



*Another Mismatch for Global Resources?*

# Constrained Funding for Growing Challenges Threatens America's Ability to Protect National Interests

*Analysis of the Administration's FY25 International Affairs Budget Request*

**MARCH 13, 2024**

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## Introduction

From spiraling crises around the world to challenges here at home, this year's federal budget process is unfolding at a moment of unprecedented complexity on the global stage.

Across the globe, escalating threats are impacting America's security and economic interests every day – from converging authoritarian threats from Russia, China, and Iran; to wars raging in Europe and the Middle East; to historic humanitarian and food security emergencies; to escalating conflict and instability in already fragile settings. At home, a fraught political and budgetary environment has impeded Congress's work to finalize FY24 spending bills and stalled action on a bipartisan national security emergency supplemental.

In this context, the Administration released an FY25 budget request that adheres to the spending caps enacted by Congress last summer – largely maintaining overall non-defense discretionary spending flat compared to the FY23 enacted level. The result is a request that is modest compared to the Administration's [previous](#) budget proposals.

The impact of these resource constraints is evident in the Administration's request for the **FY25 International Affairs Budget, which includes \$64.4 billion in discretionary non-emergency funding – 1% above the FY23 adjusted enacted level.**<sup>1</sup>

Given the bipartisan spending caps deal, the Administration had to make some difficult choices to balance priorities across its request. However, its proposal for the FY25 International Affairs Budget cannot be viewed in a vacuum, as it comes against a backdrop of potentially deep cuts to development and diplomacy in FY24 and as nearly [\\$27 billion](#) in emergency civilian international affairs funding for Ukraine, Israel, Taiwan, and global humanitarian assistance hangs in the balance.

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<sup>1</sup> For the purposes of this analysis, comparisons are to the FY23 adjusted enacted level, which includes \$2.1 billion in FY23 base funding that was shifted to emergency.

**The mismatch between the global threats facing America and the trajectory of resources for our nation’s civilian national security tools is deeply concerning and could have serious implications for protecting the interests of American families.**

In a [statement](#), USGLC President & CEO Liz Schroyer said, “With the trifecta of likely diminished global resources for FY24, the stalled National Security Emergency Package, and severely capped resources for FY25, we are simply seeing a mismatch of America – again and again – not responding fully to threats that could land on our shores while our adversaries and competitors are hardly slowing down. I fear they continue to play three-dimensional chess while we play checkers on the global stage.”

In the days and weeks ahead, USGLC urges Congress to:

- ▶ Finish its work on FY24 spending bills, including the State-Foreign Operations bill that funds the vast majority of the International Affairs Budget, and avoid dangerous automatic cuts to development and diplomacy programs under sequestration.
- ▶ Take swift action to enact a comprehensive security, economic, and humanitarian emergency supplemental into law.
- ▶ Support no less than the Administration’s request of \$64.4 billion for the International Affairs Budget in FY25 spending negotiations.

## Key Takeaways

Below are seven key takeaways from the Administration’s FY25 International Affairs Budget request. *Additional details are provided later in this analysis.*

### 1. International Affairs Topline: Falling Further Behind in Protecting America’s Interests

The Administration’s proposed 1% increase for the International Affairs Budget in FY25 is an important signal in a difficult and constrained budget environment. However, the slim increase means that funding for key areas of the budget – including humanitarian, economic and development, and security assistance – is largely held flat. At the same time, with FY24 spending unfinished and uncertainty surrounding the national security emergency supplemental, there is a continuing question of whether America is investing enough in the civilian tools that are essential to protecting and advancing U.S. interests when global threats are on the rise.

### 2. Russia: Countering Intensified Aggression and Malign Influence

As Russia continues its war of aggression against Ukraine and expands its presence across the globe – including in Africa and Eurasia – the FY25 request increases bilateral funding for Ukraine in the base budget by 17% with the goal of beginning to reintegrate funding previously provided to Ukraine through emergency supplementals into the State Department and USAID’s base budgets. Of note, the proposal provides \$25 million for a new fund to counter Russian disinformation and “build institutional resilience, strengthen civil society, and improve electoral systems and processes” across Africa in a year when 19 elections on the continent are expected to take place. However, the Administration also makes clear that without Congressional approval of new emergency supplemental resources, the U.S. will be unable to sustain its support for Ukraine.

### 3. China: Leveraging Development and Diplomacy Tools to Compete

Asserting that the People’s Republic of China (PRC) “is the geopolitical challenge of our era,” the Administration’s request increases discretionary funding to counter China’s global influence across several accounts and programs – including a 15% boost to implement the Indo-Pacific Strategy. Notable highlights are:

- ▶ A significant new proposal to leverage a \$1 billion U.S. contribution to the World Bank for an International Bank of Reconstruction and Development (IBRD) loan guarantee and grants to other IBRD funds. According to the Administration, this funding would allow the World Bank to expand its lending capacity by approximately \$36 billion – providing an alternative to the PRC’s coercive lending.
- ▶ A first-ever \$100 million bilateral request for security assistance for Taiwan to bolster its self-defense in the face of Chinese aggression.

Given China has increased its economic development spending around the world by 525% in the last 15 years alone, expect additional questions from Congress about whether these proposed investments are sufficient for America to strategically compete from a position of strength.

### 4. Humanitarian Assistance: Stable Funding Despite Dire Need

With nearly 300 million people worldwide in need of humanitarian assistance this year, the Administration’s proposal largely holds funding flat for overall humanitarian aid programs – proposing a slight 1% increase. The Administration makes clear that to meet the unprecedented level of global needs – including in Sudan, Gaza, South Sudan, and Burkina Faso – the FY25 request must be paired with the \$10 billion in emergency humanitarian assistance included in the pending national security supplemental request. Ensuring America continues to lead with empathy for the most vulnerable around the world will likely be a high priority for Congress this year.

### 5. Global Health: Investments to Continue U.S. Leadership

The Administration’s FY25 request reduces overall funding for global health by 7%. According to the Administration, this reduction is entirely due to a requirement in U.S. law that limits America’s contribution to the Global Fund to no more than one-third of total donor contributions. However, expect more discussions around whether there are greater non-U.S. donor Global Fund pledges available to allow for a higher U.S. contribution.

For the remaining global health accounts, funding is either held flat (such as for nutrition and global health security) or slightly increased (such as for maternal and child health). Global health champions are likely to ask tough questions about these funding levels and their impact on America’s longstanding global health leadership.

### 6. Difficult Tradeoffs: Highlights of Programmatic Increases and Decreases

Within the Administration’s FY25 request, there are several notable areas that see funding increases or decreases. Given the slim 1% increase to overall funding, there is limited new funding to be distributed across a vast array of critical programs and accounts – necessitating some difficult tradeoffs.

Notable increases include:

- ▶ **Food Security:** The request increases funding for agriculture and food security by 15%, including for Feed the Future – with a greater focus on five target countries of Tanzania, Zambia, Malawi, Mozambique, and the Democratic Republic of the Congo (DRC). Funding will also support research and initiatives to build more sustainable food systems by improving soil health and developing more resilient crops.

- ▶ **Climate Change:** The request increases funding for bilateral international climate change programs by 28%, in line with the Administration’s whole-of-government commitment to help developing countries adapt to the impacts of climate change.
- ▶ **Countering Fentanyl and Synthetic Drugs:** The budget proposes a 58% increase in International Narcotics Control and Law Enforcement (INCLE) funding to stem the flow of synthetic drugs like fentanyl, which is the primary driver of recent increased drug overdose deaths in America.
- ▶ **Gender:** The request expands the Administration’s commitment to advancing gender equality and the empowerment of women and girls, providing a 15% increase across all accounts. This includes funding to combat gender-based violence, strengthen women’s participation in peace and security, and empower women economically.

Notable decreases include:

- ▶ **Peacekeeping:** The request reduces total funding for peacekeeping operations by 11%. The Administration notes that, as a result, the U.S. will continue to accumulate UN peacekeeping arrears.
- ▶ **Embassy Security Construction and Maintenance:** Funding for this account – which covers many security-related costs critical to protecting 91,000 U.S. government personnel at 289 locations around the world – is cut by 10%.

## 7. Global Workforce

Reflecting a core Administration commitment to strengthen, revitalize, and modernize America’s global diplomatic and development workforce, 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 6% and 7%, respectively. It also includes a new proposal to establish a Diplomatic Reserve Auxiliary Corps at the State Department to “provide a cadre of trained personnel capable of surging contingency response efforts and improving Department’s workforce resilience.”

## Included in this Analysis

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

# About this Analysis

Consistent with the Administration’s budget materials, this analysis compares the FY25 request to FY23 enacted levels given that Congress has not yet finalized FY24 spending. In general, this excludes FY23 emergency funding largely provided for Ukraine. However, it does include \$2.1 billion in FY23 “shifted base” (i.e., FY23 funding for base activities that was shifted to emergency funding) – resulting in an FY23 adjusted enacted level. The analysis below notes where the inclusion of this emergency funding impacts comparisons.

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

### Protecting U.S. National Security

The Administration’s FY25 budget request seeks to advance U.S. national security and strengthen regional and global stability through sustained funding for security-oriented accounts and for key allies and partners. It is important to note that because the Administration assumes enactment of the pending FY24 national security emergency supplemental request, the FY25 budget proposal “does not assume large-scale post-conflict stabilization and recovery needs in the West Bank, Gaza, or immediate region, related to the Israel-Hamas conflict.”

**Countering PRC Malign Influence: Prioritized Resources.** The request includes a total of \$400 million for the Countering PRC Malign Influence Fund, \$75 million (23%) above the FY23 enacted level, to “block PRC inroads, compete with the PRC, and respond concretely to specific PRC challenges.” It also includes \$2.1 billion for implementation of the Administration’s Indo-Pacific Strategy, which is partially aimed at countering the PRC.

**International Security Assistance: Slight Increase.** The FY25 request includes \$9 billion for security assistance programs, \$29 million (0.3%) above the adjusted FY23 enacted level. Of this, International Narcotics Control and Law Enforcement (INCLE) receives a \$35 million (2%) 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 \$31 million (1%) increase, with the largest beneficiaries being:

- ▶ **Israel** would continue to receive \$3.3 billion, consistent with the Memorandum of Understanding (MOU) covering FY19 to FY28.
- ▶ **Egypt** would receive \$1.3 billion, consistent with previously enacted levels.
- ▶ **Jordan** would receive \$400 million, consistent with the MOU between the U.S. and Jordan.
- ▶ Additionally, **Taiwan** would receive \$100 million to bolster its self-defense capabilities – the first-ever bilateral request proposed for the island.

**Peacekeeping: Notable Cuts.** The budget proposes a total of \$1.65 billion for peacekeeping operations in FY25, including \$1.23 billion to fund United Nations (UN) peacekeeping missions through the Contributions to International Peacekeeping Activities (CIPA) account and \$411 million for non-UN peacekeeping missions through the Peacekeeping Operations (PKO) account. This represents a \$148 million (-11%) decrease for CIPA and a \$50 million (-11%) cut for PKO compared to FY23 enacted levels.

- ▶ The proposed level for CIPA would fund U.S. assessed contributions to UN peacekeeping at a rate of 25%. While this is consistent with the existing legislative cap on U.S. peacekeeping contributions, it is below the

U.S. assessed rate of 26.9% – meaning that the U.S. will continue to incur peacekeeping arrears, which stand at more than \$1 billion.

- ▶ According to the Administration, the decrease for PKO results from “right-sizing various program levels” and shifting some costs to the Economic Support Fund (ESF), where they are “more appropriately budgeted.”

### PEACEKEEPING FUNDING

	FY23 Enacted	FY24 Enacted	FY25 Request	Change from FY23
<b>UN Operations (CIPA)</b>	\$1.38 billion	N/A	\$1.23 billion	11%
<b>Non-UN Ops (PKO)</b>	\$461 million	N/A	\$411 million	11%
<b>Total</b>	<b>\$1.84 billion</b>	<b>N/A</b>	<b>\$1.65 billion</b>	<b>11%</b>

## Promoting America’s Economic Prosperity

From rising prices to supply chain disruptions, trade wars, and unstable international markets, America’s economic security and prosperity are directly tied to the global economy. The Administration’s FY25 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 export, trade, and investment opportunities around the world for U.S. businesses.

**Development Finance Corporation: Modest Increase.** The request includes \$245 million for administrative expenses for the U.S. International Development Finance Corporation (DFC), a \$25 million (11%) increase from the FY23 enacted level, and \$763 million for programs, a \$17 million (2%) cut. According to the Administration, “robust funding” is important for the DFC to “to remain a competitive alternative to the PRC and other authoritarian governments.” Specifically, the Administration notes that additional funding for administrative expenses will support staff recruitment and retention, stakeholder engagement and business development, and strengthened oversight. The future and resourcing of the DFC are expected to be key topics of conversation in Congress given the agency is up for reauthorization in 2025.

**U.S. Trade and Development Agency: Substantial Growth.** The Administration’s proposal includes \$100 million for the U.S. Trade and Development Agency (USTDA), a \$13 million (15%) increase from the FY23 enacted level. According to the Administration, additional resources will support key policy priorities, including the Partnership for Global Infrastructure and Investment (PGI), Digital Transformation with Africa, and competing with China in the Indo-Pacific.

**Export-Import Bank: Small Increase for Large Return.** The FY25 request provides \$130 million for the Export-Import Bank’s administrative expenses, a \$5 million (4%) increase above the FY23 enacted level. It also includes \$15 million for programs, equal to the FY23 enacted level, and \$9.6 million for its Inspector General, an increase of \$2 million (28%). The Bank is self-funding and the Administration projects its collections will far exceed its operational costs, returning an estimated \$184 million in receipts excess of expenses to the U.S. Treasury in FY25. Additionally, the Administration notes the request would support an estimated 56,000 U.S. jobs.

## Responding to Humanitarian Crises

As America and the world grapple with historic levels of humanitarian need in all corners of the globe, the Administration’s FY25 budget request largely maintains funding for programs that save lives and assist the most vulnerable worldwide. At the same time, the Administration makes clear that if Congress does not enact the \$10

billion in global humanitarian assistance included in its pending FY24 national security emergency supplemental request, “the United States would not be able to... sustain lifesaving assistance and development in some of the world’s most vulnerable areas.”

**Humanitarian Assistance: Very Slight Boost.** The Administration’s proposal includes \$10.27 billion for humanitarian assistance programs, a \$10 million (1%) increase from the FY23 enacted level. Notably, the three main humanitarian assistance accounts are held flat compared to their FY23 adjusted enacted levels. Emergency Refugee and Migration Assistance (ERMA) is the one account that would see an increase from \$100,000 to \$100 million, in line with prior Administration requests, to backfill funding that has been nearly exhausted.

**HUMANITARIAN ASSISTANCE FUNDING**

	FY23 Enacted*	FY24 Enacted	FY25 Request	Change from FY23
<b>International Disaster Assistance (IDA)</b>	\$4.54 billion	N/A	\$4.54 billion	0%
<b>Migration and Refugee Assistance (MRA)</b>	\$3.83 billion	N/A	\$3.83 billion	0%
<b>Emergency Refugee and Migration Assistance (ERMA)</b>	\$100,000	N/A	\$100 million	99,900%
<b>Title II, P.L. 480 Food for Peace</b>	\$1.8 billion	N/A	\$1.8 billion	0%
<b>Total</b>	<b>\$10.17 billion</b>	<b>N/A</b>	<b>\$10.27 billion</b>	<b>1%</b>

\* Includes \$1.6 billion in emergency funding available to be used to cover base budget activities, including \$638 million for disaster assistance, \$915 million for migration and refugees, and \$50 million for Food for Peace.

**Advancing Sustainable Economic Development**

The FY25 budget request includes funding to support long-term economic growth, social development, and good governance in developing countries and to strengthen the political and economic stability of key partner nations. Once again, the Administration notes that its request does not include resources – including for economic and development assistance – that were requested in its FY24 national security emergency supplemental “to address critical and pressing needs, which cannot wait until FY 2025.”

**Development and Economic Assistance: Held Flat.** The Administration’s request essentially maintains overall funding for State Department and USAID development and economic assistance at FY23 enacted levels, although some accounts fare better than others. It includes a \$166 million (4%) increase for Development Assistance (DA); maintains the FY23 adjusted levels for Assistance to Europe, Eurasia, and Central Asia (AEECA); reduces the Economic Support Fund (ESF) by \$188 million (-4%); and cuts the Democracy Fund by \$65 million (-18%).

**Millennium Challenge Corporation: Significant Growth.** The FY25 request includes a \$107 million (13%) increase for the Millennium Challenge Corporation (MCC) compared to the FY23 enacted level, with new resources for compacts in Togo, Zambia, and The Gambia.

**Peace Corps: Substantial Boost.** The Administration’s request includes \$479 million for the Peace Corps, a \$49 million (11%) increase compared to the FY23 enacted level. According to the Administration, the request will support enhanced cybersecurity efforts and the expansion of the program into two additional countries to-be-determined.

## DEVELOPMENT AND ECONOMIC ASSISTANCE FUNDING

	FY23 Enacted*	FY24 Enacted	FY25 Request	Change from FY23
<b>Development Assistance (DA)</b>	\$4.37 billion	N/A	\$4.54 billion	4%
<b>Economic Support Fund (ESF)</b>	\$4.3 billion	N/A	\$4.11 billion	-4%
<b>AEECA</b>	\$850 million	N/A	\$850 million	0%
<b>Democracy Fund</b>	\$356 million	N/A	\$291 million	-18%
<b>MCC</b>	\$830 million	N/A	\$937 million	13%
<b>Peace Corps</b>	\$431 million	N/A	\$479 million	11%

\* Includes \$350 million in emergency funding for AEECA available to be used to cover base budget activities.

### Strengthening Global Health

The Administration’s FY25 request provides a total of \$9.83 billion for State and USAID Global Health Programs, a \$731 million (-7%) reduction from the FY23 enacted level – with nearly the entirety of the decrease coming from a readjusted U.S. contribution to the Global Fund to comply with matching requirements in U.S. law.

**Global HIV/AIDS: Global Fund Contribution Rightsized.** The request sustains bilateral funding for PEPFAR at the FY23 enacted level. It also includes \$1.19 billion to support the third and final of a three-year U.S. pledge to the Global Fund to Fight AIDS, Tuberculosis, and Malaria – a \$808 million (-40%) reduction from the FY23 enacted level. According to the Administration, this is the most the U.S. government can contribute without exceeding the statutory limit, which sets the U.S. contribution at \$1 for every \$2 contributed by other donors.

**Other Global Health Programs: Flat or Slight Boost.** Aside from the Global Fund, the request maintains funding for most other global health programs at their FY23 enacted levels (tuberculosis, nutrition, and polio) or provides slight increases (maternal and child health and family planning). Notably, Gavi, the Vaccine Alliance receives \$300 million – \$10 million (3%) above the FY23 enacted level in the first of a four-year pledge toward Gavi’s next strategic cycle.

### GLOBAL HEALTH FUNDING\*

	FY23 Enacted	FY24 Enacted	FY25 Request	Change from FY23
<b>Bilateral PEPFAR</b>	\$4.4 billion	N/A	\$4.4 billion	0%
<b>Global Fund</b>	\$2 billion	N/A	\$1.19 billion	-40%
<b>USAID HIV/AIDS</b>	\$330 million	N/A	\$330 million	0%
<b>Malaria</b>	\$795 million	N/A	\$795 million	0%
<b>Tuberculosis</b>	\$395 million	N/A	\$395 million	0%
<b>Maternal/Child Health</b>	\$910 million	N/A	\$940 million	3%
<b>Vulnerable Children</b>	\$30 million	N/A	\$30 million	0%
<b>Nutrition</b>	\$160 million	N/A	\$160 million	0%
<b>Family Planning</b>	\$608 million	N/A	\$623 million	2%
<b>NTDs</b>	\$115 million	N/A	\$115 million	0%
<b>Global Health Security &amp; Emerging Threats</b>	\$900 million	N/A	\$902 million	0%
<b>Health Resilience Fund</b>	\$8 million	N/A	\$8 million	0%
<b>Global Health Workers Initiative</b>	\$0	N/A	\$20 million	N/A
<b>Total</b>	<b>\$10.56 billion</b>	<b>N/A</b>	<b>\$9.83 billion</b>	<b>-7%</b>

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

## Engaging with Multilateral Institutions

The FY25 budget request strengthens U.S. investments in international organizations and other multilateral fora at a time when China continues to strategically expand its influence.

**World Bank: New Account.** The request includes \$1 billion for a new State Department-administered account intended to expand World Bank lending through contributions to the International Bank for Reconstruction and Development (IBRD) for loan guarantees and grants, and to other trust funds and financial intermediary funds administered by the World Bank. According to the Administration, this would unlock approximately \$36 billion in additional lending capacity for projects that address key global challenges – including food security, health security, and infrastructure. These new resources could provide credible new alternatives to China’s coercive lending practices.

**International Financial Institutions (IFIs): Modest Growth.** The FY25 request includes \$2.48 billion for the Treasury Department’s international programs, an increase of \$117 million (5%) from the FY23 enacted level. The Administration notes the importance of continued U.S. leadership in this area of finance “at a time when many developing countries have access to alternative, non-transparent sources of lending, including from China.”

**Contributions to International Organizations: Full Funding of Assessments.** The request includes \$1.7 billion for assessed Contributions to International Organizations (CIO), \$239 million (17%) above the FY23 enacted level and sufficient to pay UN and other assessments. Importantly, resources provided through this account support U.S. treaty and convention obligations to 44 international organizations, including the North Atlantic Treaty Organization (NATO) – which marks its 75th anniversary this summer. Notably, in light of the U.S. rejoining UNESCO, the request includes \$75 million for a one-year payment of dues and \$25 million to pay a portion of accumulated arrears.

**International Organizations and Programs (IO&P): Modest Reduction.** The Administration’s request provides \$460 million for International Organizations and Programs (IO&P), \$49 million (-10%) 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

In line with the Administration’s commitment to revitalizing the foreign policy workforce and America’s diplomatic and development presence across the globe, the FY25 request increases funding for the State Department and USAID’s core operating accounts – including for the hiring of additional diplomatic and program staff.

**Diplomatic Programs (DP): Increases for Personnel.** The Administration’s request includes \$10.1 billion for the State Department’s Diplomatic Programs (DP) account – which funds personnel, infrastructure support, and operational costs – a \$571 million (6%) increase compared to the FY23 enacted level. This increase would support growth in the Foreign Service and Civil Service by about 202 positions.

**Embassy Security Construction and Maintenance (ESCM): Funding Cut.** The FY25 request provides \$1.7 billion for the State Department’s Embassy Security Construction and Maintenance (ESCM) account –\$184 million (-10%) below the FY23 enacted level. According to the Administration, this funding level (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 \$120 million (7%) increase compared to the FY23 enacted level. With this increase in funding, USAID would be able to expand its workforce by 145 Foreign Service and Civil Service Personnel.

## **Crosscutting Issues**

The Administration's FY25 budget request includes increased funding for several priorities that cut across geographic regions, accounts, and international affairs agencies.

**Food Security: Notable Increase.** The Administration's request provides \$1.16 billion for food security programs, a \$151 million (15%) increase from FY23 enacted levels. This includes \$100 million for the Vision for Adaptive Crops and Soils (VACS) program, focused on resilience and sustainability and for Feed the Future's 20 target countries.

**Climate Change: Greater Focus.<sup>2</sup>** The request provides approximately \$3 billion in discretionary funding for bilateral State Department and USAID international climate change programs – \$668 million (28%) above the FY23 enacted level. It also includes resources for several climate-related Treasury Department international programs, including a \$25 million (20%) increase for the Clean Technology Fund (CTF) and flat funding for the Global Environment Facility (GEF).

**Cyber and Technology: Significant Boost.** The FY25 request includes \$501 million in foreign assistance funding for cyber and digital programs aimed at ensuring an open and secure technological ecosystem for State Department and USAID programs. This represents a \$226 million (82%) increase from the FY23 enacted level.

**Gender Programs: Equality and Equity Prioritized.** Across all accounts, the FY25 request includes \$3.1 billion for gender-related programs – \$394 million (15%) above the FY23 enacted level. Of this, \$200 million is designated for the Gender Equity and Equality Action (GEEA) Fund in line with the FY23 enacted level.

**Democracy Funding: Steady Growth.** In the face of continued attacks on democracy around the world, the FY25 request includes \$3.05 billion for democracy, human rights, and governance programs – an increase of \$88 million (3%) compared to the FY23 enacted level. The Administration's request includes investments to implement Summit for Democracy commitments as well as the Presidential Initiative for Democratic Renewal.

**Diversity, Equity, Inclusion, and Accessibility: Continuing Emphasis.** In support of the Administration's foundational commitment to advance diversity and inclusion across the federal government, the request includes \$3.5 million for USAID's Office of Diversity, Equity, Inclusion, and Accessibility, a \$1 million (40%) increase from the FY23 enacted level.

## **II. Snapshot of Country and Regional Funding**

As in past years, for many accounts and programmatic areas, the Administration's FY25 request specifies funding levels for each country and region.

**Africa:** The Administration's request includes \$7.9 billion for foreign assistance to Africa, holding spending essentially flat at the FY23 enacted level. Among other things, the request supports commitments made at the 2022 U.S.-Africa Leader's Summit, including funding for the Prosper Africa, Power Africa, and Digital Transformation for Africa programs. Most of these funds are dedicated to advancing peace and security along with economic growth, food security, health, and trade. The largest country-level recipients are Ethiopia (\$330 million), Somalia (\$279 million), and South Sudan (\$108 million).

**Western Hemisphere:** The Administration's request includes \$2.2 billion, \$162 million (8%) above the FY23 enacted level, for assistance to countries in the Western Hemisphere. Funding is intended to address the root causes of migration, combat economic insecurity and inequality, strengthen democratic governance, fight

<sup>2</sup> Additional resources for international climate change are included in the Administration's FY25 mandatory funding request, detailed below.

corruption, and prevent violence perpetrated by criminal organizations. Of the total, \$225 million is intended for hemispheric migration management. The largest country and regional recipients are Central America (\$659 million), Colombia (\$413 million), and Haiti (\$357 million).

**Indo-Pacific:** The Administration’s request includes \$2.1 billion to advance American interests in the Indo-Pacific, a \$268 million (15%) increase from the FY23 enacted level. Of this total, \$1.4 billion falls under East Asia and the Pacific, while \$586 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 encourage collective resilience.

**Europe, Eurasia, and Central Asia:** The Administration’s request includes \$1.5 billion for Europe, Eurasia, and Central Asia – a slight \$6 million increase from the FY23 enacted level – largely focused on democracy promotion and building region-wide resilience to Russian malign economic and political influence. Of the total, \$1.26 billion is intended for Europe and Eurasia – of which \$482 million is intended for Ukraine, while \$221 million is intended for Central Asia. This funding does not account for the additional resources to support Ukraine and counter Russian aggression included in the Administration’s FY24 national security emergency supplemental request pending before Congress.

**Middle East and North Africa:** The Administration’s request includes \$7.6 billion for the Middle East and North Africa, a \$245 million (-3%) decrease from the FY23 enacted 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 regional total. This funding level is only sufficient to support ongoing base budget activities in the region and does not account for the resources included in the Administration’s FY24 national security emergency supplemental request pending before Congress.

**Afghanistan and Pakistan:** The Administration’s request includes \$104 million for Afghanistan, a \$14 million (-12%) decrease from the FY23 enacted level. This funding is focused on support for basic needs and mitigating the worst effects of the country’s economic and humanitarian crisis following the Taliban takeover in August 2021. The request also includes \$101 million for Pakistan, equal to the FY23 enacted level, to promote trade and investment, good governance, and the empowerment of women and girls.

### III. Mandatory Funding: Additional Resources to Advance American Leadership

Utilized for the first time in its FY24 budget request, the Administration’s FY25 proposal includes \$7.1 billion in mandatory spending over five years to address the long-term challenge of competing with China and advance America’s global leadership. According to the Administration, this mandatory funding proposal was a necessary addition to the discretionary request given the “unprecedented and extraordinary times.”

While there is strong bipartisan support in Congress for strengthening America’s global leadership and competitiveness – including through diplomacy and development tools – expect Members to remain skeptical of this consequential new use of mandatory spending.

The Administration’s mandatory spending request is broken down as follows:

- ▶ **Competition with China:** \$4 billion over five years for programs intended to address strategic competition with the PRC, including \$2 billion for a new International Infrastructure Fund and \$2 billion to support the Administration’s Indo-Pacific Strategy.

- ▶ **Green Climate Fund:** \$3 billion over four years to support the second replenishment of the Green Climate Fund (GCF).
- ▶ **Information and Communications Technology:** \$100 million for FY25 authorized in the CHIPS Act of 2022 to support international information and communications technology security and semiconductor supply chain activities.

## IV. What's Ahead

While the release of the Administration's budget request typically kickstarts the annual budget and appropriations process, this year Congress is juggling several overlapping spending decisions, including still-unfinished FY24 spending and the pending national security emergency supplemental. With these time-sensitive items top of mind for Congress and another partial government shutdown deadline looming, the FY25 budget cycle has taken a backseat.

Given the difficulty in finalizing FY24 spending, there are already real concerns that the FY25 appropriations process will be even more difficult. In addition to narrow majorities in both chambers, heightened partisanship and political tensions in a presidential election year make it likely that Congress will need to pass a stopgap Continuing Resolution (CR) to avoid a federal government shutdown when the current fiscal year ends on September 30 – punting spending decisions to the lame duck session.

## V. Additional Information and Resources

### OMB Budget Charts and Materials

- ▶ [Administration's FY25 Budget Request](#)
- ▶ [OMB Fact Sheet](#)

### State Department Budget Materials

- ▶ [FY25 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 FY25 budget request [here](#).