and "support the regional deployment and international connectivity, and strengthen our regional partners' cybersecurity abilities."
- ▶ **Development Finance Corporation:** \$2 billion for a new revolving fund to scale up equity investments, with any returns reinvested into new projects – making the fund self-financing.
- ▶ **Japan-U.S. Friendship Commission:** \$33 million.

## II. Discretionary Funding: Notable Programs and Policy Issues

### Protecting U.S. National Security

Now more than ever, global instability is impacting the safety and security of Americans at home. The Administration's FY24 budget request seeks to advance U.S. national security and strengthen regional and global stability through sustained funding for critical accounts and key allies and partners.

**Countering Chinese Malign Influence: Moderate Boost.** The Administration's request includes \$400 million for the Countering PRC Malign Influence Fund – \$75 million (23%) above the FY23 enacted level – to "block PRC inroads, raise the cost of PRC operations, and catalyze partners to recognize and respond to PRC threats and coercion." In part to counter China, the request also provides \$2.15 billion for implementation of the Administration's Indo-Pacific Strategy.

**International Security Assistance: Slight Increase.** The FY24 request includes \$9.1 billion for security assistance programs, \$137 million (2%) above the FY23 enacted level. Within this total, International Narcotics Control and Law Enforcement (INCLE) receives a \$93 million (7%) increase and International Military Education and Training (IMET) receives a \$13 million (11%) increase, while funding for Nonproliferation, Anti-Terrorism, Demining, and Related (NADR) is held flat. Foreign Military Financing (FMF) sees a modest \$72 million (1%) increase, with the largest beneficiaries being:

- ▶ **Israel**, which would continue to receive \$3.3 billion, consistent with the Memorandum of Understanding (MOU) covering FY19 to FY28.
- ▶ **Egypt**, which would receive \$1.3 billion, consistent with previously enacted levels.
- ▶ **Jordan**, which would receive \$400 million in line with the new MOU between the U.S. and Jordan.

Additionally, the Administration is requesting \$113 million for a new global line item to address FMF Emerging Priorities through either grants or loans that, among other things, would allow the U.S. to provide FMF to Taiwan.

**Peacekeeping: Significant Boost.** The budget proposes a total of \$2.36 billion for peacekeeping operations in FY24, including \$1.94 billion to fund United Nations (UN) peacekeeping missions through the Contributions to International Peacekeeping Activities (CIPA) account and \$420 million for non-UN peacekeeping missions through the Peacekeeping Operations (PKO) account.

This represents a \$459 million (31%) increase for CIPA and a \$40 million (9%) decrease for PKO compared to FY23 enacted levels. The proposed increase for CIPA would fully fund U.S. assessed contributions to UN peacekeeping in FY24 based on the assessed rate of 26.9% and provide \$344 million to partially pay down \$1.1 billion in arrears that the U.S. has accumulated since FY17. The budget also calls for lifting the 25% legislative cap on U.S. peacekeeping contributions, which has led to the accumulation of arrears.

**PEACEKEEPING FUNDING**

	FY22 Enacted	FY23 Enacted	FY24 Request	Change from FY23
<b>UN Operations (CIPA)</b>	\$1.5 billion	\$1.48 billion	\$1.94 billion	31%
<b>Non-UN Ops (PKO)</b>	\$455 million	\$461 million	\$420 million	-9%
<b>Total</b>	<b>\$1.95 billion</b>	<b>\$1.94 billion</b>	<b>\$2.36 billion</b>	<b>22%</b>

**Promoting America’s Economic Prosperity**

From rising prices to supply chain disruptions, America’s economic prosperity is directly tied to the global economy. The Administration’s FY24 budget request increases investments in America’s development finance and export agencies to strengthen U.S. economic security by fostering sustainable growth in developing countries and expanding exports, trade, and investment opportunities around the world for U.S. businesses.

**Development Finance Corporation (DFC): Major Expansion.** The request includes \$243 million for administrative expenses for the U.S. International Development Finance Corporation (DFC), a \$23 million (10%) increase from the FY23 enacted level and maintains the FY23 enacted level of \$780 million for programs. These resources enable the DFC to grow its portfolio – including through expanded infrastructure investment, supporting energy security, and promoting economic growth around the world.

**U.S. Trade and Development Agency (USTDA): Substantial Growth.** The Administration’s proposal includes \$118 million for the U.S. Trade and Development Agency (USTDA), a \$31 million (35%) increase from the FY23 enacted level. According to the Administration, this increase will support key policy priorities, including “the Partnership for Global Infrastructure and Investment, Digital Transformation with Africa, and outcompeting China in the Indo-Pacific.”

**Export-Import Bank: Large Boost and Return on Investment.** The FY24 request provides \$136 million for the Export-Import Bank’s administrative expenses, an \$11 million (9%) increase above the FY23 enacted level. It also includes \$31 million for programs as well as \$9.6 million for its Inspector General, increases of \$16 million (107%) and \$2 million (28%), respectively, compared to the FY23 enacted level. The Bank is self-funding and the Administration projects its collections will far exceed its operational costs, returning an estimated \$215 million in offsetting collections to the U.S. Treasury in FY24.

## Responding to Humanitarian Crises

As the world grapples with historic levels of humanitarian need – from devastating natural disasters to increasing global poverty to the largest conflict in Europe since World War II – the Administration’s FY24 budget request increases funding for programs that save lives and assist the most vulnerable around the world

**Humanitarian Assistance: Modest Growth.** The Administration’s proposal includes \$10.51 billion for humanitarian assistance programs. While this is \$1.9 billion (22%) above the FY23 enacted level, if the \$1.55 billion in FY23 emergency funding provided for use outside of Ukraine is included in this year’s total, the proposed FY24 level represents only a \$341 million (3%) increase. It holds funding flat for the Food for Peace program, which is up for reauthorization this year in the Farm Bill, and calls for modifications to improve efficiency and flexibility. As it did last year, the Administration also requests an increase to \$100 million for the President’s Emergency Refugee and Migration Assistance (ERMA) account, which has proven critical to responding to unexpected urgent emergencies, such as the recent earthquakes in Turkey and Syria.

### HUMANITARIAN ASSISTANCE FUNDING

	FY22 Enacted*	FY23 Enacted**	FY24 Request	Change from FY23
<b>Disaster Assistance (IDA)</b>	\$3.91 billion	\$3.91 billion	\$4.7 billion	20%
<b>Refugees (MRA)</b>	\$2.91 billion	\$2.91 billion	\$3.91 billion	34%
<b>Emergency Refugees (ERMA)</b>	\$100,000	\$100,000	\$100 million	99,900%
<b>Title II, P.L. 480 Food for Peace</b>	\$1.74 billion	\$1.8 billion	\$1.8 billion	0%
<b>Total</b>	<b>\$8.56 billion</b>	<b>\$8.62 billion</b>	<b>\$10.51 billion</b>	<b>22%</b>

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

\*\* Excludes \$2.5 billion in emergency funding provided in the FY23 Omnibus for Ukraine, including \$1.55 billion (unrelated to Ukraine) for use globally (\$638 million for disaster assistance and \$915 million for migration and refugees).

## Advancing Sustainable Economic Development

The FY24 budget request includes funding to support long-term economic growth, social development, and good governance in developing countries as well as strengthen political and economic stability of key partner nations.

**Development and Economic Assistance: Strategic Increases.** The Administration’s request includes an overall increase of \$2.6 billion (28%) for State Department and USAID development and economic assistance compared to the FY23 enacted level. Most notably, it provides a nearly \$1.1 billion (24%) increase for Development Assistance (DA) and a nearly \$1.1 billion (25%) increase for the Economic Support Fund (ESF). The request also includes a \$549 million (110%) increase for Assistance to Europe, Eurasia, and Central Asia (AEECA). However, if the \$350 million in FY23 emergency funding included in the Administration’s adjusted FY23 enacted level is counted, the proposed FY24 level represents just a \$199 million (23%) boost. For the third year in a row, the Administration’s request includes \$291 million for the Democracy Fund, well below what history suggests Congress is likely to provide.

**Millennium Challenge Corporation (MCC): Substantial Growth.** The FY24 request includes a \$143 million (15%) increase for the Millennium Challenge Corporation (MCC) compared to the FY23 enacted level – with new resources going to support compacts with Belize, Cote d’Ivoire, and Sierra Leone.

**Peace Corps: Substantial Boost.** The Administration’s request includes \$495 million for the Peace Corps, a \$65 million (15%) increase compared to the FY23 enacted level. According to the Administration, the request will support the continued return of Volunteers abroad following the worldwide evacuation of Volunteers during the COVID-19 pandemic.

## DEVELOPMENT AND ECONOMIC ASSISTANCE FUNDING

	FY22 Enacted*	FY23 Enacted^	FY24 Request	Change from FY23
<b>Development Assistance (DA)</b>	\$4.14 billion	\$4.37 billion	\$5.43 billion	24%
<b>Economic Support Fund (ESF)</b>	\$4.1 billion	\$4.3 billion	\$5.39 billion	25%
<b>AEECA</b>	\$500 million	\$500 million	\$1.05 billion	110%
<b>Democracy Fund</b>	\$341 million	\$356 million	\$291 million	-18%
<b>MCC</b>	\$912 million	\$930 million	\$1.07 billion	15%
<b>Peace Corps</b>	\$411 million	\$431 million	\$495 million	15%

\* 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 provide in the FY23 Omnibus (including \$350 million, unrelated to Ukraine,) for other AEECA countries).

## Strengthening Global Health

The Administration’s FY24 request continues solid investments in global health, recognizing the imperative of American leadership in building global capacity to prepare for and respond to disease threats – particularly in the wake of the COVID-19 pandemic.

**Global Health: Pandemic Preparedness Prioritized.** The request includes a total of \$10.93 billion for State and USAID Global Health Programs, a \$369 million (3%) increase over the FY23 enacted level – with nearly all of the increase directed to Global Health Security.

### *Global Health Security*

Global Health Security receives a \$347 million (39%) increase compared to the FY23 enacted level. This total includes:

- ▶ \$500 million for the Pandemic Fund.
- ▶ \$395 million for bilateral USAID programs.
- ▶ \$40 million for USAID partnership programs.
- ▶ \$220 million for U.S. contributions to multilateral initiatives and organizations, such as the Coalition for Epidemic Preparedness Innovations (CEPI).
- ▶ \$90 million to replenish USAID’s Emergency Reserve Fund.

#### *PEPFAR and Global Fund to Fight AIDS, Tuberculosis and Malaria*

With PEPFAR pending reauthorization this year, the Administration’s FY24 request includes a very slight reduction in bilateral funding for the program. The request includes \$2 billion to support the second installment of the three-year \$6 billion U.S. pledge to the Global Fund to Fight AIDS, Tuberculosis and Malaria – the same level provided for FY23.

#### *Other Global Health Programs*

The picture is mixed for other global health programs. Some (such as family planning and the Health Resilience Fund) receive increases compared to their FY23 enacted levels, while others (such as Malaria, Tuberculosis, and Polio) receive cuts. Notably, the request includes \$20 million for a new Global Health Workers Initiative intended to help address the critical shortage of health care workers globally.

### **GLOBAL HEALTH FUNDING\***

	<b>FY22 Enacted</b>	<b>FY23 Enacted</b>	<b>FY24 Request</b>	<b>Change from FY23</b>
<b>Bilateral PEPFAR</b>	\$4.39 billion	\$4.4 billion	\$4.37 billion	-0.6%
<b>Global Fund</b>	\$1.56 billion	\$2.0 billion	\$2.0 billion	0%
<b>USAID HIV/AIDS</b>	\$330 million	\$330 million	\$330 million	0%
<b>Malaria</b>	\$775 million	\$795 million	\$780 million	-2%
<b>Tuberculosis</b>	\$371 million	\$395 million	\$359 million	-9%
<b>Maternal/Child Health</b>	\$890 million	\$910 million	\$910 million	0%
<b>Vulnerable Children</b>	\$28 million	\$30 million	\$30 million	0%
<b>Nutrition</b>	\$155 million	\$160 million	\$160 million	0%
<b>Family Planning</b>	\$608 million	\$608 million	\$677 million	11%
<b>NTDs</b>	\$108 million	\$115 million	\$115 million	0%
<b>Global Health Security &amp; Emerging Threats</b>	\$700 million	\$900 million	\$1.25 billion	39%
<b>Health Resilience Fund</b>	\$0	\$8 million	\$10 million	25%
<b>Global Health Workers Initiative</b>	\$0	\$0	\$20 million	N/A
<b>Total</b>	<b>\$9.83 billion</b>	<b>\$10.56 billion</b>	<b>\$10.93 billion</b>	<b>3%</b>

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

## **Crosscutting Issues**

The Administration’s FY24 budget request includes increased funding for a number of priorities that span multiple regions, accounts, and international affairs agencies.



**Climate Change: Sustained Focus.** The request provides approximately \$5.7 billion for international climate change programs between State/USAID and Treasury International Programs. Within this total, there is \$4.3 billion for State Department and USAID programs – a \$1.8 billion (69%) increase from the FY22 actual level (FY23 data is not yet available) – with significant resources for adaptation (\$2.5 billion), Clean Energy (\$1.1 billion), and Sustainable Landscapes (\$768 million) programs. Another \$1.4 billion is provided for Treasury Department International Programs, a \$1.1 billion (400%) increase from the FY23 enacted level. Although Congress did not approve any funding for the Green Climate Fund (GCF) in FY22 or FY23, the request once again includes \$1.6 billion for a U.S. contribution to the GCF, with half coming from Treasury and the rest from the State Department and USAID.

**Food Security: Funding Up.** The Administration’s request includes \$1.19 billion for food security programs, a \$178 million (18%) increase from the FY23 enacted level. These additional resources will support Feed the Future’s (FTF) expansion last year from 12 to 20 target countries, as well as provide \$75 million for a new Vision for Adaptive Crops and Soils program within FTF and in partnership with the African Union.

**Gender Programs: Equality and Equity Prioritized.** Across all accounts, the Administration’s request includes \$3.1 billion for gender-related programs, a \$2 billion (179%) increase from the FY22 actual level (FY23 data is not yet available). Of this, \$200 million is designated for the Gender Equity and Equality Action (GEEA) Fund, the same level provided in FY23.

**Democracy Funding: Steady Growth.** In the face of continued attacks on democracy around the world, the FY24 request includes \$3.15 billion for democracy, human rights, and governance programs, a \$250 million (9%) increase from the FY23 enacted level – focused on continued investments in Summit for Democracy commitments and the Presidential Initiative for Democratic Renewal.

**Cyber and Technology: Large Increases.** The budget proposal includes \$492 million for the State Department’s Capital Investment Fund (CIF) and \$305 million for USAID’s CIF, increases of \$103 million (26%) and \$46 million (18%), respectively, compared to their FY23 enacted levels. Much of the growth in these funds, which are used to support a range of capital investments, is focused on critical IT and cybersecurity initiatives.

**Diversity, Equity, Inclusion and Access (DEIA): Continuing Emphasis.** In support of the Administration’s foundational commitment to advance diversity and inclusion across the federal government, the Administration’s request includes \$83 million for the State Department to further enhance and expand its DEIA efforts.

## Engaging with Multilateral Institutions

To achieve the Administration’s “objective of renewing, strengthening, and leveraging U.S. leadership in multilateral organizations,” the FY24 budget request bolsters U.S. investments in international organizations and other multilateral fora at a time when China has ramped up its participation in this arena.

**International Financial Institutions (IFIs): Climate Change-Driven Increases.** The FY24 request includes \$4 billion for Treasury International programs, a \$1.7 billion (72%) increase from the FY23 enacted level – with additional funding largely focused on contributions to various environmental and climate change funds.

**Contributions to International Organizations (CIO): Full Funding of Assessments.** The request includes \$1.7 billion for assessed Contributions to International Organizations (CIO), \$266 million (18%) above the FY23 enacted level and sufficient to fully pay UN and other assessments. Importantly, resources provided through this account support U.S. treaty and convention obligations to 43 international organizations, including the North Atlantic Treaty Organization (NATO).

**International Organizations and Programs (IO&P): Modest Reduction.** The Administration’s request includes \$486 million for International Organizations and Programs (IO&P), \$23 million (4%) below the FY23 enacted level. This account supports U.S. voluntary contributions to a wide range of international organizations, such as the UN Children’s Fund (UNICEF).

## Strengthening Civilian Capacity

Emphasizing the Administration’s commitment to revitalizing the foreign policy workforce and America’s diplomatic and development presence across the globe, the FY24 request increases funding for the State Department and USAID’s core operating accounts – including for hiring additional diplomatic and program staff.

**Diplomatic Programs (DP): Increases for Personnel.** The Administration’s request includes \$10.4 billion for the State Department’s Diplomatic Programs (DP) account – which funds personnel, infrastructure support, and operational costs – a \$971 million (10%) increase compared to the FY23 enacted level. This increase would support growth in Foreign Service and Civil Service by about 515 positions.

**Embassy Security Construction and Maintenance (ESCM): Flat Funding.** The FY24 request holds funding essentially flat at the FY23 enacted level of \$2 billion for the State Department’s Embassy Security Construction and Maintenance (ESCM) account. According to the Administration, the overall level of funding for ESCM (including contributions from other agencies) is consistent with the recommendations of the Benghazi Accountability Review Board.

**Operating Expenses (OE): Funding Growth for Personnel.** The Administration’s request includes \$1.9 billion for USAID’s Operating Expenses (OE) account, a \$159 million (9%) increase compared to the FY23 enacted level. With this increase in funding, USAID would be able to grow its workforce by 230 Foreign Service and Civil Service Personnel.

## III. Snapshot of Country and Regional Funding

As in past years, the Administration’s FY24 request specifies funding levels for each country and region. It is important to note that comparisons in this section are generally to FY22 actual levels since the Administration has not yet determined FY23 allocations.

**Africa:** In support of commitments made at the 2022 U.S.-Africa Leaders Summit, the Administration’s request includes \$8 billion, a \$384 million (5%) increase from the FY22 actual level, to advance U.S. policy priorities in Africa. The majority of these funds are dedicated to advancing peace and security along with economic growth, food security, health, and trade. Specific regional initiatives supported include implementation of the Sahel Strategy, Power Africa, Prosper Africa, and the Young African Leaders Initiative (YALI). The largest country-level recipients are the Democratic Republic of the Congo (\$286 million), Somalia (\$286 million), and South Sudan (\$107 million).

**Western Hemisphere:** Consistent with the goals set out at the 2022 Summit of Americas, the Administration’s request includes \$2.47 billion in funding, a \$430 million (21%) increase from the FY22 actual level. Funding is intended to address the root causes of migration, combat economic insecurity and inequality, strengthen democratic governance, combat corruption, and prevent violence perpetuated by criminal organizations. Of the total, \$274 million is intended for hemispheric migration management. The largest country and regional-level recipients are Central America (\$979 million), Haiti (\$292 million), Cuba (\$20 million).

**Indo-Pacific:** The Administration's request includes \$2.15 billion to advance American interests in the Indo-Pacific, a \$348 million (19%) increase from the FY22 actual level. \$1.4 billion of this funding falls under East Asia and the Pacific, while \$710 million falls under South Asia. Funding would support the U.S. Indo-Pacific Strategy and a range of regional-level initiatives intended to spur economic growth, strengthen regional partnerships, advance democratic governance, deter aggression, and generate collective resilience.

**Europe, Eurasia, and Central Asia:** The Administration's request includes \$1.73 billion for Europe, Eurasia, and Central Asia – a \$750 million (77%) increase from the FY22 actual level – largely focused on democracy promotion and building region-wide resilience to Russian malign economic and political influence. Of the total, \$1.5 billion is intended for Europe and Eurasia, of which \$753 million is intended for Ukraine, while \$235 billion is intended for Central Asia.

**Middle East and North Africa:** The Administration's request includes \$7.6 billion for the Middle East and North Africa, a \$273 million (-3%) decrease from the FY22 actual level. The region remains among the largest recipients of U.S. assistance compared to other parts of the world, with Israel, Egypt, and Jordan accounting for 82% of the total request for the region.

**Afghanistan and Pakistan:** The Administration's request includes \$143 million for Afghanistan, a \$13 million (-8%) decrease from the FY22 actual level, with funding focused on support for basic needs and, in light of recent Taliban-imposed restrictions, protecting women and girls. The request includes \$135 million for Pakistan, a \$37 million (37%) increase from the FY22 actual level. In line with U.S. security interests, much of this funding supports the country's response to devastating floods in 2022 and promotes trade and investment, climate resilience, democracy and governance, and higher education programs.

## IV. What's Ahead

With the release of the Administration's budget request, all eyes now turn to Congress as the FY24 budget and appropriations process begins in earnest. As a first step, congressional committees will hold a series of budget hearings to consider the Administration's budget request in the coming days and weeks. While there will certainly be robust debate and diverging views in Congress on the details of the Administration's proposal, support for America's development and diplomacy tools remains strong and bipartisan.

There is growing uncertainty about whether the Senate Budget Committee will pursue an FY24 budget resolution. In the House, Budget Committee **Chairman Jodey Arrington (R-TX)** is drafting an FY24 budget resolution that is expected to limit overall discretionary spending to FY22 enacted levels.

Both the House and Senate Appropriations Committees have outlined ambitious agendas to consider FY24 spending bills and bipartisan Senate Appropriations leaders are holding active conversations about reaching an agreement on a topline spending level.

However, given the political realities of a divided Congress and slim majorities in both the House and Senate, finalizing FY24 spending before the new fiscal year begins on October 1, 2023, could be a tall order. In the absence of a final spending deal, Congress could pass a short-term Continuing Resolution (CR) to provide additional time for negotiations or enact a full-year CR if no deal is in sight. If no spending deal or CR is approved by the time current funding expires, a government shutdown could result.

## V. Additional Information and Resources

### OMB Budget Charts and Materials

- ▶ [Administration's FY24 Budget Request](#)
- ▶ [OMB Fact Sheets](#)

### State Department Budget Materials

- ▶ [FY24 Congressional Budget Justification](#) and [Appendix](#)
- ▶ [State Department Fact Sheet](#)

### USAID Budget Materials

- ▶ [USAID Fact Sheet](#)

## VI. Account-by-Account Details

### Download the Account-by-Account Details

- ▶ Download the account-by-account details of the Administration's FY24 budget request [here](#).