



**U.S. Global Leadership Coalition**  
International Affairs Budget Update  
February 13, 2012

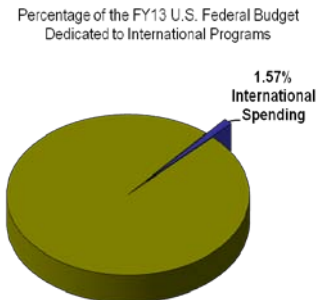
**USGLC Commends the President's FY13 International Affairs Budget  
as Strong and Strategic**

The USGLC applauds the Administration's FY 2013 International Affairs Budget request that provides the resources necessary to support the critical tools of development and diplomacy and meet America's national security requirements. At a time of economic challenges when our political leaders are facing difficult choices, the President recognized that America cannot afford to withdraw from an increasingly challenging and turbulent world.

The request makes a strong statement on the importance of how the International Affairs Budget supports our national security and economic interests. Military leaders and national security experts have consistently called for prioritizing our investments in the State Department, USAID, and other civilian-led efforts. With the drawdown of troops in Afghanistan and Iraq, the need to support democracy and stability in the Arab Awakening countries, and the humanitarian crises like the famine in the Horn of Africa, now is not the time to diminish America's engagement in the world.

At a time of economic uncertainty, the International Affairs Budget is also an important part of getting America back to work. As one in five American jobs depend on trade and nearly half of U.S. exports go to developing countries, this funding is essential to strengthening the nation's economy and creating new markets for U.S. goods and services.

While the overall International Affairs Budget makes a strong statement in support of our national security and economic interests, proposed reductions, particularly regarding global health, humanitarian and refugee assistance, raise concerns. It will be important for the Administration to clarify how reduced resources for these activities can still achieve the intended goals.

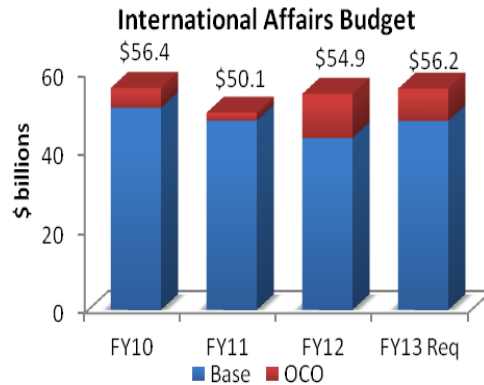


**The entire International Affairs Budget is only 1.6% of the total FY2013 Budget. These civilian efforts make up a mere 7% of our overall security spending.**

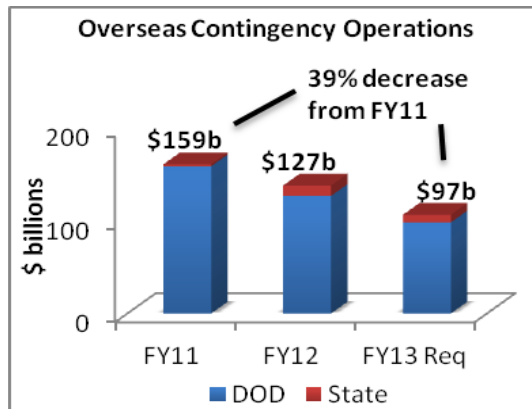
**FY13 INTERNATIONAL AFFAIRS BUDGET REQUEST INCREASES SLIGHTLY**

The Administration's \$56.2 billion International Affairs Budget request represents a 2.4% (\$1.3 billion) increase above enacted FY12 levels. Much of the increase (\$1.02 billion) falls in two new areas: 1.) the creation of an "Incentive Fund" dedicated for needs and opportunities emerging from the Arab Spring and 2.) for Sudan debt reduction.

As in FY12, the International Affairs Budget is divided into two components – base and Overseas Contingency Operations (OCO). Traditional and continuing programs supporting diplomatic, foreign aid, and overseas investment make up the \$48 billion “base” International Affairs Budget. This portion of the budget is subject to the caps on discretionary spending established for FY12-FY21 in the Budget Enforcement Act of 2011. The second component – the \$8.2 billion OCO account -- includes extraordinary and temporary costs for State Department and USAID operations and assistance in the Frontline States of Afghanistan, Pakistan, and Iraq. While the Defense Department has maintained over the past decade a separate OCO account for war spending, FY12 was the first time civilian resources related to the wars were placed in OCO. The OCO accounts do not fall within the spending caps created in last year’s Budget Enforcement Act. As military expenses decline with the withdrawal of U.S. forces, State Department and USAID responsibilities and authorities have expanded, resulting in the need for additional resources.



The FY13 budget request reflects a combined military-civilian OCO spending level that continues to decline, dropping 39%, from \$159 billion in FY11, to \$127 billion this year, to a projected \$97 billion for FY13.



The FY13 request, however, proposes an important shift in the composition of what is funded in the OCO account compared with FY12 enacted. Last year, Congress expanded the scope of OCO, going beyond extraordinary expenses in the Frontline States to fund other global contingencies, including resources for the famine in the Horn of Africa, terrorist threats in Africa, and for responses to the Arab Spring. As it did in the FY12 request, the State Department is limiting its FY13 OCO budget to operations and aid in the Frontline States. As a result, the \$8.2 billion OCO request falls \$3 billion below FY12. While it was understandable for Congress to broaden the composition of OCO last year in order to avoid deep cuts to base programs, there is a longer term concern about eroding the base of the International Affairs budget. Specifically, as the OCO account continues to decline and perhaps disappears in a few years, any resources for base programs funded by OCO will need to move back to base spending, something that will be difficult given the tight budget caps that are in place.

### About This Update

The USGLC will continue to update this analysis as additional information becomes available in the coming weeks. In the meantime, unless otherwise noted, budget comparisons are based on the FY13 request relative to the FY12 enacted levels for both base and OCO funding. Top-line amounts refer to the International Affairs Budget and will not align with figures the State Department and others may use when discussing the budget in terms of State/USAID funding, the State Department/Foreign Operations appropriation (which includes 97% of international affairs resources), or other points of reference to subsets of the full International Affairs Budget.

### Included in this Update:

1. USGLC Statement
2. Highlights of Funding Increases and Decreases
3. Notable Program Funding Issues
4. Notable Country Aid Issues
5. Looking Ahead in 2012
6. Account-by-Account Detail of the FY13 Request
7. Additional Information and Resources



## 1. USGLC STATEMENT ON THE PRESIDENT'S FY13 BUDGET REQUEST

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The U.S. Global Leadership Coalition today commended the Obama Administration's overall FY 2013 International Affairs Budget request for \$56.2 billion (which includes \$8.2 billion for Overseas Contingency Operations), and urged Congress to support these relatively small, but critical tools of diplomacy and development to meet our national security needs.

In this difficult economic environment, policymakers face tough choices and this budget request demonstrates a strong recognition that in today's turbulent world, America cannot unilaterally disarm from our global engagement. At just over one percent of the federal budget, the International Affairs Budget request is a smart, strategic investment in protecting our security and ensuring we can compete in today's global marketplace.

On the security side, military leaders and national security experts have consistently called for prioritizing our investments in the State Department, USAID, and other civilian-led efforts. With the drawdown of troops in Afghanistan and Iraq, the need to support democracy and stability in the Arab Awakening countries, and the humanitarian crises like the famine in the Horn of Africa, now is not the time to diminish America's engagement in the world.

At a time of great economic turbulence, the International Affairs Budget is also an important part of getting America back to work. As one in five American jobs depends on trade and nearly half of U.S. exports go to developing countries, this funding is essential to strengthening the nation's economy and creating new markets for U.S. goods and services.

While applauding the overall request, the proposed decreases in a few key areas of the budget request, particularly around global health and humanitarian and refugee assistance, raise concerns. More details are needed on how this budget will reach the important goals for these programs.

[Click here](#) to read the USGLC press release and other statements of support.

## 2. HIGHLIGHTS OF FUNDING INCREASES AND DECREASES

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With an overall increase of 2.4% for the International Affairs Budget, a number of accounts are either flat compared to FY12 amounts or grow slightly. Among the largest accounts that see little change in the FY13 submission are: Education and Cultural Exchanges, Contributions to International Organizations, USAID Operating Expenses, Development Assistance, Economic

Support Fund, Peace Corps, Millennium Challenge Corporation, Foreign Military Financing, Multilateral Development Banks.

#### **HIGHLIGHTS OF INCREASES**

- Middle East and North Africa Incentive Fund , a new account totaling \$770 million
- Debt relief for Sudan, a new budget item of \$250 million
- International Narcotics and Law Enforcement, up 22.6% (\$462 million)
- Overseas Private Investment Corporation, a self-financing entity that plans to increase direct loans and loan guarantees from about \$3.1 billion to \$4 billion
- Trade and Development Agency, up 16% (\$8 million)

In addition, increases are also proposed for State Department Diplomatic and Consular Programs (4%), Embassy Security (4.3%), Contribution to International Peacekeeping Activities (15%, although some of this is due to transfers for Somalia peacekeeping), and Complex Crisis Fund (25%).

#### **HIGHLIGHTS OF DECREASES**

- Aid to Europe, Eurasia, and Central Asia, down 18% (\$113 million)
- Global Health, down 3.8% (\$314 million)
- Humanitarian Assistance, down 6.9% (\$308 million), including a cut to refugee funding of 13.3% (\$250 million)

Also reduced are the National Endowment for Democracy (12%), the U.S. Peace Institute (5%), the Asia, Inter-American, and African Foundations and the East-West Center (22%), Non-Proliferation, Anti-Terrorism, and Demining (11%), non-UN Peacekeeping Operations (35% - although some of the cut is due to a Somalia peacekeeping transfer), and International Organizations and Programs (6%), including reductions for UNDP and UNICEF.

Details concerning several of these programs are discussed below.

### **3. NOTABLE PROGRAM FUNDING ISSUES**

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#### **RESPONSE TO ARAB SPRING**

The most significant new initiative within the FY13 International Affairs Budget request is creation of the \$770 million Middle East and North Africa (MENA) Incentive Fund, \$700 million for the new fund itself. Stimulated by the past year's turbulence in the Middle East and North Africa and demands by citizens for democratic reforms, the Incentive Fund will provide additional tools to address short-term, unanticipated needs as well as longer term investments to promote institutional reform. In FY11, the State Department and USAID re-directed \$135 million to address emerging requirements in Tunisia, Egypt, Libya, and elsewhere. This year it will allocate \$75 million this year in advance of launching the MENA Incentive Fund.

The Incentive Fund, or MENA-IF as referred to by the State Department, includes \$70 million from two existing programs previously funded out of the Economic Support Fund: the Middle East Partnership Initiative (MEPI) and the Middle East Regional program, about the same as for FY12. The MENA-IF is unallocated by country or purpose and available to support reform agendas across the region. It is anticipated that the MENA-IF's focus will be on promoting good governance and active civil societies, as well as supporting inclusive market-based economic growth. It will adopt successful models from the MCC and Partnership for Growth for utilizing

evidence-based data in selecting programs and countries and will support not only reform-minded governments, but also civil society and the private sector to ensure that reforms move forward. Aid could take the form of snap election assistance, humanitarian aid, human rights investigations, and security sector support. Over the longer-term, the Incentive Fund will require governments to make public commitments to reform and help strengthen civil society to hold their governments accountable.

#### **FRONTLINE STATES: AFGHANISTAN, PAKISTAN, AND IRAQ**

Proposed levels for the Frontline States in FY13 continue efforts that began a year ago to transition from a military-led mission to one with increasing civilian leadership as U.S. troops return home. These efforts began in FY11 in Iraq, scaled up in FY12, and expand to include Afghanistan in the FY13 request.

Overall, State operations and U.S. assistance to the three Frontline states would grow 6.6% (\$733 million) under the FY13 request, reaching \$11.8 billion. Of the total, \$8.2 billion would come from the OCO account while \$3.6 billion remains in the base budget. The latter are the costs the Administration believes are necessary for long-term operations and aid in the three countries after the wars have ended and U.S. troops are withdrawn.

The largest growth in FY13 comes for **Afghanistan** where the \$4.6 billion request is 30% higher (\$1.062 billion) than in FY12. By far the largest portion of that increase is for scaling up diplomatic capacity as the U.S. plans for a military withdrawal. Construction of new facilities and increased security requirements are part of the additional \$884 million sought for State operations in FY13. Afghan foreign assistance would grow more modestly, rising by 8% (\$178 million) for a total aid package of \$2.5 billion.

After a major surge in civilian operational and aid resources in FY12 while U.S. forces returned home, the FY13 request for **Iraq** falls by 9% (\$477 million). The largest decrease comes in State operations, down 23% (\$839 million) from current amounts. Several decisions result in these savings: elimination of a diplomatic presence in Diyala, postponement of a presence in Mosul, changing security requirements in Kirkuk, and the absence of building costs incurred in FY12. It is unclear from early budget documents, however, what additional reduced costs might emerge from a down-sized American embassy in Baghdad. Recent [press reports](#) have shed light on initial plans to staff the largest U.S. embassy in the world with as many as 16,000 staff, 14,000 of which would be contractors. Last week, State Department officials announced a review of the Baghdad facility that would likely lead to a more “normalized” and smaller facility. On the assistance side of the Iraq costs, the request proposes a 21% (\$362 million) increase. The bulk of U.S. aid (about 85%) will support a Police Development Program and training programs for the Iraqi military. Economic aid declines somewhat as expenses transition to the Iraqi government.

#### **GLOBAL HEALTH ASSISTANCE DECLINES WITH SHIFTS IN FOCUS AND RESOURCES**

The Global Health portion of the International Affairs Budget is likely to be one of the most closely scrutinized parts of the proposal, with many questions raised over the rationale for reducing spending and shifting resources among various activities. Although the \$7.85 billion request remains the largest foreign aid account in FY13, it is 3.8% smaller than current levels. Nevertheless, the Administration believes the request, including increases for the Global Fund to Fight AIDS, TB, and Malaria (Global Fund) and the GAVI Alliance, will be sufficient to maintain global health commitments and achieve its recent pledge to have six million people on AIDS treatment by the end of the year and to pursue its ultimate goal of an AIDS-free generation.

For a number of years, U.S. support for global health programs has been one of, if not the largest, portions of the foreign aid budget. The anchor of global health investments has been the President's Emergency Program for AIDS Relief (PEPFAR), launched by President Bush in FY04, with smaller amounts provided for malaria, tuberculosis, maternal and child health, and reproductive health, among others. Building on PEPFAR, President Obama established the Global Health Initiative (GHI) in 2009 with an ambitious funding target of \$63 billion over six years and an increased focus on helping host governments strengthen health systems and transition to country-owned delivery platforms. Given the growing constraints on spending, it is certain that the GHI will not achieve its \$63 billion funding level by FY14.

The proposed 3.8% reduction for FY13 is only the second time in at least ten years – the other being in 2008 – that a global health submission has been less than prior year funding. Many elements of global health spending decline under the FY13 request:

- HIV/AIDS, down 3.6% (\$213 million)
- Malaria, down 4.8% (\$31 million)
- TB, down 5.1% (\$12 million)
- Maternal and Child Health, down 4.6% (\$28 million)
- Pandemic Influenza, down 8.6% (\$5 million)
- Neglected Tropical Diseases, down 24.7% (\$22 million)

The exception is Family Planning/Reproductive Health which is up 1.1% (\$6 million). In addition, the budget includes \$39 million for the U.N. Population Fund, a \$4 million increase.

Beyond disease funding levels, many questions will be raised over the decision to reduce direct funding to many PEPFAR focus countries and re-direct those resources to the Global Fund. With \$1.05 billion appropriated for the Global Fund in each of FY11 and FY12, the United States was far off track to meet its \$4 billion pledge by FY13. In response, the State Department plans to reprogram \$250 million of PEPFAR funds in FY12, raising the amount for the Global Fund to \$1.3 billion. The FY13 budget proposes \$1.65 billion for the Global Fund, an amount \$600 million higher than the original FY12 appropriation and that, if funded by Congress, would fulfill the \$4 billion commitment. It appears that most of the additional resources for the Global Fund will come from PEPFAR focus countries. Collectively, funding levels for these 15 nations will fall by \$239 million in FY12 and by an additional \$450 million in FY13. Much attention will focus especially on Kenya and Ethiopia, where the FY13 request seeks a reduction of 41% and 79%, respectively.

The budget request is similar for meeting the GAVI pledge. The Administration plans to increase the FY12 \$100 million GAVI appropriation to \$130 million by re-directing funds from other maternal and child health activities and proposes \$145 million for FY13. If enacted, the U.S. would need an additional \$175 million for GAVI in FY14 to reach the goal.

While the Administration maintains it can deliver on its promise to have six million on AIDS treatment at the end of this year and on a host of other global health goals, more information will be necessary to make an informed assessment. Instead of only focusing on the amount of funding proposed and how it is distributed, the request may provide the opportunity to examine whether the impact of medical advances, lower drug costs, cost-sharing by partner governments, scaling up of existing financing mechanisms, along with other potential efficiencies, can meet the goals of prevention and treatment with fewer resources. An explanation is also needed regarding the rationale to make such dramatic cuts to AIDS

programs in Kenya, Ethiopia, and a few others. The Administration has mentioned that existing funding pipelines from prior year appropriations may allow a temporary cutback in some places, but that information needs to be shared with Congress and global health advocates.

#### **DEVELOPMENT ASSISTANCE PRIORITIZES FEED THE FUTURE**

The Development Assistance (DA) account, through which USAID funds its agriculture, education, climate change, economic growth, democracy, water and sanitation, and other activities, is essentially flat-funded under the FY13 request. The \$2.526 billion proposal is 0.2% (\$6 million) higher than current funding. Few other details are currently available regarding specific sectors within the DA account. The Global Climate Change Initiative is cut by 2% (\$12 million) overall, but it is unclear how much of those funds come from this account.

Feed the Future, a Presidential initiative to promote food security especially in countries that are implementing their own evidenced-based agriculture strategies, grows in FY13 to \$1.2 billion, up 2% (\$26 million) from current amounts. Included in this total is \$134 million for a U.S. contribution to the World Bank's Global Agriculture and Food Security Program (GAFSP). In 2009, the United States pledged \$475 million for GAFSP, and the FY13 request, plus a transfer of \$14 million that is additional to the FY12 appropriation, will fully fund this commitment.

Feed the Future evolved from a U.S.-led global initiative at the L'Aquila G-8 summit in 2009 where leaders pledged over \$20 billion to bolster food security in the developing world. The U.S. promised \$3.5 billion, an amount that the Administration says will be met in FY12. In reaching that level, however, the Executive branch is attributing food security funds provided by the Millennium Challenge Corporation, something that has not been included in past estimates. Without MCC funding, the U.S. will have programmed \$3.1 billion for Feed the Future through FY12.

#### **HUMANITARIAN ASSISTANCE DECLINES**

The United States responds to global emergencies resulting from conflict, natural disasters, and forced migration through four specific accounts: USAID's International Disaster Assistance (IDA) and Food for Peace programs, and the State Department's Migration and Refugee Assistance (MRA) and Emergency Refugee and Migration Assistance. Combined, the FY13 request proposes a 6.9% (\$308 million) cut to these programs. The largest reduction comes in the MRA account which falls 13% (\$250 million). Last year, Congress funded \$379 million for IDA and MRA out of the OCO account. In the FY13 request, the Administration has moved these funds back into the base budget, but not at the same levels as provided for FY12. Food aid is cut 5% (\$66 million) while IDA falls 2% (\$15 million).

Full funding for humanitarian relief needs in the base budget has been problematic for a number of years. Setting aside sufficient resources for conflict and natural disasters that may occur in the future is always difficult to estimate. During previous times, emergency supplemental appropriations were a common way to fund gaps in what has also been a top Congressional priority. The option of supplemental funding later in the year, however, has all but ended in these more constrained fiscal times. Humanitarian aid advocates, including those in Congress, are certain to question this reduced funding proposal. The Administration states that additional humanitarian aid could potentially come from the \$770 MENA Incentive Fund, discussed earlier, for emergencies occurring in the region.

#### **STATE/USAID OPERATING EXPENSES: IMPLEMENTING A REFORM AGENDA**

Beginning in the last Administration and continuing the past three years, State Department and USAID leaders have put a premium on results driven diplomacy and development,

implementing reforms to strengthen each agency's capacity to meet the skill sets needed for 21<sup>st</sup> century challenges, and in the case of USAID, to rebuild a weakened and badly understaffed organization. Many of the current reforms underway or proposed in the FY13 budget stem from the State/USAID Quadrennial Diplomacy and Development Review (QDDR), released in December 2010, and USAID Forward, an ambitious reform agenda that began to take shape in mid-2010.

The State Department, for FY13 requests an 8.2% (\$539 million) increase in its base funding for Diplomatic and Consular Programs (excludes OCO resources for the frontline states). The budget would allow State to continue its "Diplomacy 3.0" initiative and hire 121 new Foreign and Civil Service staff, many of which would support the implementation of QDDR recommendations. The request also supports the Bureau of Energy Resources and elevates the Office of the Coordinator for Counterterrorism to a Bureau status, both QDDR initiatives. These proposals continue efforts over the past decade to strengthen and re-direct State Department priorities, efforts that began under Secretary Powell and sustained by Secretary Rice through her Transformational Diplomacy agenda.

For USAID, the FY13 request includes relatively small but essential resources to advance the new reforms of USAID Forward, especially in the areas of monitoring and evaluation, procurement reform, innovation, and science and technology. The majority of funding for USAID Forward is drawn from the Development Assistance account, totaling \$119 million in FY13, up 4% (\$5 million) from current levels. A high priority is a more than doubling of resources (\$14 million) to implement the agency's new evaluation policy which has a goal of completing and publically posting 200 program evaluations by the end of this year. This is one of the key aspects of making USAID more transparent and strengthening its ability to know exactly whether its programs are achieving the intended results.

USAID Operating Expenses remain basically flat when compared with current funding. The Agency does not expect to hire in FY13 under its Development Leadership Initiative, a multi-year plan put in place in the Bush Administration with a goal to double the number of Foreign Service Officers at USAID. Thus far, 820 new staff have been under the DLI, achieving about 80% of the goal. Given on-going challenges to train and place existing DLIs, many inside and in Congress believe a break from more hiring is a good decision. USAID does plan, however, to hire 16 additional procurement officers to further advance that area of the reform agenda.

To off-set some of the additional costs for USAID Forward, the Agency plans to reduce by \$33 million resources for the Development Grants Program and other activities that focus on NGO capacity building. The Administration believes it is addressing these same capacity building objectives under its procurement reform efforts.

#### **OTHER NOTABLE FUNDING ISSUES**

- **Democracy Promotion:** Funding for democracy, good governance, rule of law, human rights, and other related programs are spread across multiple accounts within the International Affairs Budget, and most are down modestly. Precise amounts are generally not available until more details emerge, including breakdowns shown in the Congressional Budget Justification that is likely to be issued in March. The National Endowment for Democracy is reduced by 12% (\$14 million) and the State Department's Democracy, Human Rights, and Labor Fund appears to be about \$13 million less than the FY12 level. However, the major boost for democracy and related funding for FY13 will come from the new \$700 million MENA Incentive Fund.



- **Millennium Challenge Corporation:** The MCC request for FY13 is identical to FY12 funding of \$898 million. With these funds, the MCC plans to support second compacts with El Salvador and Benin. During 2012, MCC expects to sign a second compact with Cape Verde and continue work with Zambia for a first compact and with Ghana and Georgia for second compacts.
- **Sudan Debt Reduction:** Among many lingering issues that followed the creation of South Sudan as an independent nation last July is the question of how to deal with debt owed by the former country of Sudan. Currently, Sudan owes the United States \$2.4 billion, an amount that could be reduced or restructured within the Heavily Indebted Poor Country (HIPC) framework if Sudan meets eligibility requirements. The Administration estimates that the budgetary cost of forgiving the entire amount of Sudan's debt is \$250 million and that Sudan could become eligible in FY13. Recognizing the degree of uncertainty over when or whether Sudan will qualify for debt relief, the Administration is also asking for transfer authority that would permit the \$250 million request to be used to support other multilateral aid commitments should Sudan not become eligible.
- **Multilateral Development Banks:** A year ago, following an unprecedented number of international pledging conferences in 2010 for nearly every multilateral development bank, the proposed budget for MDB contributions represented one of the largest increases sought in the FY12 request. Congress supported most but not all of that request. For FY13, the Administration proposes \$2.6 billion for these lending institutions, almost identical to the FY12 appropriation.

Within the cluster of various Banks and Funds, however, the FY13 recommends several changes. The proposal includes a 60% (\$70 million) increase for the World Bank's market-rate loan institution and a 2.5% (\$34 million) rise for its concessional loan affiliate, the International Development Association. The Inter-American Development would increase 36% (\$27 million), the Asian Development Fund by 15% (\$15 million), and the Global Environment Facility by 44% (\$40 million).

- **Investment and Trade: the Overseas Private Investment Corporation and the Trade and Development Agency:** OPIC and TDA are unique and important organizations within the International Affairs Budget that maintain the combined missions of promoting American trade and investment opportunities while advancing global development and poverty reduction goals. Recently, the White House announced [plans](#) to consolidate both agencies, along with the Export-Import Bank, into a reconfigured Commerce Department that would pursue the exclusive objective of supporting U.S. exports and creating American jobs. Because of their importance to U.S. foreign policy, many question whether the proposal to include OPIC and TDA in the new structure is the right way to proceed.

TDA, which estimates that its investments generated \$3.9 billion in exports during FY11, proposes an FY13 budget of \$58 million, up 16% (\$8 million) from current levels. In FY13, OPIC estimates that its net costs will be -\$192 million, about the same as for FY12. OPIC expects to support up to \$4 billion in new direct loans and loan guarantees.

#### **4. NOTABLE COUNTRY AID ISSUES**

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##### **EGYPT**

Pro-democracy and reform demonstrations in Egypt were at the heart of the Arab Spring throughout 2011. The transition has been turbulent and by no means has the situation stabilized. Exacerbating this chaotic situation was a growing degree of criticism by the Egyptian government of U.S. funding for civil society activists, an activity they charged was interfering in domestic politics and generating unrest among Egypt's citizens. In December, Egyptian authorities raided the offices of three American organizations – the National Democratic Institute, the International Republican Institute, and Freedom House – and issued a travel ban on their staff, many of whom remain in the country. There is growing concern that those on the no-fly list will be put on trial.

The raids and harassment aimed at NDI, IRI, and Freedom House have sparked considerable condemnation in the U.S., including warnings from Democrats and Republicans in Congress that Egypt's foreign assistance is at grave risk if these actions continue. In the FY12 appropriation, Congress added new conditions for the release of security assistance to Egypt, requiring that Egypt support the transition to a civilian government and protect freedom of expression, association and religion and due process. In recent days, Secretary Clinton has said that she will carefully review the current situation as part of her determination of whether or not U.S. aid can be made available.

The FY13 aid request for Egypt remains the same as for FY12: \$250 million in economic aid and \$1.3 billion in military assistance. Also included is authority to cancel a second tranche (about \$320 million) of Egypt's debt to the U.S., a commitment that that was made last year to forgive about \$1 billion owed over three years.

##### **EUROPE, EURASIA, AND CENTRAL ASIA ASSISTANCE**

After the fall of the Berlin Wall and the collapse of the Soviet Union, Congress created two separate appropriation accounts to channel economic aid to the countries of Eastern Europe and the former Soviet Union. Several years ago, the State Department combined these two accounts and renamed it as Assistance for Europe, Eurasia, and Central Asia. Over the past two decades, 11 of these countries have graduated from U.S. development aid, 12 have joined NATO, and 10 have become members of the European Union. The USAID mission in Montenegro is the most recent to close in FY12.

For FY13, the Administration proposes to terminate a special account for these countries and instead consolidate their aid programs into other, global economic aid accounts, most notably the Economic Support Fund. Overall, assistance to these countries in Europe, Eurasia, and Central Asia declines by 18% (\$113 million), although in making these cuts the Administration has decided not to close any further programs in the region. Instead, every program is reduced by some amount. Among them are Armenia, down 17.5% (\$7 million); Georgia, down 23.9% (\$16 million); Russia, down 11.5% (\$6 million); and Ukraine, down 21.5% (\$17 million).

##### **PARTNERSHIP FOR GROWTH: PILOT COUNTRY AID PROTECTED**

Last year, the State Department, USAID, and the MCC, along with several other agencies, began work on a new framework for shaping U.S. bilateral relationships with best performing developing nations in support of accelerating and sustaining broad-based economic growth. PfG is an outcome of the Presidential Directive on Global Development issued in September 2010 in which the United States will work across the whole of government to identify development policy and tools and partner with four pilot countries – El Salvador, the Philippines,

Ghana, and Tanzania – to identify initiatives that could have the greatest impact on removing constraints to growth in each nation. The U.S. finalized joint action plans with El Salvador and the Philippines in 2011 and expects to conclude agreements with Ghana and Tanzania this year.

While PfG is not necessarily about traditional foreign assistance, it is clear in the FY13 request that aid to the four pilot countries has been protected and increased. This is particularly striking within a budget where many countries will see a decline in economic assistance. El Salvador will receive a 63% (\$15 million) increase in Development Assistance, assistance to the Philippines will grow by 7% (\$6 million), Ghana's is up by 14% (\$13 million), and Tanzania's increases by 28% (\$29 million). The Administration says that the FY13 aid request for these four nations will align Development Assistance programs with priorities identified in the joint action plans.

## 5. LOOKING AHEAD

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Starting this week Administration officials will head to the Hill to defend the FY13 request. Acting **OMB Director Zients** will testify this week before the House and Senate Budget Committees. **Secretary Clinton** will testify before House and Senate appropriators on February 28<sup>th</sup> and 29<sup>th</sup>, with events in the Middle East and the Frontline States likely to dominate these hearings. **Treasury Secretary Geithner** and **USAID Administrator Shah** are expected to testify on their portions of the International Affairs Budget request in early March.

Action on the FY13 budget resolution will get underway in the House soon thereafter. House Republicans are expected to unveil their FY13 Budget Resolution in early March, with the goal of completing floor action on the measure before the Easter recess in early April. Similar to last year, the House's FY13 budget resolution is expected to call for major reductions in both discretionary and mandatory spending, including the International Affairs Budget. In addition, **Budget Committee Chairman Paul Ryan (R-WI)** may opt to adopt a lower top-line 302(a) discretionary spending level than the \$1.047 trillion agreed to as part of last August's Budget Control Act.

In the Senate, **Majority Leader Harry Reid (D-NV)** has made clear that he has no intention of bringing an FY13 budget resolution to the floor, in part because a discretionary spending cap (302a) is already in place. Nonetheless, **Budget Committee Chairman Kent Conrad (D-ND)** is still expressing his hope to report a budget resolution out of Committee and to forge a bipartisan deal to reduce the debt. He has noted that the chances of such an agreement this year are slim.

Appropriators in both the House and Senate will move expeditiously this year to advance as many FY13 bills as possible before the August recess. The all-important 302(b) allocations are anticipated by early April, with Subcommittee and Committee markups of those measures to follow later in April and May. It remains to be seen if many bills will ever make it to the floor for consideration, particularly in the Senate.

Congress is likely to adopt an FY13 Continuing Resolution in September that would last until after the November election, thus delaying any major decisions on FY13 appropriations until the post-election lame duck session or the new 113<sup>th</sup> Congress in January.

## Sequestration

A major factor in the final negotiations on FY13 funding levels later this year will be the looming automatic, across-the-board spending cuts triggered under sequestration in January 2013. In order to achieve \$1.2 trillion in deficit reduction through 2021, these automatic cuts will reduce funding for defense and non-defense programs by approximately \$55 billion each starting in January 2013. Because a portion of the non-defense cuts will be made to mandatory programs, the total cut to non-defense discretionary programs in FY13 would be approximately \$39 billion. The [Congressional Budget Office estimates](#) that the resulting across-the-board proportional reduction to non-defense discretionary programs, such as the International Affairs Budget, would be about 8% in FY13.

Avoiding sequestration's deep spending cuts will be a major focus of the post-election lame duck session at the end of the year. Already, House and Senate Republicans have proposed bills to undo the sequestration cuts to defense programs by making cuts to the federal workforce.

## 6. ACCOUNT-BY-ACCOUNT DETAIL OF FY13 BUDGET

### Snapshot

<b>INTERNATIONAL AFFAIRS 150 ACCOUNT*</b>	
FY13 REQUEST	\$56.24 BILLION
<i>OF WHICH OCO</i>	\$8.2 BILLION
FY12 ENACTED	\$54.94 BILLION
<i>OF WHICH OCO</i>	\$11.2 BILLION
FY13 INCREASE FROM FY12	\$1.3 BILLION (+2.4%)
<b>FOREIGN OPERATIONS ACCOUNT</b>	
FY13 REQUEST	\$36.07 BILLION
<i>OF WHICH OCO</i>	\$3.88 BILLION
FY12 ENACTED	\$35.516 BILLION
<i>OF WHICH OCO</i>	\$6.58 BILLION
FY13 INCREASE FROM FY12	\$0.55 BILLION (+1.6%)
<b>STATE DEPARTMENT OPERATIONS &amp; RELATED ACCOUNTS</b>	
FY13 REQUEST	\$18.51 BILLION
<i>OF WHICH OCO</i>	\$4.36 BILLION
FY12 ENACTED	\$17.69 BILLION
<i>OF WHICH OCO</i>	\$4.62 BILLION
FY13 INCREASE FROM FY12	\$0.82 BILLION (+4.6%)
<b>INTERNATIONAL AGRICULTURE PROGRAMS</b>	
FY13 REQUEST	\$1.58 BILLION
FY12 ENACTED	\$1.65 BILLION
FY13 INCREASE FROM FY12	\$-0.07 BILLION (-4.2%)

\* International Affairs totals also include about \$85 million appropriated in the Treasury spending bill for the International Trade Commission and the Foreign Claims Settlement Commission. These amounts are included in the totals shown here.

<b>USAID OPERATING EXPENSES (OE)</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$1.263 BILLION	FY13 REQUEST	\$0.084 BILLION	FY13 REQUEST	\$1.347 BILLION
FY12 ENACTED	\$1.092 BILLION	FY12 ENACTED	\$0.255 BILLION	FY12 ENACTED	\$1.347 BILLION
CHANGE 12-13	\$ 171 MILLION (+15.7%)	CHANGE 12-13	\$ 171 MILLION (-67%)	CHANGE 12-13	\$0
<b>USAID CAPITAL INVESTMENT FUND</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$135 MILLION			FY13 REQUEST	\$135 MILLION
FY12 ENACTED	\$130 MILLION			FY12 ENACTED	\$130 MILLION
CHANGE 12-13	\$35 MILLION (+3.8%)			CHANGE 12-13	\$35 MILLION (+3.8%)
<b>USAID INSPECTOR GENERAL OPERATING EXPENSES (IG)</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$51 MILLION	FY13 REQUEST	\$0	FY13 REQUEST	\$51 MILLION
FY12 ENACTED	\$47 MILLION	FY12 ENACTED	\$5 MILLION	FY12 ENACTED	\$52 MILLION
CHANGE 12-13	\$4 MILLION (+8.5%)	CHANGE 12-13	\$-5 MILLION (-100%)	CHANGE 12-13	\$-1 MILLION (-1.9%)
<b>GLOBAL HEALTH PROGRAMS</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$7.854 BILLION			FY13 REQUEST	\$7.854 BILLION
FY12 ENACTED	\$8.168 BILLION			FY12 ENACTED	\$8.168 BILLION
CHANGE 12-13	\$-314 MILLION (-3.8%)			CHANGE 12-13	\$-314 MILLION (-3.8%)
<b>DEVELOPMENT ASSISTANCE (DA)</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$2.525 BILLION			FY13 REQUEST	\$2.525 BILLION
FY12 ENACTED	\$2.520 BILLION			FY12 ENACTED	\$2.520 BILLION
CHANGE 12-13	\$5 MILLION (+0.2%)			CHANGE 12-13	\$5 MILLION (+0.2%)
<b>INTERNATIONAL DISASTER ASSISTANCE (IDA)</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$960 MILLION	FY13 REQUEST	\$0	FY13 REQUEST	\$960 MILLION
FY12 ENACTED	\$825 MILLION	FY12 ENACTED	\$150 MILLION	FY12 ENACTED	\$975 MILLION
CHANGE 12-13	\$135 MILLION (+16%)	CHANGE 12-13	\$-150 MILLION (-100%)	CHANGE 12-13	\$-15 MILLION (-1.5%)
<b>TRANSITION INITIATIVES (TI)</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$58 MILLION	FY13 REQUEST	\$0	FY13 REQUEST	\$58 MILLION
FY12 ENACTED	\$50 MILLION	FY12 ENACTED	\$7 MILLION	FY12 ENACTED	\$57 MILLION
CHANGE 12-13	\$8 MILLION (+16%)	CHANGE 12-13	\$-7 MILLION (-100%)	CHANGE 12-13	\$1 MILLION (+1.75%)
<b>COMPLEX CRISIS FUND</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$50 MILLION	FY13 REQUEST	\$0	FY13 REQUEST	\$50 MILLION
FY12 ENACTED	\$10 MILLION	FY12 ENACTED	\$30 MILLION	FY12 ENACTED	\$40 MILLION
CHANGE 12-13	\$40 MILLION (+400%)	CHANGE 12-13	\$-30 MILLION (-100%)	CHANGE 12-13	\$10 MILLION (+25%)
<b>DEVELOPMENT CREDIT AUTHORITY</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$8 MILLION			FY13 REQUEST	\$8 MILLION
FY12 ENACTED	\$8 MILLION			FY12 ENACTED	\$8 MILLION
CHANGE 12-13	\$0			CHANGE 12-13	\$0
<b>ECONOMIC SUPPORT FUND (ESF)</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$4.849 BILLION	FY13 REQUEST	\$1.038 BILLION	FY13 REQUEST	\$5.886 BILLION
FY12 ENACTED	\$2.995 BILLION	FY12 ENACTED	\$2.80 BILLION	FY12 ENACTED	\$5.796 BILLION
CHANGE 12-13	\$1.847 BILLION (+62%)	CHANGE 12-13	\$-1.723 BILLION (-62%)	CHANGE 12-13	\$123 MILLION (+2.1%)
<b>ASSISTANCE FOR EUROPE, EURASIA, AND CENTRAL ASIA</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$0			FY13 REQUEST	\$0
FY12 ENACTED	\$627 MILLION			FY12 ENACTED	\$627 MILLION
CHANGE 12-13	\$-627 MILLION (-100%)			CHANGE 12-13	\$-627 MILLION (-100%)

<b>MIGRATION AND REFUGEE ASSISTANCE (MRA)</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$1.625 BILLION	FY13 REQUEST	\$0	FY13 REQUEST	\$1.625 BILLION
FY12 ENACTED	\$1.646 BILLION	FY12 ENACTED	\$229 MILLION	FY12 ENACTED	\$1.875 BILLION
CHANGE 12-13	\$-14 MILLION (-0.9%)	CHANGE 12-13	\$-229 MILLION (-100%)	CHANGE 12-13	\$-243 MILLION (-13%)
<b>U.S. EMERGENCY REFUGEE AND MIGRATION ASSISTANCE (ERMA)</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$50 MILLION			FY13 REQUEST	\$50 MILLION
FY12 ENACTED	\$27 MILLION			FY12 ENACTED	\$27 MILLION
CHANGE 12-13	\$23 MILLION (+85%)			CHANGE 12-13	\$23 MILLION (+85%)
<b>PEACE CORPS</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$375 MILLION			FY13 REQUEST	\$375 MILLION
FY12 ENACTED	\$375 MILLION			FY12 ENACTED	\$375 MILLION
CHANGE 12-13	\$0			CHANGE 12-13	\$0
<b>MILLENNIUM CHALLENGE CORPORATION (MCC)</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$898 MILLION			FY13 REQUEST	\$898 MILLION
FY12 ENACTED	\$898 MILLION			FY12 ENACTED	\$898 MILLION
CHANGE 12-13	\$0			CHANGE 12-13	\$0
<b>INTER-AMERICAN FOUNDATION</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$18 MILLION			FY13 REQUEST	\$18 MILLION
FY12 ENACTED	\$23 MILLION			FY12 ENACTED	\$23 MILLION
CHANGE 12-13	\$-5 MILLION (-21.8%)			CHANGE 12-13	\$-5 MILLION (-21.8%)
<b>AFRICAN DEVELOPMENT FOUNDATION</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$24 MILLION			FY13 REQUEST	\$24 MILLION
FY12 ENACTED	\$30 MILLION			FY12 ENACTED	\$30 MILLION
CHANGE 12-13	\$-6 MILLION (-20%)			CHANGE 12-13	\$-6 MILLION (-20%)
<b>TREASURY TECHNICAL ASSISTANCE</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$25 MILLION	FY13 REQUEST	\$0	FY13 REQUEST	\$25 MILLION
FY12 ENACTED	\$25 MILLION	FY12 ENACTED	\$2 MILLION	FY12 ENACTED	\$27 MILLION
CHANGE 12-13	\$0	CHANGE 12-13	\$-2 MILLION (-100%)	CHANGE 12-13	\$-2 MILLION (-7.4%)
<b>DEBT RESTRUCTURING</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$250 MILLION			FY13 REQUEST	\$250 MILLION
FY12 ENACTED	\$12 MILLION			FY12 ENACTED	\$12 MILLION
CHANGE 12-13	\$238 MILLION (+1983%)			CHANGE 12-13	\$238 MILLION (+1983%)
<b>INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT (INCLE)</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$1.457 BILLION	FY13 REQUEST	\$1.050 BILLION	FY13 REQUEST	\$2.507 BILLION
FY12 ENACTED	\$1.061 BILLION	FY12 ENACTED	\$0.943 BILLION	FY12 ENACTED	\$2.004 BILLION
CHANGE 12-13	\$396 MILLION (+37.3%)	CHANGE 12-13	\$66 MILLION (+6.7%)	CHANGE 12-13	\$462 MILLION (+22.6%)
<b>NON-PROLIFERATION, ANTI-TERRORISM, DEMINING (NADR)</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$636 MILLION	FY13 REQUEST	\$0	FY13 REQUEST	\$636 MILLION
FY12 ENACTED	\$590 MILLION	FY12 ENACTED	\$121 MILLION	FY12 ENACTED	\$711 MILLION
CHANGE 12-13	\$46 MILLION (+7.8%)	CHANGE 12-13	\$-121 MILLION (-100%)	CHANGE 12-13	\$-75 MILLION (-10.5%)
<b>PEACEKEEPING OPERATIONS (PKO)</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$249 MILLION	FY13 REQUEST	\$0	FY13 REQUEST	\$249 MILLION
FY12 ENACTED	\$303 MILLION	FY12 ENACTED	\$81 MILLION	FY12 ENACTED	\$384 MILLION
CHANGE 12-13	\$-54 MILLION (-17.8%)	CHANGE 12-13	\$-81 MILLION (-100%)	CHANGE 12-13	\$-135 MILLION (-35.2%)

<b>INTERNATIONAL MILITARY EDUCATION AND TRAINING PROGRAM (IMET)</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$103 MILLION			FY13 REQUEST	\$103 MILLION
FY12 ENACTED	\$106 MILLION			FY12 ENACTED	\$106 MILLION
CHANGE 12-13	\$-3 MILLION (-2.8%)			CHANGE 12-13	\$-3 MILLION (-2.8%)
<b>FOREIGN MILITARY FINANCING (FMF)</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$5.472 BILLION	FY13 REQUEST	\$0.911 BILLION	FY13 REQUEST	\$6.383 BILLION
FY12 ENACTED	\$5.210 BILLION	FY12 ENACTED	\$1.102 BILLION	FY12 ENACTED	\$6.312 BILLION
CHANGE 12-13	\$262 MILLION (+5%)	CHANGE 12-13	\$-191 MILLION (-17.3%)	CHANGE 12-13	\$71 MILLION (+1%)
<b>PAKISTAN COUNTERINSURGENCY CAPABILITY FUND (PCCF)</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
		FY13 REQUEST	\$800 MILLION	FY13 REQUEST	\$800 MILLION
		FY12 ENACTED	\$850 MILLION	FY12 ENACTED	\$850 MILLION
		CHANGE 12-13	\$-50 MILLION (-5.9%)	CHANGE 12-13	\$-50 MILLION (-5.9%)
<b>GLOBAL SECURITY CONTINGENCY FUND</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
		FY13 REQUEST	\$25 MILLION	FY13 REQUEST	\$25 MILLION
		FY12 ENACTED	\$0*	FY12 ENACTED	\$0*
		CHANGE 12-13	\$25 MILLION	CHANGE 12-13	\$25 MILLION
*PLANNED TRANSFER OF \$50 MILLION FROM PCCF FOLLOWING FUND AUTHORIZATION					
<b>INTERNATIONAL ORGANIZATIONS AND PROGRAMS (IO&amp;P)</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$327 MILLION			FY13 REQUEST	\$327 MILLION
FY12 ENACTED	\$349 MILLION			FY12 ENACTED	\$349 MILLION
CHANGE 12-13	\$-22 MILLION (-6.3%)			CHANGE 12-13	\$-22 MILLION (-6.3%)
<b>GLOBAL ENVIRONMENT FACILITY</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$129 MILLION			FY13 REQUEST	\$129 MILLION
FY12 ENACTED	\$89 MILLION			FY12 ENACTED	\$89 MILLION
CHANGE 12-13	\$40 MILLION (+44%)			CHANGE 12-13	\$40 MILLION (+44%)
<b>INTERNATIONAL CLEAN TECHNOLOGY FUND</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$185 MILLION			FY13 REQUEST	\$185 MILLION
FY12 ENACTED	\$185 MILLION			FY12 ENACTED	\$185 MILLION
CHANGE 12-13	\$0			CHANGE 12-13	\$0
<b>STRATEGIC CLIMATE FUND</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$50 MILLION			FY13 REQUEST	\$50 MILLION
FY12 ENACTED	\$50 MILLION			FY12 ENACTED	\$50 MILLION
CHANGE 12-13	\$0			CHANGE 12-13	\$0
<b>INTERNATIONAL DEVELOPMENT ASSOCIATION</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$1.359 BILLION			FY13 REQUEST	\$1.359 BILLION
FY12 ENACTED	\$1.325 BILLION			FY12 ENACTED	\$1.325 BILLION
CHANGE 12-13	\$34 MILLION (+2.6%)			CHANGE 12-13	\$34 MILLION (+2.6%)
<b>INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (IBRD)</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$187 MILLION			FY13 REQUEST	\$187 MILLION
FY12 ENACTED	\$117 MILLION			FY12 ENACTED	\$117 MILLION
CHANGE 12-13	\$70 MILLION (+60%)			CHANGE 12-13	\$70 MILLION (+60%)
<b>INTER-AMERICAN DEVELOPMENT BANK</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$102 MILLION			FY13 REQUEST	\$102 MILLION
FY12 ENACTED	\$75 MILLION			FY12 ENACTED	\$75 MILLION
CHANGE 12-13	\$27 MILLION (+36%)			CHANGE 12-13	\$27 MILLION (+36%)

<b>ENTERPRISE FOR THE AMERICAS MULTILATERAL INVESTMENT FUND</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$0			FY13 REQUEST	\$0
FY12 ENACTED	\$25 MILLION			FY12 ENACTED	\$25 MILLION
CHANGE 12-13	\$-25 MILLION (-100%)			CHANGE 12-13	\$-25 MILLION (-100%)
<b>INTER-AMERICAN INVESTMENT CORPORATION</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$0			FY13 REQUEST	\$0
FY12 ENACTED	\$5 MILLION			FY12 ENACTED	\$5 MILLION
CHANGE 12-13	\$-5 MILLION (-100%)			CHANGE 12-13	\$-5 MILLION (-100%)
<b>ASIAN DEVELOPMENT BANK</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$107 MILLION			FY13 REQUEST	\$107 MILLION
FY12 ENACTED	\$107 MILLION			FY12 ENACTED	\$107 MILLION
CHANGE 12-13	\$0			CHANGE 12-13	\$0
<b>ASIAN DEVELOPMENT FUND</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$115 MILLION			FY13 REQUEST	\$115 MILLION
FY12 ENACTED	\$100 MILLION			FY12 ENACTED	\$100 MILLION
CHANGE 12-13	\$15 MILLION (+15%)			CHANGE 12-13	\$15 MILLION (+15%)
<b>AFRICAN DEVELOPMENT BANK</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$32 MILLION			FY13 REQUEST	\$32 MILLION
FY12 ENACTED	\$32 MILLION			FY12 ENACTED	\$32 MILLION
CHANGE 12-13	\$0			CHANGE 12-13	\$0
<b>AFRICAN DEVELOPMENT FUND</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$195 MILLION			FY13 REQUEST	\$195 MILLION
FY12 ENACTED	\$173 MILLION			FY12 ENACTED	\$173 MILLION
CHANGE 12-13	\$22 MILLION (+13%)			CHANGE 12-13	\$22 MILLION (+13%)
<b>INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$30 MILLION			FY13 REQUEST	\$30 MILLION
FY12 ENACTED	\$30 MILLION			FY12 ENACTED	\$30 MILLION
CHANGE 12-13	\$0			CHANGE 12-13	\$0
<b>GLOBAL AGRICULTURE AND FOOD SECURITY PROGRAM</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$134 MILLION			FY13 REQUEST	\$134 MILLION
FY12 ENACTED	\$135 MILLION			FY12 ENACTED	\$135 MILLION
CHANGE 12-13	\$-1 MILLION (-0.7%)			CHANGE 12-13	\$-1 MILLION (-0.7%)
<b>MULTILATERAL DEBT RELIEF INITIATIVE</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$0			FY13 REQUEST	\$0
FY12 ENACTED	\$175 MILLION			FY12 ENACTED	\$175 MILLION
CHANGE 12-13	\$-175 MILLION (--100%)			CHANGE 12-13	\$-175 MILLION (--100%)
<b>EXPORT-IMPORT BANK</b>					
<b>BASE (NET)</b>		<b>OCO FUNDING</b>		<b>TOTAL (NET)</b>	
FY13 REQUEST	\$-359 MILLION			FY13 REQUEST	\$-359 MILLION
FY12 ENACTED	\$-266 MILLION			FY12 ENACTED	\$-266 MILLION
CHANGE 12-13	\$-93 MILLION (+35%)			CHANGE 12-13	\$-93 MILLION (+35%)
<b>OVERSEAS PRIVATE INVESTMENT CORPORATION (OPIC)</b>					
<b>BASE (NET)</b>		<b>OCO FUNDING</b>		<b>TOTAL (NET)</b>	
FY13 REQUEST	\$-192 MILLION			FY13 REQUEST	\$-192 MILLION
FY12 ENACTED	\$-197 MILLION			FY12 ENACTED	\$-197 MILLION
CHANGE 12-13	\$5 MILLION (-2.5%)			CHANGE 12-13	\$5 MILLION (-2.5%)



<b>TRADE AND DEVELOPMENT AGENCY (TDA)</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$58 MILLION			FY13 REQUEST	\$58 MILLION
FY12 ENACTED	\$50 MILLION			FY12 ENACTED	\$50 MILLION
CHANGE 12-13	\$8 MILLION (+16%)			CHANGE 12-13	\$8 MILLION (+16%)
<b>DIPLOMATIC AND CONSULAR PROGRAMS (DCP)</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$7.068 BILLION	FY13 REQUEST	\$4.312 BILLION	FY13 REQUEST	\$11.38 BILLION
FY12 ENACTED	\$6.529 BILLION	FY12 ENACTED	\$4.389 BILLION	FY12 ENACTED	\$10.92 BILLION
CHANGE 12-13	\$517 MILLION (+7.8%)	CHANGE 12-13	-\$77 MILLION (-1.8%)	CHANGE 12-13	\$440 MILLION (+4.02%)
<b>CAPITAL INVESTMENT FUND</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$83 MILLION			FY13 REQUEST	\$83 MILLION
FY12 ENACTED	\$59 MILLION			FY12 ENACTED	\$59 MILLION
CHANGE 12-13	\$24 MILLION (+40.7%)			CHANGE 12-13	\$24 MILLION (+40.7%)
<b>EMBASSY SECURITY, CONSTRUCTION &amp; MAINTENANCE</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$1.637 BILLION	FY13 REQUEST	\$0	FY13 REQUEST	\$1.637 BILLION
FY12 ENACTED	\$1.537 BILLION	FY12 ENACTED	\$33 MILLION	FY12 ENACTED	\$1.570 BILLION
CHANGE 12-13	\$100 MILLION (+6.5%)	CHANGE 12-13	-\$33 MILLION (-100%)	CHANGE 12-13	\$67 MILLION (+4.3%)
<b>CONFLICT STABILIZATION OPERATIONS</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$57 MILLION	FY13 REQUEST	\$0	FY13 REQUEST	\$57 MILLION
FY12 ENACTED	\$22 MILLION	FY12 ENACTED	\$9 MILLION	FY12 ENACTED	\$9 MILLION
CHANGE 12-13	\$57 MILLION	CHANGE 12-13	-\$9 MILLION (-100%)	CHANGE 12-13	\$48 MILLION (+533%)
<b>STATE DEPARTMENT OFFICE OF THE INSPECTOR GENERAL</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$66 MILLION	FY13 REQUEST	\$50 MILLION	FY13 REQUEST	\$116 MILLION
FY12 ENACTED	\$62 MILLION	FY12 ENACTED	\$68 MILLION	FY12 ENACTED	\$129 MILLION
CHANGE 12-13	\$4 MILLION (+6.5%)	CHANGE 12-13	-\$14 MILLION (-21.9%)	CHANGE 12-13	-\$10 MILLION (-7.9%)
<b>EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$587 MILLION	FY13 REQUEST	\$0	FY13 REQUEST	\$587 MILLION
FY12 ENACTED	\$583 MILLION	FY12 ENACTED	\$16 MILLION	FY12 ENACTED	\$599 MILLION
CHANGE 12-13	\$4 MILLION (+0.7%)	CHANGE 12-13	-\$16 MILLION (-100%)	CHANGE 12-13	-\$12 MILLION (-2%)
<b>OTHER ADMINISTRATION OF FOREIGN AFFAIRS</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$84 MILLION			FY13 REQUEST	\$84 MILLION
FY12 ENACTED	\$65 MILLION			FY12 ENACTED	\$65 MILLION
CHANGE 12-13	\$19 MILLION (+29%)			CHANGE 12-13	\$19 MILLION (+29%)
<b>CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS (CIO)</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$1.570 BILLION	FY13 REQUEST	\$0	FY13 REQUEST	\$1.570 BILLION
FY12 ENACTED	\$1.450 BILLION	FY12 ENACTED	\$101 MILLION	FY12 ENACTED	\$1.551 BILLION
CHANGE 12-13	\$120 MILLION (+8.3%)	CHANGE 12-13	-\$101 MILLION (-100%)	CHANGE 12-13	\$19 MILLION (+1.2%)
<b>CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$2.099 BILLION			FY13 REQUEST	\$2.099 BILLION
FY12 ENACTED	\$1.828 BILLION			FY12 ENACTED	\$1.828 BILLION
CHANGE 12-13	\$271 MILLION (+14.8%)			CHANGE 12-13	\$271 MILLION (+14.8%)
<b>NATIONAL ENDOWMENT FOR DEMOCRACY</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$104 MILLION			FY13 REQUEST	\$104 MILLION
FY12 ENACTED	\$118 MILLION			FY12 ENACTED	\$118 MILLION
CHANGE 12-13	-\$14 MILLION (-11.9%)			CHANGE 12-13	-\$14 MILLION (-11.9%)

<b>BROADCASTING BOARD OF GOVERNORS</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$712 MILLION	FY13 REQUEST	\$0	FY13 REQUEST	\$712 MILLION
FY12 ENACTED	\$740 MILLION	FY12 ENACTED	\$4 MILLION	FY12 ENACTED	\$744 MILLION
CHANGE 12-13	\$-28 MILLION (-3.8%)	CHANGE 12-13	\$-4 MILLION (-100%)	CHANGE 12-13	\$-32 MILLION (-4.3%)
<b>BROADCASTING CAPITAL IMPROVEMENTS</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$9 MILLION			FY13 REQUEST	\$9 MILLION
FY12 ENACTED	\$7 MILLION			FY12 ENACTED	\$7 MILLION
CHANGE 12-13	\$2 MILLION (+28.6%)			CHANGE 12-13	\$2 MILLION (+28.6%)
<b>UNITED STATES INSTITUTE FOR PEACE</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$37 MILLION	FY13 REQUEST	\$0	FY13 REQUEST	\$37 MILLION
FY12 ENACTED	\$31 MILLION	FY12 ENACTED	\$8 MILLION	FY12 ENACTED	\$39 MILLION
CHANGE 12-13	\$6 MILLION (+19.4%)	CHANGE 12-13	\$-8 MILLION (-100%)	CHANGE 12-13	\$-2 MILLION (-5.1%)
<b>FOOD FOR PEACE TITLE II</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$1.400 BILLION			FY13 REQUEST	\$1.400 BILLION
FY12 ENACTED	\$1.466 BILLION			FY12 ENACTED	\$1.466 BILLION
CHANGE 12-13	\$-66 MILLION (-4.5%)			CHANGE 12-13	\$-66 MILLION (-4.5%)
<b>MCGOVERN-DOLE INTERNATIONAL FOOD FOR EDUCATION</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$184 MILLION			FY13 REQUEST	\$184 MILLION
FY12 ENACTED	\$184 MILLION			FY12 ENACTED	\$184 MILLION
CHANGE 12-13	\$0			CHANGE 12-13	\$0
<b>INTERNATIONAL TRADE COMMISSION</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$83 MILLION			FY13 REQUEST	\$83 MILLION
FY12 ENACTED	\$80 MILLION			FY12 ENACTED	\$80 MILLION
CHANGE 12-13	\$3 MILLION (+3.8%)			CHANGE 12-13	\$3 MILLION (+3.8%)
<b>FOREIGN CLAIMS SETTLEMENT COMMISSION</b>					
<b>BASE FUNDING</b>		<b>OCO FUNDING</b>		<b>TOTAL FUNDING</b>	
FY13 REQUEST	\$2 MILLION			FY13 REQUEST	\$2 MILLION
FY12 ENACTED	\$2 MILLION			FY12 ENACTED	\$2 MILLION
CHANGE 12-13	\$0			CHANGE 12-13	\$0

## 7. ADDITIONAL INFORMATION AND RESOURCES

- **Administration Documents on the President's FY13 Budget Request**  
[Funding Highlights of the FY13 International Affairs Budget Request](#)  
[The President's Budget for FY13](#)  
[FY13 Executive Budget Summary - Function 150 and Other International Programs](#)  
[FY13 Department of State Operations Congressional Budget Justification](#)
- **House Statements on the President's FY13 Budget Request**  
[House Appropriations Committee Chairman Hal Rogers \(R-KY\)](#)  
[House Budget Committee Chairman Paul Ryan \(R-WI\)](#)  
[House Budget Committee Ranking Member Chris Van Hollen \(D-MD\)](#)
- **Senate Statements on the President's FY13 Budget Request**  
[Senate Budget Committee Chairman Kent Conrad \(D-ND\)](#)  
[Senate Budget Committee Ranking Member Jeff Sessions \(R-AL\)](#)