

CONGRESS REACHES AGREEMENT ON FY26 INTERNATIONAL AFFAIRS SPENDING

Deal Reflects Bipartisan Commitment to Strategic Investments in Diplomacy and International Assistance

January 29, 2026

Executive Summary

Fresh off a two-week holiday recess, Congress returned to Washington with a looming January 30th deadline to finalize FY26 spending and avoid another government shutdown. In a culmination of months of difficult negotiations, Congressional Appropriators released the text of a bipartisan, bicameral agreement on a final FY26 National Security, State Department, and Related Programs (NSRP) Appropriations bill.

While no compromise is perfect and additional needs remain to advance American interests abroad, the agreement is significant. It rejects major cuts to diplomacy and U.S. international assistance tools – instead providing a 16% overall reduction while preserving critical programs, enhancing oversight and transparency, and reasserting Congress’s role over spending.

Adding in funding for international food assistance provided through the final FY26 Agriculture Appropriations bill and the small amount of funding for international programs provided through the final FY26 Commerce, Justice, and Science Appropriations bill, **the FY26 International Affairs Budget receives a total of \$51.3 billion**. This represents a \$9.8 billion (-16%) cut compared to the FY25 enacted level but is \$20.4 billion (+66%) above the Administration’s FY26 request.

INTERNATIONAL AFFAIRS BUDGET SNAPSHOT*

	FY25 Enacted**	FY26 Request***	FY26 House	FY26 Conference
Non-Emergency	\$58.6 billion	\$31.0 billion	\$47.2 billion	\$51.3 billion
Base Emergency	\$2.5 billion	\$0	\$0	\$0
Total	\$61.1 billion	\$31.0 billion	\$47.2 billion	\$51.3 billion

*Does not include a Senate level since a Senate FY26 State-Foreign Operations bill was never released

** Includes \$2.5 billion in base emergency funding, which has not been made available because the Administration chose not to concur with Congress’s emergency designation.

***Reflects CBO’s re-estimate of the Administration’s request, which excludes some \$20 billion in rescissions of previously appropriated funding assumed in the request but for which the Administration never provided Congress with specific proposals.

USGLC President & CEO Liz Schraye [lauded](#) the bipartisan, bicameral deal on the National Security-State Department Appropriations bill as “an important statement that strategic investments in diplomacy and international assistance are central to America’s national security and economic interests, demonstrating how our nation wins in the world” and called for its swift approval.

The House approved the measure as part of a two-bill appropriations minibus on a strong bipartisan vote of 341-79. Prior to the vote on final passage, Members rejected an amendment (127-291) from Representative Eli Crane (R-AZ) that would have prohibited funds from being used to support the National Endowment for Democracy (NED) and other democracy programs around the world – including support for the democratic opposition in Venezuela, freedom fighters in Iran, political prisoners in Cuba, and religious freedom in some of the world’s most repressive states. The bill was combined with a second minibus package that is slated for Senate consideration this week. However, growing concerns related to the Homeland Security Appropriations bill could complicate Senate passage – increasing the possibility of a partial government shutdown when the current Continuing Resolution expires.

I. Notable Programs

Below is an analysis of notable international affairs programs and how they fared in FY26 compared to FY25 enacted levels. In general, this excludes emergency funding. However, it does take into account the \$2.5 billion in FY25 emergency funding approved by Congress to cover base budget activities (referred to in this analysis as “base emergency” funding). The analysis below notes where the inclusion of this emergency funding impacts comparisons.

Security Cooperation and Assistance

In terms of resources to support international peace and security, the final FY26 National Security-State Department Appropriations bill largely sustains investments in security-oriented accounts.

International Security Assistance

The bill includes \$8.9 billion for international security assistance, a \$50 million (+1%) increase compared to the FY25 enacted level and \$2.7 billion (+45%) above the Administration’s FY26 request. Of note:

- **Foreign Military Financing (FMF)** – by far the largest security assistance account – receives \$6.16 billion, a \$25 million (0.4%) increase.
- **International Narcotics Control and Law Enforcement (INCLE), Nonproliferation, Antiterrorism, Demining and Related Programs (NADR), and International Military Education and Training (IMET)** are sustained at their FY25 enacted levels of \$1.4 billion, \$870 million, and \$119 million, respectively.

Peacekeeping

The bill maintains funding for the **Contributions to International Peacekeeping Activities (CIPA)** account – which covers U.S. assessments for nine UN peacekeeping operations, including in South Sudan and the Democratic Republic of the Congo – essentially flat at the FY25 enacted level. This funding level is sufficient to cover the U.S. share of peacekeeping assessments up to the 25% statutory cap. Additionally, the bill authorizes the transfer of up to \$466.5 million from the new National Security Investment Programs (NSIP) account for UN peacekeeping, if deemed necessary by the Secretary of State.

When it comes to non-UN peacekeeping missions, the bill reduces funding for the **Peacekeeping Operations (PKO)** account by \$75 million (-18%) compared to the FY25 enacted level.

By comparison, under the Administration’s request, funding for UN peacekeeping would have been eliminated and funding for non-UN peacekeeping would have seen a severe 93% (-\$380 million) cut.

PEACEKEEPING

	FY25 Enacted	FY26 Request	FY26 House	FY26 Conference
UN Operations (CIPA)	\$1.23 billion	\$0	\$562 million	\$1.23 billion
Non-UN Ops (PKO)	\$410 million	\$30 million	\$410 million	\$335 million
Total	\$1.65 billion	\$30 million	\$973 million	\$1.57 billion

Export and Investment Assistance

With America’s economic security top of mind for both Congress and the Administration, the final FY26 National Security-State Department Appropriations bill strengthens investments in U.S. development finance and export agencies compared to their FY25 enacted levels. Of note:

- The U.S. **International Development Finance Corporation (DFC)** receives \$1 billion – equal to the FY25 enacted level and 22% (+\$180 million) above the Administration’s request. Of this total, \$243 million is for administrative expenses, \$755 million is for program costs, and \$7 million is for the Inspector General.
- The **Export-Import Bank** receives \$154 million, a \$5 million (+3%) increase, and the **U.S. Trade and Development Agency (USTDA)** is sustained at the FY25 enacted level of \$87 million.

Responding to Humanitarian Crises

Humanitarian Assistance

The final FY26 National Security-State Department Appropriations bill provides \$5.5 billion for humanitarian assistance programs. While this is a significant 37% (-\$3.2 billion) cut compared to the FY25 enacted level, it is also 37% (+\$1.5 billion) above the Administration’s FY26 request.

The bill merges most humanitarian aid into a new State Department **International Humanitarian Assistance (IHA)** account – in line with the Administration’s FY26 request and reflecting the Administration’s dissolution of USAID, which historically has administered much of the U.S. government’s humanitarian assistance budget. Notably, the bill requires that no less than \$2.97 billion in IHA funding be made available for disaster assistance programs.

HUMANITARIAN ASSISTANCE

	FY25 Enacted*	FY26 Request	FY26 House	FY26 Conference
Disaster Assistance (IDA)	\$4.78 billion	\$0	\$0	\$0
International Humanitarian Assistance (IHA)	\$0	\$2.5 billion	\$5.0 billion	\$5.4 billion
Migration and Refugees (MRA)	\$3.93 billion	\$0	\$0	\$0
Emergency Refugees (ERMA)	\$100,000	\$1.5 billion	\$500 million	\$100 million
Total	\$8.71 billion	\$4.0 billion	\$5.5 billion	\$5.5 billion

* Includes \$1.5 billion in base emergency funding (\$750 million for IDA and \$750 million for MRA), which has not been made available because the Administration chose not to concur with Congress’s emergency designation.

Economic Growth and Development Assistance

When it comes to resources for long-term economic growth and development, the final FY26 National Security-State Department Appropriations bill merges several accounts and makes significant reductions compared to FY25 enacted levels, although these cuts are far less severe than the Administration’s FY26 request. This merger, in part, reflects the Administration’s dissolution of USAID, which historically has administered a significant amount of the U.S. development assistance budget. Of note:

- Development Assistance (DA), the Economic Support Fund (ESF), and Assistance to Europe, Eurasia, and Central Asia (AEECA) are consolidated into a single new **National Security Investment Programs (NSIP)** account that is reduced by 21% (-\$1.8 billion) compared to the combined FY25 enacted level for these accounts. It is important to note that this reduction comes on the heels of as much as \$8 billion in rescissions of prior-year appropriated funds for DA, ESF, and AEECA in 2025.
- Makes available up to \$850 million from the new NSIP account and several security assistance accounts for a new **America First Opportunity Fund (A1OP)**. Requires Congressional notification for any funding transfers and consultation on their allocation within 30 days of the initial obligation.
- The **Democracy Fund**, **Millennium Challenge Corporation (MCC)**, and **Peace Corps** see reductions of \$140 million (-41%), \$100 million (-11%), and 5% (-\$20 million), respectively.

DEVELOPMENT AND ECONOMIC ASSISTANCE

	FY25 Enacted*	FY26 Request	FY26 House	FY26 Conference
A10P	\$0	\$2.89 billion	\$0	\$0
NSIP	\$0	\$0	\$6.89 billion	\$6.77 billion
Development Assistance (DA)	\$3.93 billion	\$0	\$0	\$0
Economic Support Fund (ESF)	\$3.89 billion	\$0	\$0	\$0
AEECA	\$770 million	\$0	\$0	\$0
Democracy Fund	\$345 million	\$0	\$345 million	\$205 million
MCC	\$930 billion	\$224 million	\$930 million	\$830 million
Peace Corps	\$431 million	\$431 million	\$411 million	\$411 million

* Includes \$610 million in base emergency funding (\$300 million for ESF and \$310 million for AEECA), which has not been made available because the Administration chose not to concur with Congress's emergency designation.

Global Health

In general, the final FY26 National Security-State Department Appropriations bill sustains funding for global health – rejecting proposed deep cuts and highlighting strong bipartisan support in Congress for these programs. Specifically, the bill provides a total of \$9.42 billion for **State Department Global Health Programs** – a \$615 million (-6%) reduction compared to the FY25 enacted level. Of note:

- The **President's Emergency Plan for AIDS Relief (PEPFAR)** receives \$4.6 billion for bilateral HIV/AIDS programs, representing a \$91 million (-2%) cut compared to the FY25 level (after taking into account the incorporation of previous USAID-administered funding into the State Department-administered program). Additionally, the bill directs the State Department to submit a strategy to Congress within 90 days of enactment on a “multi-year structured transition” of PEPFAR programs to “country-led ownership.”
- Provides \$1.25 billion for the first installment of a three-year \$4.6 billion U.S. pledge to the Eighth Replenishment of the **Global Fund to Fight AIDS, Tuberculosis, and Malaria** – \$400 million (-24%) below the FY25 enacted level. According to the Joint Explanatory Statement, this level of funding, combined with unobligated balances from prior years, will be sufficient to “fully fund the first installment of the eighth replenishment and to fulfill the United States pledge for the [existing] seventh replenishment.”
- Includes \$300 million for a U.S. contribution to **Gavi, the Vaccine Alliance** – which was eliminated in the Administration's FY26 request – and shortens the period of availability from two years to one to encourage allocation of funds in a timely manner, consistent with Congressional intent.
- Cuts **Global Health Security** by \$84 million (-12%) from its FY25 enacted level.
- Maintains funding for **international family planning** – which was zeroed out in the Administration's FY26 request – at its FY25 level.
- Requires the Administration to provide Congress with additional details on its **America First Global Health Strategy**, including a report “outlining the details of the global health compacts and bilateral agreements” and copies of the agreements and accompanying documents within 15 days of being signed.

GLOBAL HEALTH

	FY25 Enacted	FY26 Request	FY26 House	FY26 Conference
Bilateral PEPFAR	\$4.4 billion	\$2.9 billion	\$4.7 billion	\$4.6 billion
Global Fund	\$1.65 billion	\$0	\$1.5 billion	\$1.25 billion
USAID HIV/AIDS	\$330 million	\$0	\$0	\$0
Malaria	\$795 million	\$424 million	\$800 million	\$795 million
Tuberculosis	\$395 million	\$178 million	\$395 million	\$379 million
Maternal/Child Health	\$915 million	\$85 million	\$915 million	\$915 million
Vulnerable Children	\$32 million	\$0	\$33 million	\$30 million
Nutrition	\$165 million	\$0	\$173 million	\$165 million
Family Planning*	\$608 million	\$0	\$461 million**	\$608 million
NTDs	\$115 million	\$0	\$115 million	\$109 million
Global Health Security	\$700 million	\$200 million	NA	\$616 million
Health Resilience Fund	\$6 million	\$0	NA	\$0
Global Health Workers Initiative	\$10 million	\$0	NA	\$0
Unallocated	\$0	\$0	\$404 million	\$0
Total	\$10.03 billion	\$3.8 billion	\$9.52 billion	\$9.42 billion

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

** Represents a cap on funding.

Engaging with Multilateral Institutions

While the final FY26 National Security-State Department Appropriations bill reduces investments in international institutions, it provides nearly full funding for the United Nations regular budget and UN peacekeeping operations – a significant improvement from previous proposals. Of note:

- The **Contributions to International Organizations (CIO)** account, which covers assessed contributions to the UN and other international organizations, receives a total of \$1.39 billion. While this represents a \$154 million (-10%) cut compared to the FY25 enacted level, the new funding level is expected to be sufficient to cover all U.S. treaty dues for the organizations covered by the account, except for those from which the Administration has already withdrawn. Additionally, the bill provides the State Department with the authority to transfer up to \$466.5 million from the new NSIP account to CIO if the Secretary determines and reports to Congress “that such funds support reform efforts and are in the national interest.”
- The bill restores funding for the **International Organizations and Programs (IO&P)** account – which covers voluntary contributions to a range of international organizations and was eliminated in both the Administration’s FY26 request and the House bill – providing a total of \$339 million. While this represents a \$98 million (-22%) cut compared to the FY25 enacted level (pre-rescissions), the explanatory statement states that funds “should be programmed consistent with the practice of prior years,” and specifically that the “agreement includes funds for the UN Children’s Fund consistent with prior year levels.”
- **Treasury International Programs**, which provides U.S. contributions to the World Bank and other international financial institutions (IFIs), is reduced by \$729 million (-32%) compared to the FY25 enacted level.

Global Workforce, Infrastructure, and Operations

In recognition of the Administration's comprehensive reorganization of America's diplomatic and international assistance agencies and programs, the final FY26 National Security-State Department Appropriations bill includes some restructuring and downsizing of America's foreign policy workforce. Of note:

- **Diplomatic Programs (DP)**, which funds State Department staffing and operations, receives \$9.36 billion – a slight reduction of \$55 million (-1%). With the Administration's dissolution of USAID, it remains to be seen how the State Department plans to address both immediate and longer-term capacity and staffing needs.
- Consistent with the Administration's decision to formally dissolve USAID and merge its remaining operations and functions into the State Department, the bill cuts the **Operating Expenses (OE)** account – which had funded USAID staffing and operations – by \$1.6 billion (-93%). Notably, it provides continued funding for the **Office of the Inspector General**, although with a \$23 million (-27%) reduction compared to the FY25 enacted level.
- The **Embassy, Security, Construction, and Maintenance (ESCM)** account, receives a \$55 million (+3%) increase overall, reflecting both a cut of \$90 million (-10%) in funding for ongoing operations and a \$145 million (14%) increase in funding for worldwide security upgrades.

Select Other Funding and Policy Priorities

Below are details on select other funding and policy priorities included in the final FY26 National Security-State Department Appropriations bill.

- **Rescissions.** Rescinds approximately \$1.9 billion in prior-year funds, including \$900 million in Consular and Border Security Programs, \$661 million for the MCC, and \$179 million for INCLE.
- **Countering Chinese Malign Influence.** Provides \$400 million for the Countering PRC Influence Fund, equal to the FY25 enacted level, directs that \$1.8 billion in economic and security assistance be allocated to implement the Indo-Pacific strategy, and includes \$300 million in security assistance for Taiwan.
- **Environment and Climate.** Eliminates funding for the Clean Technology Fund (-\$125 million) but sustains funding for the Global Environment Facility at the FY25 enacted level of \$150 million.
- **Food Security.** Includes \$720 million to support Food Security and Agriculture Development programs, including \$72 million to restore funding for Feed the Future Innovation Labs. This represents a \$240 million (-25%) cut compared to the FY25 enacted level.
- **Education and Cultural Exchanges (ECE).** Provides a total of \$667 million for programs like the Fulbright Program that have longstanding bipartisan support. While this represents a \$74 million (-10%) cut to the FY25 enacted level, it is \$617 million (+1,234%) above the Administration's request.
- **Democracy and Governance.** Funding for the National Endowment for Democracy (NED), which was eliminated in the Administration's FY26 request, is maintained at the FY25 enacted level of \$315 million.
- **Independent Agencies and Other Organizations.** Provides \$20 million for the U.S. Institute of Peace, \$29 million for the Inter-American Foundation and \$12 million for the African Development Foundation – agencies that had been proposed for elimination in the Administration's FY26 request. These funding levels represent cuts of \$35 million (-64%), \$18 million (-38%) and \$33 million (-73%), respectively.
- **Women and Girls.** Includes \$113 million for Women, Peace, and Security programs, \$188 million to address gender-based violence, and \$38 million for the Madeleine K. Albright Women's Leadership Program, representing cuts of \$63 million (-25%), \$37 million (-25%) and \$12 million (-24%), respectively.

- **Transparency.** Includes several provisions intended to enhance transparency and Congressional oversight of appropriated funds, in part to ensure allocation of funds aligns with Congressional directives in the bill and is executed as intended. The bill requires the State Department to submit, within 180 days of enactment, a multi-year plan to improve the effectiveness of U.S. foreign aid and mandates that the Secretary of State “update and strengthen the ‘minimum requirements of fiscal transparency’ for each foreign government receiving assistance” from the United States.

International Food Assistance

Congress completed action on the final FY26 Agriculture Appropriations bill in November as part of a comprehensive bipartisan agreement to end the historic 43-day government shutdown. While the final bill rejects the Administration’s proposal to zero out international food assistance funding in FY26, it does include some cuts. Specifically:

- **Food for Peace** receives a total of \$1.2 billion, \$419 million (-26%) below the enacted FY25 level. While the bill includes \$1 million for an interagency review of the U.S. Department of Agriculture’s capacity to operate the Food for Peace program, an interagency agreement was signed earlier this month formally transferring administration of the program to the agency.
- The **McGovern-Dole International Food for Education and Child Nutrition Program** is sustained at the FY25 enacted level of \$240 million.
- The Explanatory Statement also includes language raising concerns “about delays impacting both programs” and directs USDA, in coordination with the State Department, to provide quarterly briefings to Congress “on the status of both programs, including unobligated balances and any proposed improvements and opportunities for efficiencies.”

AGRICULTURE APPROPRIATIONS INTERNATIONAL PROGRAMS SNAPSHOT

	FY25 Enacted	FY26 Request	FY26 House	FY26 Senate	FY26 Conference
Food for Peace	\$1.62 billion	\$0	\$900 million	\$1.5 billion	\$1.2 billion
McGovern-Dole	\$240 million	\$0	\$220 million	\$240 million	\$240 million
Total	\$1.86 billion	\$0	\$1.12 billion	\$1.74 billion	\$1.44 billion

II. Next Steps

Senate action on the final FY26 six-bill minibuss – which includes the conferenced FY26 National Security-State Department Appropriations bill – remains uncertain due to concerns over the Homeland Security Appropriations bill. If the Senate fails to pass the minibuss by midnight on January 30, a partial government shutdown will ensue.

As difficult and important conversations take place around funding for the Department of Homeland Security, time is of the essence to reach an agreement on a meaningful path forward that ensures final passage of the National Security-State Department Appropriations bill.

Once Congress completes its work on FY26 spending, Members will quickly have to turn their attention to the FY27 appropriations process – which could prove even more challenging. In addition to narrow majorities in both chambers, heightened partisanship and political tensions in a midterm 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 at least to the lame duck session or possibly into early 2027.

In the coming weeks and months, the USGLC looks forward to continuing to work with bipartisan Members of Congress in support of strategic investments in our international affairs tools to advance America's national and economic security.

III. Account-by-Account Details

Download the account-by-account details [here](#).