



## DEPARTMENT OF STATE AND OTHER INTERNATIONAL PROGRAMS

### Funding Highlights:

- Provides a total of \$47.8 billion in discretionary funding for the Department of State and U.S. Agency for International Development, a decrease of six percent from the 2012 enacted level, due to lower Overseas Contingency Operations activity.
- Advances the President's Global Health Initiative by supporting the Administration's ambitious targets for preventing and treating HIV/AIDS; maintaining the U.S. contribution to the Global Fund for AIDS, Tuberculosis, and Malaria at \$1.65 billion; fully funding the Administration's pledge to the Global Alliance for Vaccines and Immunization; and scaling up proven child survival interventions to accelerate progress toward the goals of the Child Survival Call to Action.
- Proposes major reforms to make food aid more cost-effective and have greater impact, while maintaining robust levels of emergency food assistance and related development assistance and creating a new \$75 million Emergency Food Assistance Contingency Fund.
- Continues a multi-year plan for Feed the Future to make strategic investments addressing the root causes of hunger and poverty to help prevent crises such as the recent famine in the Horn of Africa and food insecurity crisis in the Sahel.
- Provides \$909 million for strategic investments to support low-emission, climate-resilient development, promote investment from the private sector in clean energy and low carbon infrastructure, and reduce greenhouse gas emissions.
- Responds to continuing challenges to stability in the Middle East and North Africa by providing \$580 million to assist countries in transition and create incentives for long-term economic, political, and trade reforms, building on substantial investments since the Arab Spring.
- Provides over \$4 billion to secure overseas personnel and facilities, including sufficient funding for the State Department to increase embassy security construction to \$2.2 billion, as recommended by the Benghazi Accountability Review Board.
- Includes \$6.8 billion for the frontline states of Iraq (\$2.1 billion), Afghanistan (\$3.4 billion), and Pakistan (\$1.4 billion), including \$3 billion in base funding and \$3.8 billion in Overseas Contingency Operations funding. The Budget prioritizes core diplomatic and development activities to ensure strong, lasting partnerships with these countries and to promote stability.

- Rebalances diplomatic and assistance resources to the Asia-Pacific region.
- Provides \$2.9 billion to the Department of the Treasury for U.S. commitments to the multilateral development banks and for international environmental, food security, and technical assistance activities.
- Provides \$447 million to strengthen efforts at five international trade and investment agencies to promote international trade, enforce trade agreements, and help meet the goals of the National Export Initiative.
- Includes provisions to enact the December 2010 International Monetary Fund agreement, leaving the overall U.S. level of financial participation in the Fund unchanged while instituting important reforms.

The Department of State, the U.S. Agency for International Development (USAID), and other international programs advance the national security interests of the United States by helping to build and sustain a more democratic, secure, and prosperous world. Investing in civilian diplomacy and development fosters stability around the world, supports the goals of the President's Policy Directive on Global Development, reduces poverty, and promotes universal values, which in turn helps to protect our national security. International programs also support economic development and job creation in the United States by increasing trade and expanding access for U.S. businesses to international markets.

The President's 2014 Budget proposes \$47.8 billion for the Department of State and USAID, including costs for Overseas Contingency Operations (OCO), a six percent decrease from the 2012 enacted level, which is largely driven by a \$7.4 billion reduction in OCO funding. The Administration continues to prioritize funding for global health to achieve the vision of an AIDS-free generation, for food security to reduce extreme poverty and malnutrition and to foster sustained and inclusive growth, and for combatting climate change by supporting clean energy and energy efficiency, reducing deforestation, and building climate-resilience in developing countries. The Budget continues the long standing support of our allies built through security partnerships that promote regional and global stability. The

Budget also continues to support transitioning countries in the Middle East and North Africa by investing in economic and political reform in the wake of the Arab Spring. The Budget provides the necessary base resources to maintain critical diplomatic and development efforts around the world, including diplomatic operations and assistance in Iraq, Afghanistan, and Pakistan. At the same time, the Department of State and USAID are committed to finding efficiencies and cutting waste, allowing savings to be refocused on the highest priorities worldwide.

### ***Maintains U.S. Global Leadership***

**Supports Global Health by Investing in High-Impact Interventions.** The Administration is investing in proven interventions to accelerate progress toward the goals of achieving an AIDS-free generation and an end to preventable child and maternal deaths. The Budget supports the achievement of aggressive HIV/AIDS prevention and treatment targets as announced by the President on World AIDS Day in 2011, and continuing progress toward eliminating pediatric AIDS. The Budget builds on the momentum of the Child Survival Call to Action by increasing investments in proven child survival interventions, including those addressing malaria, malnutrition, pneumonia, and complications in childbirth. In recognition of the Global Fund to Fight AIDS, Tuberculosis, and Malaria's key role as a

multilateral partner and its progress in instituting reforms, the Budget provides \$1.65 billion to leverage pledges from other donors and accelerate progress against these three diseases. In addition, the Budget fully funds the balance of the Administration's pledge to the Global Alliance for Vaccines and Immunization.

**Reforms Food Aid for More Cost-Effective Use of Taxpayer Resources.** The Budget proposes a major reform of the Nation's largest food aid program to make it more cost effective and increase its impact, while maintaining robust levels of food and development assistance. The Budget shifts funding from the P.L. 480 Title II (Title II) account to the International Disaster Assistance (IDA) account for emergency food needs and to the Development Assistance account for development programs. With respect to emergencies, a majority of IDA food aid funding would be used to purchase and ship food from the United States. IDA funding would also be used to purchase food from markets near crises, or for interventions such as cash transfers and vouchers. In the case of development programs, non-governmental organizations that receive Title II development resources would be funded directly, rather than through the proceeds from selling U.S. food abroad (monetization) and, in the case of non-emergency direct feeding programs, food would be sourced locally, or from the United States, as appropriate. Early experience with IDA emergency food aid has shown that it has not only saved money and time, among other benefits, but that it has also been invaluable for addressing needs in several difficult crises such as Syria and the recent famine in the Horn of Africa. The Budget redirects \$75 million of the funding reallocated from Title II to fund a new Emergency Food Assistance Contingency Fund to address above-trend emergency food needs.

The Budget also provides \$25 million per year through the Department of Transportation's Maritime Administration for additional targeted operating subsidies for militarily-useful vessels and incentives to facilitate the retention of mariners. Worker adjustment assistance would be available for remaining eligible mariners.

**Fights Hunger by Improving Food Security.** As part of a multi-year plan to address the root causes of hunger and poverty, the Budget increases funding for agriculture development and nutrition programs. The recent famine in the Horn of Africa has underscored the need for targeted programs to help prevent future famines and crises in the region and elsewhere. Administration programs are intended to reduce extreme poverty, increase food security, and reduce malnutrition for millions of families by 2015. The Budget provides bilateral assistance for Feed the Future, including the New Alliance for Food Security and Nutrition, and funding for the multi-donor Global Agriculture and Food Security Program. These programs direct funding to poor countries that commit to policy reforms and strong country-led strategies to address internal food security needs. Assistance helps countries increase agricultural productivity, improve agricultural research and development, expand markets and trade, and increase resilience to help prevent recurrent crises. The Budget also maintains strong support for food aid and other humanitarian assistance, including over \$4.1 billion to help internally displaced persons, refugees, and victims of armed conflict and natural disasters.

**Combats Global Climate Change by Promoting Low-Emission, Climate-Resilient Economic Growth.** Building on our robust investment to date, the Budget provides \$909 million in 2014 to promote efforts to combat the drivers of climate change by supporting clean energy, reducing deforestation, and enhancing low-emission, climate-resilient development. The Administration is working in partnership with national and local governments, and the private sector, to make effective investments in three key programmatic areas: 1) multilateral institutions and bilateral activities that focus on energy efficiency, renewable energy, and energy sector reforms; 2) sustainable land use to combat unsustainable forest clearing for agriculture and illegal logging, and to promote forest governance; and 3) programs to build resilience of the communities and countries most vulnerable to climate change, and reduce the risk of damage, loss of life, and

broader instability that can result from extreme weather and climate events.

**Assists Countries in Transition and Promotes Reforms in the Middle East and North Africa.** Building on the Administration's significant and continuing response to the transformative events in the Middle East and North Africa region, the Budget supports the economic and security sectors in this region. The Budget continues, or expands, our bilateral economic support in countries such as Egypt, Tunisia, and Yemen where transitions are ongoing. In addition, the Budget includes \$580 million for regional programs and the Middle East and North Africa Incentive Fund, which will support countries in transition and provide incentives for long-term economic and political reforms. This fund builds upon several initiatives the United States is supporting to respond to regional developments since the beginning of the Arab Spring, including Enterprise Funds, fiscal stabilization support through cash transfers and loan guarantees, and various initiatives through the G8's Deauville Partnership, including technical assistance, trade, and asset recovery initiatives. In addition, base funding for diplomatic operations in the region is increased by \$39 million, supporting both increased engagement and measures to protect diplomatic personnel.

**Invests in Security Upgrades.** The Budget provides \$4 billion for Department of State security programs, including security staff, construction, and infrastructure upgrades. With additional funds, the Department of State will increase Diplomatic Security staff by five percent and provide targeted security upgrades at critical locations that face heightened threats in the wake of the attacks on September 11, 2012. The Budget funds a program level of \$2.2 billion for capital security construction, as recommended by the Benghazi Accountability Review Board.

**Invests in Long-Term Partnerships in Iraq, Afghanistan, and Pakistan.** The Budget continues to support U.S. security, diplomatic, and development goals in Afghanistan, Pakistan, and Iraq while scaling down funding for opera-

tions and assistance, consistent with U.S. policy. Ongoing resources requested to support strong, long-term partnerships with these countries include core diplomatic and development operational support funding, as well as economic development, health, education, governance, security, and other assistance programs necessary to reinforce development progress and promote stability. OCO funding provides for near-term development assistance related to stabilization and counterinsurgency programs, extraordinary costs of operating in a high-threat environment, protection of civilian personnel, and oversight activities of the Special Inspector General for Afghanistan Reconstruction.

**Promotes Gender Equality and Women and Girls Empowerment.** The Administration has made it clear that advancing the rights of women and girls is critical to the foreign policy of the United States. In January, the President acted to elevate and integrate a strategic focus on the promotion of gender equality and the advancement of women and girls globally. This is a matter of national security as much as it is an issue of morality and fairness. The Budget supports the promotion of gender equality and advancement of the political, economic, social, and cultural status of women and girls.

**Leverages International Organizations to Support Cooperation and Security.** The Budget continues to support the President's vision of robust multilateral engagement as a tool in advancing U.S. national interests, accomplished through our contributions to the United Nations, peacekeeping, and international organizations. Our contributions enable U.S. participation in over 40 international organizations that maintain peace and security, promote economic growth, provide humanitarian aid, and advance human rights around the world. These peacekeeping resources fund activities to promote the peaceful resolution of conflict.

**Continues Investments in Nonproliferation and Counterterrorism Programs.** The Budget continues to support the President's vision of a world without nuclear weapons by providing key

investments for nonproliferation programs at the Department of State. The Budget provides resources for flagship counterterrorism programs that develop partner capabilities to prevent terrorist attacks on the United States and other countries and to prevent the development, acquisition, trafficking, and use of weapons of mass destruction by terrorists.

**Rebalances Diplomatic and Assistance Resources to the Asia-Pacific Region.** The Budget provides over \$1.2 billion to support the Presidential priority of advancing security, prosperity, and human dignity across the Asia-Pacific region by supporting programs such as the Lower Mekong Initiative to foster sub-regional cooperation and capacity-building among Cambodia, Laos, Thailand, Vietnam, and Burma. The Budget also provides significant resources for economic and security assistance to the region.

**Makes Contributions to Economic Growth, National Security, and Multilateral Poverty Reduction Efforts.** The Budget provides \$2.9 billion to the Department of the Treasury for economic growth, national security, and multilateral poverty reduction efforts. These resources fund all annual general capital increase and replenishment commitments to the multilateral development banks, as well as critical contributions to international environmental, food security, and technical assistance activities. These programs leverage the resources of other donors to support U.S. and multilateral objectives in key international institutions. The Budget continues to pursue a multi-year strategy to meet our existing commitments, clear our arrears, and promote U.S. leadership in international financial institutions.

**Encourages Economic Growth Through Support for the National Export Initiative and Tourism Promotion.** A critical component of stimulating domestic economic growth is ensuring that U.S. businesses can actively participate in international markets and increase their exports of goods and services. The Administration launched the National Export Initiative (NEI) in 2010 to improve the private sector's ability to export American goods and services. The NEI

advances the Administration's goal of doubling exports over five years by working to remove trade barriers abroad, helping firms—especially small businesses—overcome the hurdles to entering new export markets, assisting with trade financing, and pursuing a Government-wide approach to export advocacy abroad. The Budget provides targeted increases for agencies involved in trade promotion and financing, development finance, and trade enforcement in support of the NEI. The Budget includes \$307 million for the U.S. Trade and Development Agency, Office of the U.S. Trade Representative, U.S. International Trade Commission, and the Overseas Private Investment Corporation (a combined \$46 million increase over the 2012 enacted level), as well as \$131 million for the Export-Import Bank's administrative expenses and Inspector General, a \$37 million increase over the 2012 enacted level. These investments will strengthen international trade promotion and enforcement efforts.

**Promotes Global Financial Stability and U.S. Leadership in the International Monetary Fund (IMF).** The Budget includes provisions to implement the December 2010 IMF agreement by increasing the U.S. quota in the IMF by approximately \$63 billion and simultaneously reducing by an equal amount U.S. participation in the New Arrangements to Borrow (NAB), in addition to instituting other reforms that the United States has sought. The NAB is a set of standing IMF borrowing arrangements with 38 members and institutions to supplement IMF resources as needed to respond to financial crises that threaten the stability of the global financial system. The 2010 agreement results in no overall change in U.S. financial participation in the IMF, while preserving U.S. veto power and restoring the primacy of the IMF's quota-based capital structure in which the United States has the largest share.

**Transitions International Broadcasts to Digital Transmission Technologies.** The Budget builds upon the Broadcasting Board of Governors' efforts to evolve international broadcasts from shortwave radio into more effective and less expensive digital tools (satellite and Internet

radio, mobile phone technologies, and Internet-based social media) that reach today's technologically savvy audiences. To maintain U.S. global leadership, our international broadcasts must reach tomorrow's leaders in key regions, such as in the fast growing and technologically-connected middle class of China and the youth populations that rose up in support of democracy during the Arab Spring. Shortwave radio broadcasts will continue in regions that lack access to digital technologies, such as in Darfur, North Korea, and Tibet.

### ***Improves Efficiency and Transparency***

**Enhances Transparency of Foreign Assistance.** In September 2012, the Office of Management and Budget released a Bulletin that institutionalizes the U.S. Government's commitment to aid transparency and directs all Federal agencies to provide timely and detailed data on foreign assistance. These data are being published on the Foreign Assistance Dashboard ([www.foreignassistance.gov](http://www.foreignassistance.gov))—which provides a visual presentation of U.S. Government foreign assistance funds that enables the public to examine, research, and track aid investments in a standard and easy-to-understand format. Consistent with the Bulletin's guidance, the Dashboard will continue to add more comprehensive data going forward.

**Reforms Contract Procurement.** USAID will continue to increase the efficiency of U.S. foreign assistance through the Implementation and Procurement Reform Initiative, which streamlines procurement policies, procedures, and processes, increases the use of small business and host country systems, and strengthens the local capacity of partner countries.

**Fosters Innovation.** USAID will continue direct programming for innovation through the Office of Innovation and Development Alliances and throughout the agency through Development Innovation Ventures. USAID will accelerate the adoption of mobile banking and related solutions, and gain more development results through highly focused and leveraged public-private partnerships.

**Improves the Management of Information Technology Projects.** The Department of State will continue to strengthen the Chief Information Officer's authorities and increase the oversight and management of information technology projects across the agency. The agency is developing plans to move data centers, bandwidth, enterprise licensing, hardware, project overhead, and other new services or technologies into the Department's Working Capital Fund to enable more effective and efficient technology in support of the Department's mission.