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Foreign Operations (House)/State, Foreign Operations, and Related Programs (Senate): FY2006 Appropriations

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The annual consideration of appropriations bills (regular, continuing, and supplemental) by Congress is part of a complex set of budget processes that also encompasses the consideration of budget resolutions, revenue and debt-limit legislation, other spending measures, and reconciliation bills. In addition, the operation of programs and the spending of appropriated funds are subject to constraints established in authorizing statutes. Congressional action on the budget for a fiscal year usually begins following the submission of the President's budget at the beginning of the session. Congressional practices governing the consideration of appropriations and other budgetary measures are rooted in the Constitution, the standing rules of the House and Senate, and statutes, such as the Congressional Budget and Impoundment Control Act of 1974.

This report is a guide to one of the regular appropriations bills that Congress considers each year. It is designed to supplement the information provided by the House Subcommittee on Foreign Operations and the Senate Subcommittee on State, Foreign Operations, and Related Programs. It summarizes the status of the bill, its scope, major issues, funding levels, and related congressional activity, and is updated as events warrant. The report lists the key CRS staff relevant to the issues covered and related CRS products.

NOTE: A Web version of this document with active links is available to congressional staff at [http://www.crs.gov/products/appropriations/apppage.shtml].

Foreign Operations (House)/State, Foreign Operations, and Related Programs (Senate) Appropriations for FY2006

Summary

The annual Foreign Operations appropriations bill in the House, and the State, Foreign Operations measure in the Senate are the primary legislative vehicles through which Congress reviews the U.S. international affairs budgets and influences executive branch foreign policy making generally. They contain the largest shares — the House bill, about two-thirds; the Senate bill, about 97% — of total U.S. international affairs spending.

Funding for Foreign Operations and State Department/Broadcasting programs have been rising for five consecutive years, while amounts approved in FY2004 reached an unprecedented level compared with the past 40 years. Emergency supplementals enacted since the September 11, 2001 terrorist attacks to provide assistance to the front line states in the war on terrorism, Afghanistan and Iraq reconstruction, and for State Department operations and security upgrades have pushed spending upward.

The President seeks $22.8 billion for Foreign Operations and $9.8 billion for State Department and Related Agencies appropriations. These amounts are 15.7% and 12.2%, respectively, higher than FY2005 amounts enacted in "regular," non-supplemental appropriations. The combined State/Foreign Operations request of $32.67 billion is 14.6% larger than regular FY2005 funding. Including the FY2005 supplemental (H.R. 1268), which was signed into law on May 11, adds $4.55 billion current spending for Foreign Operations and State Department/Broadcasting and makes the FY2006 combined request slightly smaller (-1.1%) than the total appropriation of $33.05 billion for this year.

One of the major challenges for Congress in considering the President's Foreign Operations and State Department/Broadcasting spending proposals is the tightening budget environment. The FY2006 Budget Resolution (H.Con.Res. 95) sets a target for international affairs spending 7% below the President's request. The House Appropriations Committees spending allocation among its 11 spending bills provides $20.27 billion for Foreign Operations, 11.2% less than the submitted proposal. The Senate Committee allocation of $31.67 billion for the combined State Department/Foreign Operations measure is $1 billion, or 3% below the request. Other key issues for congressional consideration of the FY2006 recommendations include foreign aid in support of the global war on terror, the Millennium Challenge Account, HIV/AIDS funding, spending allocations among the "core" development and humanitarian aid programs, funding for the new U.S. embassy in Iraq, public diplomacy, educational and cultural exchange programs, rising demands for U.N. peacekeeping contributions, and democracy promotion activities.

This report will be updated to reflect congressional action on the legislation.

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Most Recent Developments

On June 9, 2005, the Senate Appropriations Committee released funding allocations for each of its 12 subcommittees (Sec. 302(b) allocations), including $31.67 billion for the State, Foreign Operations panel. This level is $1 billion, or 3.1% less than the President's request. Earlier, on May 5, the House Appropriations Committee issued allocations for its 11 funding bills. Spending for Foreign Operations is set at $20.27 billion, over $2.5 billion, or 11%, less than the President's FY2006 request. The House State Department component is included in another appropriation bill for Science, State. Justice, and Commerce, and not set out separately.

Previously, on February 7, the White House submitted its FY2006 budget request, including $22.8 billion for Foreign Operations and $9.8 billion for State Department and Related Agencies appropriations. These amounts are 15.7% and 12.2%, respectively, higher than FY2005 amounts enacted in "regular," non-supplemental appropriations. The combined State/Foreign Operations request of $32.67 billion is 14.6% larger than regular FY2005 funding. Including the FY2005 supplemental makes the FY2006 combined request slightly smaller (-1.1%) than the total appropriation of $33.05 billion for this year.

Introduction

Amounts appropriated for Foreign Operations programs and for the Department of State and related agencies comprise about 97% of the total International Affairs budget and represent roughly 7% of discretionary budget authority under the jurisdiction of House and Senate Appropriations Committees.

At the beginning of the 109th Congress, House and Senate Committees on Appropriations reorganized their subcommittee structures. The House panel reduced the number of subcommittees to ten and reconfigured several of their jurisdictions. These changes, however, do not affect the previous organizations for Foreign Operations and State Department/Broadcasting programs. The jurisdiction of the House Foreign Operations Committee remains the same, while State Department, Broadcasting, and related activities continue to be funded within the re-titled Subcommittee on Science, State, Justice, Commerce, and Related Agencies (SSJC).

The Senate Appropriations Committee chose to restructure its subcommittees differently from the House by maintaining twelve sub-panels. The Senate configuration combines Foreign Operations with the State Department, Broadcasting, and related agencies, creating a re-titled Subcommittee on State, Foreign Operations and Related Programs.

This report covers funding and policy issues related to both Foreign Operations and State Department programs. The discussion and accompanying tables are designed to track the House Foreign Operations Appropriation measure, as well as the broader Senate State, Foreign Operations spending bill. To read about State Department/Broadcasting issues within the context of the House SSJC appropriation measure, see CRS Report RL32885.

Foreign Operations Overview

Foreign Operations, the larger of the two components with a request of $22.8 billion for FY2006, is the primary legislative vehicle through which Congress reviews and votes on the U.S. foreign assistance budget and influences major aspects of executive branch foreign policy making generally.[1]

The legislation funds all U.S. bilateral development assistance programs, managed mostly by the U.S. Agency for International Development (USAID), together with several smaller independent foreign aid agencies, such as the Peace Corps and the Inter-American and African Development Foundations. Foreign Operations also includes resources for the two newest Administration initiatives: the Millennium Challenge Corporation (MCC) and the Global AIDS Initiative managed by the State Department's HIV/AIDS Coordinator. Most humanitarian aid activities are funded within Foreign Operations, including USAID's disaster/famine program and the State Department's refugee relief support. Foreign Operations includes separate accounts for aid programs in the former Soviet Union (also referred to as the Independent States account) and Central/Eastern Europe, activities that are jointly managed by USAID and the State Department.

Security assistance (economic and military aid) for Israel and Egypt is also part of the Foreign Operations spending measure, as are other security aid programs administered largely by the State Department, in conjunction with USAID and the Pentagon. Foreign Operations appropriations also fund reconstruction programs in Afghanistan and Iraq, and for countries affected by the December 2004 Indian Ocean tsunami. U.S. contributions to the World Bank and other regional multilateral development banks, managed by the Treasury Department, and voluntary payments

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[1] Although the Foreign Operations appropriations bill is often characterized as the "foreign aid" spending measure, it does not include funding for all foreign aid programs. Food aid, an international humanitarian aid program administered under the P.L. 480 program, is appropriated in the Agriculture appropriations bill. Foreign Operations also include funds for the Export-Import Bank, an activity that is regarded as a trade promotion program, rather than foreign aid. In recent years, funding for food aid has run somewhat higher than for the Eximbank, so Foreign Operations is slightly smaller than the official foreign aid budget. Nevertheless, throughout this report, the terms Foreign Operations and foreign aid are used interchangeably.

to international organizations, handled by the State Department, are also funded in the Foreign Operations bill. Finally, the legislation includes appropriations for three export promotion agencies: the Overseas Private Investment Corporation (OPIC), the Export-Import Bank, and the Trade and Development Agency.

State Department/Broadcasting Overview

Budgets for the Department of State, including embassy construction and security and public diplomacy, are within the State Department and related programs title of the Science, State, Justice, and Commerce (SSJC) appropriations in the House and the State, Foreign Operations measure in the Senate. This title, for which the Administration requests $9.8 billion in FY2006, also funds the Broadcasting Board of Governors (BBG), and U.S. assessed contributions to United Nations (U.N.), International Organizations, and U.N. Peacekeeping. State Department and related programs further include funding for the U.S. Institute for Peace, Asia Foundation, National Endowment for Democracy, and several other small educational and exchange organizations. This title also appropriates resources for international commissions.

Related Foreign Policy Authorization Measures

Intertwined with both Foreign Operations and State Department appropriations are foreign policy authorization bills that, by law, Congress must pass prior to foreign aid and the State Department's expenditure of its appropriations. When Congress does not pass these authorization measures, as was the case during the 108th Congress, the appropriation bills must waive the authorization requirement for foreign policy agencies and programs to continue to function.[2] In some cases, this results in the attachment of foreign affairs authorizing provisions to Foreign Operations and State Department appropriation measures, adding increased importance to the appropriation bills in terms of both funding and setting policy priorities for U.S. foreign policy.

This has been the situation especially for Foreign Operations. For two decades, the Foreign Operations appropriations bill has been the principal legislative vehicle for congressional oversight of foreign affairs and for congressional involvement in foreign policy making. Congress has not enacted a comprehensive foreign aid authorization bill since 1985, leaving most foreign assistance programs without regular authorizations originating from the legislative oversight committees.[3] As a result, Foreign Operations spending measures developed by the appropriations committees increasingly have expanded their scope beyond spending issues and

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[2] For details on the history and the most recent foreign relations authorization legislation from the 108th Congress, H.R. 1950/S. 2144, see CRS Report RL31986, *Foreign Relations Authorization, FY2004 and FY2005: State Department and Foreign Assistance*.

[3] Although Congress has not approved a broad, comprehensive foreign aid authorization, individual foreign aid components have been authorized, including legislation for the Millennium Challenge Account, the President's HIV/AIDS initiative, assistance for the former Soviet states (Freedom Support Act) and Eastern Europe (SEED Act), microenterprise programs, and the Peace Corps.

played a major role in shaping, authorizing, and guiding both executive and congressional foreign aid and broader foreign policy initiatives. It has been largely through Foreign Operations appropriations that the United States has modified aid policy and resource allocation priorities since the end of the Cold War. The legislation has also been the channel through which the President has utilized foreign aid as a tool in the global war on terrorism since the attacks of September 11, 2001, and launched Afghan and Iraqi reconstruction operations.

These appropriation measures have also been a key instrument used by Congress to apply restrictions and conditions on Administration management of foreign assistance, actions that have frequently resulted in executive-legislative clashes over presidential prerogatives in foreign policy making.

Key Foreign Operations/State Department Funding Issues for FY2006

While appropriation bills funding foreign aid, State Department operations, embassy construction, public diplomacy, and contributions to international organizations can address the entire range of U.S. foreign policy issues, the FY2006 budget request poses several key matters that the 109th Congress will likely closely examine and debate. For Foreign Operations programs, major issues include:

- The overall size of the request — a 15.7% increase over regular FY2005 Foreign Operations funds — and whether competing budget proposals for domestic programs and efforts to reduce the deficit will permit full funding of the $22.63 billion recommendation.

- Foreign aid in support of the global war on terror and whether the FY2006 request fully addresses this high national security priority, including resources for reconstruction efforts in Iraq and Afghanistan.

- The Millennium Challenge Account and whether progress thus far on this new, innovative foreign aid program justify a doubling of its budget in FY2006.

- HIV/AIDS funding and whether the 12.5% funding increase for FY2006 and the implementation and allocation of resources, including those for the Global Fund to Fight AIDS, Tuberculosis, and Malaria, are fully meeting the vision of the President's $15 billion initiative.

- "Core" development and humanitarian aid programs and whether proposed funding reductions for some activities and account restructuring to enhance flexibility are justified.

On State Department operations, key policy and funding issues include:

- The U.S. embassy in Iraq and funding for ongoing operations, security, and construction.

- Public Diplomacy: educational and cultural exchange funds would increase in FY2006 by 21% and broadcasting operations by 10%.

- International Peacekeeping contributions would rise by 114% over FY2005 regular appropriation levels for new operations in Sudan and elsewhere.

- Democracy promotion activities, emphasized by President Bush and Secretary of State Rice, is highlighted by a 35% increase in funds for the National Endowment for Democracy.

Status

Table 1. House Status of Foreign Operations, FY2006

Subcomm. Markup		House Report	House Passage	Senate Report	Senate Passage	Conf. Report	Conf. Report Approval		Public Law
House	Senate						House	Senate	

Table 2. Senate Status of State, Foreign Operations, FY2006

Subcomm. Markup		House Report	House Passage	Senate Report	Senate Passage	Conf. Report	Conf. Report Approval		Public Law
House	Senate						House	Senate	
a.		a.							

a. In the House, the State Department component of the Senate State, Foreign Operations appropriation measure is included in the Science, State, Justice, and Commerce spending bill. The latter bill (unnumbered) was marked-up at the subcommittee level on May 24 and by the full House Appropriations Committee on June 7.

Foreign Operations and State Department Policy Trends and Goals

Arguably, from the end of World War II until the early 1990s, the underlying rationale for foreign aid and diplomatic efforts was the defeat of communism. U.S. aid programs were designed to promote economic development and policy reforms, in large part to create stability and reduce the attraction to communist ideology and to block Soviet diplomatic links and military advances. Other security assistance activities provided defense equipment and training to American allies and friendly states, some of which faced Soviet or Soviet-proxy threats. Aid programs also were used to help the United States gain access to military bases around the world in order to forward deploy American forces. Diplomacy emphasized strengthening alliances and building coalitions to isolate and confront the Soviet threat.

Foreign aid and diplomatic programs also supported a number of secondary U.S. policy goals in the developing world, such as reducing high rates of population growth, promoting wider access to health care, expanding the availability of basic education, advancing U.S. trade interests, and protecting the environment. If these secondary goals were also achieved, U.S. aid programs could be promoted as delivering "more bang for the buck."

With the end of the Cold War, the focus of American foreign policy shifted to support more extensively other U.S. national interests, including stopping the proliferation of weapons of mass destruction, curbing the production and trafficking of illegal drugs, expanding peace efforts in the Middle East, seeking solutions to conflicts around the globe, protecting human rights, countering trafficking in persons.

Foreign Aid Policy Shifts

Foreign assistance, in particular, underwent significant changes during the 1990s. The United States launched expansive aid programs in Russia and many eastern-bloc states, the influence of which U.S. assistance previously tried to combat. While these and other new elements of American foreign aid emerged, no broad consensus developed over what the new overarching rationale for U.S. aid programs should be. Throughout the 1990s, policymakers and Congress explored a number of alternative strategic frameworks around which to construct a revised foreign assistance policy rationale. Not only did a policy consensus fail to emerge, but efforts to overhaul the largely Cold War-based foreign aid legislation also did not succeed.

During this period, the Clinton Administration emphasized the promotion of "sustainable development" as the new, post-Cold War main strategy of those parts of the foreign aid program under the aegis of the U.S. Agency for International Development (USAID). Economic assistance supported six inter-related goals: achievement of broad-based, economic growth; development of democratic systems; stabilization of world population and protection of human health; sustainable management of the environment; building human capacity through education and training; and meeting humanitarian needs.

Early in the Bush Administration these goals were modified around three "strategic pillars" of: 1) economic growth, agriculture, and trade; 2) global health; and 3) democracy, conflict prevention, and humanitarian assistance. More recently, a USAID White Paper on American foreign aid identified five "core" operational goals of U.S. foreign assistance:

- Promoting transformational development, especially in the areas of governance, institutional capacity, and economic restructuring;
- Strengthening fragile states;

- Providing humanitarian assistance;
- Supporting U.S. geostrategic interests, particularly in countries such as Iraq, Afghanistan, Pakistan, Jordan, Egypt, and Israel; and
- Mitigating global and international ills, including HIV/AIDS.[4]

Impact of the September 11 Terrorist Attacks

The most defining change in U.S. foreign policy, however, came following the September 11, 2001, terrorist attacks in the United States. Since 9/11 American foreign aid and diplomatic efforts have taken on a more strategic sense of importance and has been cast frequently in terms of contributing to the global war on terrorism. In September 2002, President Bush released his Administration's National Security Strategy that established global development, for the first time, as the third "pillar" of U.S. national security, along with defense and diplomacy. Also in 2002, executive branch foreign assistance budget justifications began to underscore the war on terrorism as the top foreign aid priority, highlighting amounts of U.S. assistance to 28 "front-line" states in the terrorism war — countries that cooperated with the United States in the war on terrorism or faced terrorist threats themselves.[5] The substantial reconstruction programs in Afghanistan and Iraq — which totaled more in FY2004 than the combined budgets of all other aid programs — are also part of the emphasis on using foreign aid to combat terrorism. State Department efforts focused extensively on building coalitions to assist in the war on terror and finding new and more effective ways of presenting American views and culture through public diplomacy.

At roughly the same time that fighting terrorism became the leading concern of U.S. foreign policy, the Bush Administration announced other significant initiatives that have defined and strengthened two additional key foreign assistance goals: promoting economic growth and reducing poverty, and combating the global HIV/AIDS pandemic. The Millennium Challenge Corporation (MCC) is a new aid delivery concept, authorized by Congress and established in early 2004 in P.L. 108-199, that is intended to concentrate significantly higher amounts of U.S. resources in a few low- and low-middle income countries that have demonstrated a strong commitment to political, economic, and social reforms. If fully funded, $5 billion will be available by FY2006 to support these "best development performers" in order to accelerate economic growth and lower the number of people living in absolute poverty.

Addressing global health problems has further become a core U.S. aid objective in recent years. Congress created a separate appropriation account for Child Survival and Health activities in the mid-1990s and increased funding for international HIV/AIDS and other infectious disease programs. President Bush's announcement

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[4] U.S. Agency for International Development. *U.S. Foreign Aid: Meeting the Challenges of the Twenty-First Century*. January 2004.

[5] According to the State Department, these "front-line" states include Afghanistan, Algeria, Armenia, Azerbaijan, Bangladesh, Colombia, Djibouti, Egypt, Ethiopia, Georgia, Hungary, India, Indonesia, Jordan, Kazhakistan, Kenya, Oman, Pakistan, Philippines, Poland, Russia, Saudi Arabia, Tajikistan, Tunisia, Turkey, Turkmenistan, Uzbekistan, and Yemen.

at his 2003 State of the Union message of a five-year, $15 billion effort to combat AIDS, malaria, and tuberculosis has added greater emphasis to this primary foreign assistance objective.

Beyond these recently emerging foreign policy goals, other prominent objectives that have continued since the early 1990s have included supporting peace in the Middle East through assistance to Israel, Egypt, Jordan, and the Palestinians; fostering democratization and stability for countries in crisis, such as Bosnia, Haiti, Rwanda, Kosovo, and Liberia; facilitating democratization and free market economies in Central Europe and the former Soviet Union; suppressing international narcotics production and trafficking through assistance to Colombia and other Andean drug-producing countries; and alleviating famine and mitigating refugee situations in places throughout the world.

Foreign Operations and State Department Funding Trends

Foreign Operations Appropriations Trends

As shown in **Figure 1**, Foreign Operations funding levels, expressed in real terms taking into account the effects of inflation, have fluctuated widely over the past 30 years.[6] After peaking at over $35 billion in FY1985 (constant FY2006 dollars), Foreign Operations appropriations began a period of decline to a low-point of $14.6 billion in FY1997, with only a brief period of higher amounts in the early 1990s due to special supplementals for Panama and Nicaragua (1990), countries affected by the Gulf War (1991), and the former Soviet states (1993).

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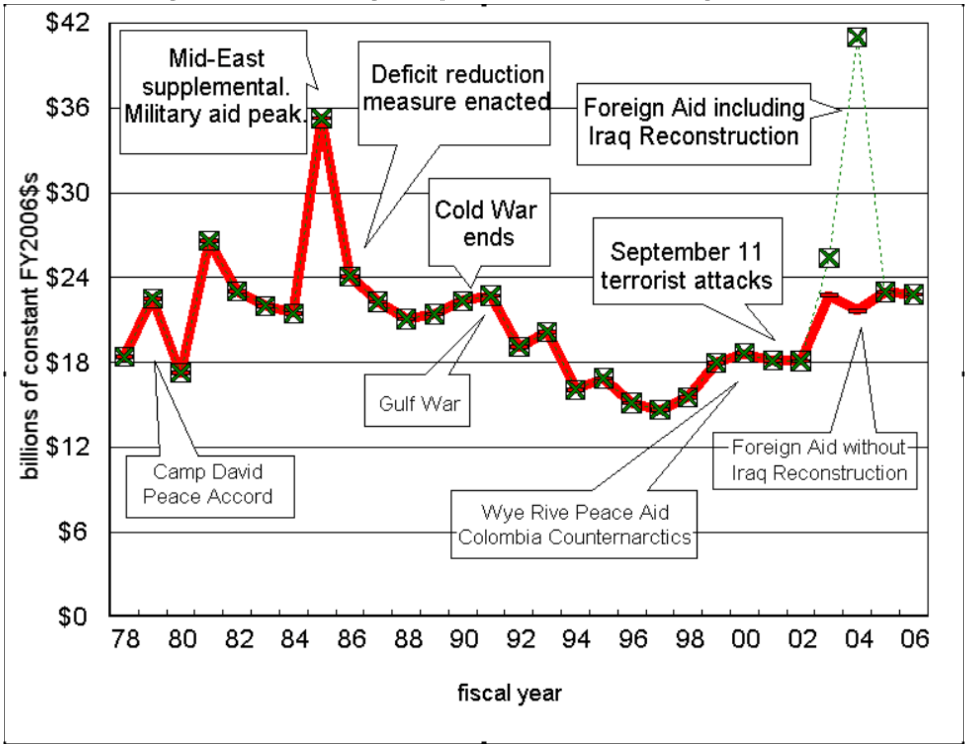
[6] Some of these swings in budget levels are not the result of policy decisions, but are due to technical budget accounting changes involving how Congress "scores" various programs. For example, the large increase in FY1981 did not represent higher funding levels, but rather the fact that export credit programs began to be counted as appropriations rather than as "off-budget" items. Part of the substantial rise in spending in FY1985 came as a result of the requirement to appropriate the full amount of military aid loans rather than only the partial appropriation required in the past. Beginning in FY1992, Congress changed how all Federal credit programs are "scored" in appropriation bills which further altered the scoring of foreign aid loans funded in Foreign Operations. All of these factors make it very difficult to present a precise and consistent data trend line in Foreign Operations funding levels. Nevertheless, the data shown here can be regarded as illustrative of general trends in Congressional decisions regarding Foreign Operations appropriations over the past 29 years.

Figure 1. Foreign Operations Funding Trends



Arguing that declining international affairs resources seriously undermined U.S. foreign policy interests and limited the ability of American officials to influence overseas events, Clinton Administration officials and outside groups vigorously campaigned to reverse the decade-long decline in the foreign policy budget. Foreign aid spending increased slightly in FY1998, but beginning the following year and continuing to the present, Foreign Operations appropriations have trended upward due in large part to the approval of resources for special, and in some cases unanticipated, foreign policy contingencies and new initiatives.

While funding for regular, continuing foreign aid programs also rose modestly during this period, supplemental spending for special activities, such as Central American hurricane relief (FY1999), Kosovo emergency assistance (FY1999), Wye River/Middle East peace accord support (FY2000), a counternarcotics initiative in Colombia and the Andean region (FY2000), aid to the front line states in the war on terrorism and Iraq-war related assistance (FY2003-FY2005), was chiefly responsible for the growth in foreign aid appropriations.

While Foreign Operations appropriations had been rising for five consecutive years, amounts approved in FY2003 and FY2004 reached unprecedented levels compared with funding over the past 40 years. Substantial supplementals of $7.5 billion and $21.2 billion, respectively, for assistance to the front line states in the war on terrorism and Afghanistan and Iraq reconstruction, pushed spending upward. Foreign Operations spending for FY2004 — $41 billion (constant FY2006 dollars) — was the highest level, in real terms, since the early 1960s.

The enacted level for FY2005 of $22.75 billion (in constant terms and including supplemental appropriations,) while less than the previous two years, is the largest Foreign Operations appropriation, in real terms, in over a decade.

Table 3. Foreign Operations Appropriations, FY1996 to FY2006

(discretionary budget authority in billions of current and constant dollars)

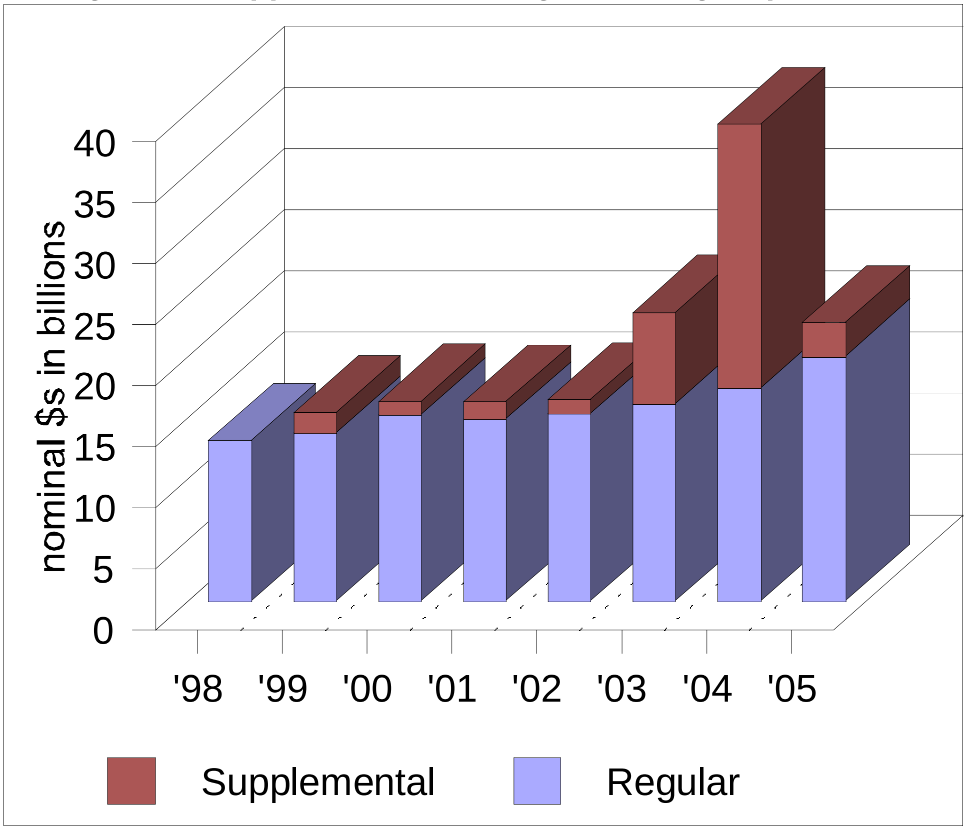
	FY96	FY97	FY98	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06
nominal $s	12.46	12.27	13.15	15.44	16.41	16.31	16.54	23.67	39.05	22.27	22.83
constant FY06 $s	15.15	14.64	15.54	18.00	18.67	18.14	18.11	25.41	41.01	22.75	22.83

Note: FY1999 excludes $17.861 billion for the IMF. FY2003 includes $2.475 billion and FY2004 includes $19.42 billion in supplemental appropriations for Iraq reconstruction. FY2005 includes the regular appropriation, plus $100 million for Caribbean hurricane relief provided in P.L. 108-324 and $2.77 billion provided in P.L. 109-13, the FY2005 emergency supplemental for Iraq, Afghanistan, and tsunami relief.

Growing Importance of Supplementals. Supplemental resources for Foreign Operations programs, which in FY2004 exceeded regular Foreign Operations funding, have become a significant channel of funding for U.S. international activities. Due to the nature of rapidly changing overseas events and the emergence of unanticipated contingencies to which it is in the U.S. national interest to respond, it is not surprising that foreign aid and defense resources from time to time are the major reason for considering and approving supplemental spending outside the regular appropriation cycle. Supplementals have provided resources for such major foreign policy events as the Camp David accords (FY1979), Central America conflicts (FY1983), Africa famine and a Middle East economic downturn (FY1985), Panama and Nicaragua government transitions (FY1990), the Gulf War (FY1991), and Bosnia relief and reconstruction (FY1996).

But after a period of only one significant foreign aid supplemental in eight years, beginning in FY1999 Congress approved Foreign Operations supplemental appropriations exceeding $1 billion in each of the past six years. Relief for Central American victims of Hurricane Mitch, Kosovo refugees, and victims of the embassy bombings in Kenya and Tanzania in FY1999 totaled $1.6 billion, and was followed in FY2000 by a $1.1 billion supplemental, largely to fund the President's new counternarcotics initiative in Colombia. As part of a $40 billion emergency supplemental to fight terrorism enacted in September 2001, President Bush and Congress allocated $1.4 billion for foreign aid activities in FY2001 and FY2002. Another $1.15 billion supplemental cleared Congress in FY2002 to augment Afghan reconstruction efforts and assist other front-line states in the war on terrorism.

Figure 2. Supplemental Funding for Foreign Operations



Until FY2003, these additional resources accounted for between 7% and 11% of total Foreign Operations spending. The $7.5 billion Iraq War supplemental for FY2003, however, went well beyond these standards, representing nearly one-third of the FY2003 Foreign Operations budget, and was surpassed, as noted above, only by FY2004 supplemental appropriations, which more than doubled the Foreign Operations budget for the year. Congress approved another large Foreign Operations supplemental for FY2005 — $2.52 billion — largely for additional Afghan reconstruction, tsunami disaster relief, and additional aid for Sudan — representing about 11% of total appropriations for this year.[7]

State Department/Broadcasting Appropriation Trends

Over the past nearly three decades, the funding level for the State Department and international broadcasting has reflected generally an upward trend. Although there were a few brief periods of declining resources, appropriations continually climbed to the point where the FY2006 budget request is more than double what it was in the 1978-1984 time period.

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[7] The FY2005 supplemental included $3.52 billion in "new" Foreign Operations funds, but a $1 billion rescission of FY2003 economic aid to Turkey lowered the "net" supplemental to $2.52 billion.

Many of the spikes in funding over the years were related to overseas security issues. Since the Vietnam War, American embassies have increasingly been the targets of hostile action. Terrorist attacks grew in number in the 1970s, the decade ending with the taking of American hostages in Tehran in 1979. Similarly, in the early 1980s, the State Department recognized a greater need to tighten security after the 1983 bombing of U.S. Marine barracks in Beirut, Lebanon, and the bombing of the embassy annex in Beirut in 1984. In 1985, a report by the Advisory Panel on Overseas Security, headed by Admiral Bobby Inman, set new standards for security measures at U.S. facilities around the world. In 1986 Congress provided an embassy supplemental appropriation to meet those standards. Again in August 1998, another major attack occurred on U.S. embassies in Kenya and Tanzania. Later that year, Congress passed an emergency supplemental that sharply increased total State Department spending. And, as noted above, following the September 11, 2001 terrorist attacks, several emergency supplemental appropriations raised the State Department funding levels to all-time highs by FY2004.

The Clinton Administration generally believed in a multilateral approach to handling international problems, and sought an expansion of U.N. involvement in international peacekeeping. In 1994, the Administration requested supplemental funding for U.N. peacekeeping to provide more help with Cyprus and African regional efforts, as well as Angola, Iraq, Yugoslavia, Somalia, Haiti, and Mozambique. Congress appropriated $670 million for the peacekeeping supplemental in 1994, more than doubling the international peacekeeping account that year.

During this same period, both Congress and the Administration struggled to reduce the Federal deficit. Some Members contended that, with the end of the Cold War, a peace dividend could be derived, and believed that foreign policy agency funding could be trimmed to help meet growing budget pressures. Reorganization of the international broadcasting entities beginning in 1994, and later the consolidation of the foreign policy agencies into the Department of State in 1999, reflected the mood in Congress to streamline these foreign policy agencies, thereby realizing budgetary savings.

From the outset of the George W. Bush Administration, then-Secretary of State Colin Powell strongly asserted within the executive branch and in testimony to Congress that State Department resource needs had been neglected during the previous decade and that significant increases were needed to improve technology and staffing challenges. The Administration of Foreign Affairs portion of State Department spending, the area of the budget out of which personnel and technology costs are paid, has risen from $4 billion FY2000 to nearly $6.8 billion in the FY2006 request, an increase, in real terms, of 70%.

Figure 3. State Department/Broadcasting Funding Trends

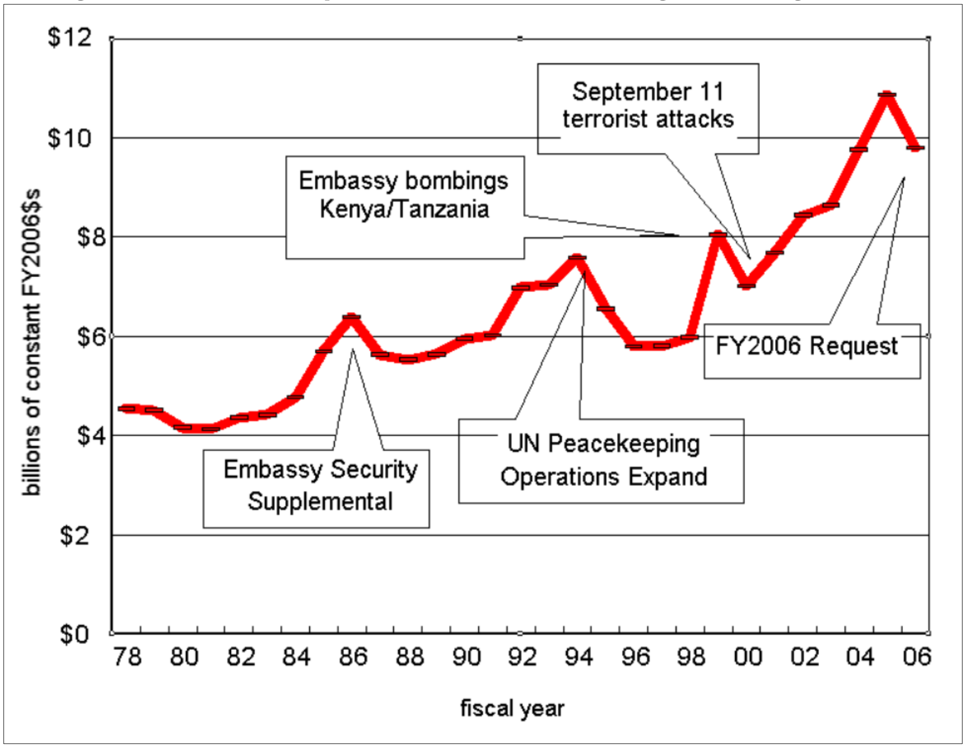


Table 4. State Department/Broadcasting Appropriations, FY1996 to FY2006

(discretionary budget authority in billions of current and constant dollars)

	FY96	FY97	FY98	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06
nominal $s	4.77	4.87	5.06	6.91	6.16	6.91	7.71	8.05	9.29	10.67	9.80
constant FY06 $s	5.80	5.81	5.98	8.05	7.01	7.69	8.44	8.64	9.76	10.89	9.80

Data Notes

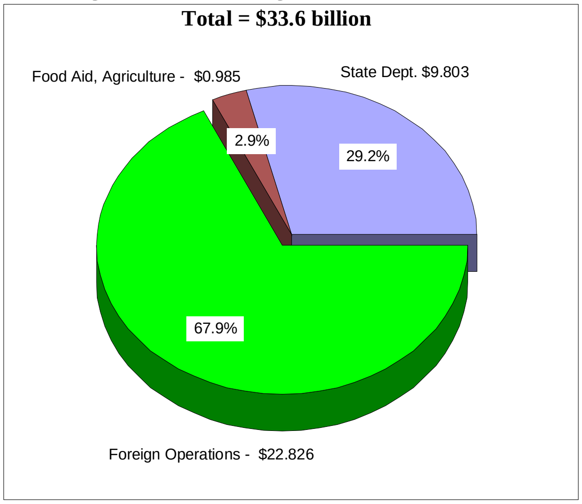
Unless otherwise indicated, this report expresses dollar amounts in terms of *discretionary budget authority*. The Foreign Operations and State Department Appropriation bills include two *mandatory* retirement programs for USAID and State Department officers that are not included in figures and tables. The two retirement funds are scheduled to receive $42.5 million and $132.6 million, respectively, for FY2005.

In addition, funding levels and trends discussed in this report exclude U.S. contributions to the International Monetary Fund (IMF), which are enacted periodically (about every five years) in Foreign Operations bills. Congress approved $17.9 billion for the IMF in FY1999, the first appropriation since FY1993. Including these large, infrequent, and uniquely "scored" IMF appropriations would distort a general analysis of Foreign Operations funding trends. Although Congress provides new budget authority through appropriations for the full amount of U.S. participation, the transaction is considered an exchange of assets between the United States and the IMF, and results in no outlays from the U.S. treasury. In short, the appropriations are off-set by the creation of a U.S. counterpart claim on the IMF that is liquid and interest bearing.

Foreign Operations/State Department, the FY2005 Budget Resolution, and Sec. 302(b) Allocations

Usually, Appropriations Committees begin markups of their spending bills only after Congress has adopted a budget resolution and funds have been distributed to the Appropriations panels under what is referred to as the Section 302(a) allocation process. Section 302(a) is the pertinent authority in the Congressional Budget Act. Following this, House and Senate Appropriations Committees separately decide how to allot the total amount available among their subcommittees, staying within the functional guidelines set in the budget resolution. This second step is referred to as the Section 302(b) allocation. Foreign Operations and State Department funds fall within the International Affairs budget function (Function 150), representing in most years about 67% and 30%, respectively, of the function total. The other major component of Function 150 — international food assistance — is funded in the Agriculture spending measure.

Figure 4. Budget Function 150



How much International Affairs money to allocate among each of the subcommittees with jurisdiction, and how to distribute the funds among the numerous programs, are decisions exclusively reserved for the Appropriations Committees. Nevertheless, overall ceilings set in the budget resolution can have significant implications for the budget limitations within which the House and Senate subcommittees will operate when they meet to mark up their annual appropriation bills.

On March 17, 2005, both houses approved budget resolutions for FY2006 (H.Con.Res. 95 and S.Con.Res.18) that reduce the amount of discretionary budget authority for International Affairs funding compared with the Presidents's request. The House measure cut Function 150 by about $1.6 billion, or 4.7%, while the Senate resolution set discretionary spending roughly $350 million, or 1%, below the Administration's proposal.

The final agreement on H.Con.Res. 95, which cleared both Houses on April 28, cut deeper into the International Affairs budget function than either of the earlier resolutions. As approved, Function 150 is set at $31.37 billion for FY2006, about $2.4 billion, or 7%, less than the President's request.

House and Senate Appropriations Committees, however, can choose to allocate the final amount set out in the budget resolution among the various subcommittees with jurisdiction over the International Affairs budget proportionally different than what the President proposed or to alter the overall amount for foreign policy activities. Depending on other competing priorities, the final allocations can diverge significantly from those assumed in the budget resolution. Nevertheless, the size of the reduction compared with the executive request approved in the budget resolution creates a challenging budget picture for appropriation subcommittees with jurisdiction over Foreign Operations and State Department/Broadcasting programs.

The House Appropriations Committee announced its subcommittee allocations on May 5, providing $20.27 billion to the Foreign Operations Subcommittee, a level $2.56 billion, or 11.2%, below the Administration's recommendation. During each of the past two years, the House Foreign Operations Subcommittee was able to absorb more modest reductions to the President's request largely by paring back the large increases proposed by the President for the Millennium Challenge Account. Once again the executive branch seeks a substantial increase for the MCA — doubling its budget to $3 billion. But even if the Subcommittee decides again to recommend a sizable cut to the MCA proposal, it will likely not be sufficient to cover a significant portion of the shortfall in the Subcommittee's allocation compared to the President's request. Reductions, it appears, will be required across a number of programs and accounts.

For State Department and related programs, the implications of the House Sec. 302(b) allocations were less clear because these funds are merged with a range of domestic agencies. However, the $3.16 billion House SSJC Subcommittee allocation was 5.2% less than the Administration's request. State Department programs absorbed a relatively small portion of this reduction — $272 million, or 3.7% less than the request — when the House Appropriations Committee ordered reported the SSJC measure on June 7.

The situation in the Senate is much different, where the State, Foreign Operations Subcommittee will have significantly more funds than its House counterparts to support programs under its jurisdiction. The Senate 302(b) allocations, issued on June 9, provides $31.67 billion to the Subcommittee, $1 billion, or 3.1% less than the combined State Department/Foreign Operations request. Under the Senate plan, a decision to reduce the MCA request along the lines of the past two years could absorb the entire gap between the President's request for FY2006 and the Subcommittee allocation.

Foreign Operations/State Department Appropriations Request for FY2006

On February 7, 2005, the President submitted his FY2006 budget request, including $22.8 billion for Foreign Operations and $9.8 billion for State Department and Related Agencies appropriations. These amounts are 15.7% and 12.2%, respectively, higher than FY2005 amounts enacted in regular, non-supplemental appropriations. The combined Foreign Operations/State Department request of $32.67 billion is 14.6% larger than regular FY2005 funding. With passage of the FY2005 Emergency Supplemental Appropriations (H.R. 1268), total Foreign Operations for this year increases to $22.27 billion, while State Department/Broadcasting funds rise to $10.78 billion. Comparing the FY2006 request with the total amount enacted for FY2005 — regular and supplemental — finds Foreign Operations increasing by about $300 million, or 2.5%, and State Department and related programs decreasing by $943 million, or 8.7%.

Foreign Operations Request Overview and Congressional Action

The 15.7% increase over regular FY2005 appropriations proposed for Foreign Operations is one of the largest additions in the President's request for discretionary spending in FY2006. By comparison, the Administration seeks increases for two other high priority budget areas — defense and homeland security — of about 5% and 3%, respectively.

Despite the large overall increase for Foreign Operations, much of the added funding is concentrated in a few areas. The FY2006 budget continues to highlight foreign aid in support of the war on terrorism as the highest priority, with a 9% increase in aid to the front-line states in the war on terrorism and 12% more funds for global counter-terror programs. Resources would continue to grow for the President's two newest foreign aid initiatives — the Millennium Challenge Account (MCA) and the President's Emergency Plan for AIDS Relief (PEPFAR). The MCA request doubles to $3 billion in FY2006 while Foreign Operations funds for PEPFAR would rise from $2.28 billion in FY2005 to $2.56 billion in the FY2006 request. (Additional PEPFAR funds are proposed in the Labor/HHS appropriation measure, bringing the total FY2005 PEPFAR request to $3.16 billion.) After failing to win congressional approval the past three years for a contingency fund that could be used in response to unanticipated foreign policy emergencies, the White House again proposes $100 million for a Crisis Response Fund. The State Department's International Narcotics and Law Enforcement program would also receive a significant funding boost of over 60%, almost entirely to support a nearly three-fold increase in programs to stem opium poppy cultivation in Afghanistan. The Administration is also seeking the transfer of about $300 million in food assistance, traditionally funded in the Agriculture appropriation measure, to Foreign Operations and USAID's disaster assistance account in order to enhance the flexibility and lower costs for providing timely emergency food relief overseas.

Combined, funding for these major elements of the Foreign Operations request total $12.5 billion, or 26% higher than for FY2005. By contrast, the $10.3 billion proposed for all other Foreign Operations activities is just 4.8% higher than FY2005 regular appropriations amounts.

Table 5. Foreign Operations Significant Increases FY2006

($s — billions)

	FY2005 Regular*	FY2006 Request	FY2006 +/- FY2005
Foreign Operations Total	**$19.737**	**$22.826**	**15.7%**
Significant increases for FY2006:			
"Front-Line States" aid	$5.300	$5.800	9.4%
Anti-Terrorism programs	$0.142	$0.159	12.0%
Millennium Challenge Account	$1.488	$3.000	101.6%
Emergency Plan for AIDS Relief	$2.279	$2.564	12.5%
Conflict Response Fund	—	$0.100	—
Counter-narcotics aid[a]	$0.237	$0.264	11.4%
USAID disaster assistance	$0.485	$0.656	35.3%
Significant increases for FY2006, Total	**$9.931**	**$12.543**	**26.3%**
Remaining Foreign Operations Programs	**$9.806**	**$10.283**	**4.9%**

* FY2005 excludes emergency supplemental funding.

a. Because all assistance for Afghanistan is included in the figures for the front-line states above, counter-narcotics programs for Afghanistan are not included here in order to avoid double-counting. If Afghan counter-drug aid was included, FY2005 would total $326 million, compared with $524 million requested for FY2006, a 60% increase.

Fighting the War on Terrorism

Since the terrorist attacks in September 2001, American foreign aid programs have shifted focus toward more direct support for key coalition countries and global counter-terrorism efforts. In total, Congress has appropriated approximately $46.2 billion in FY2002-FY2005 Foreign Operations funding to assist the approximately 28 front-line states in the war on terrorism, implement anti-terrorism training programs, and address the needs of post-conflict Iraq and other surrounding countries. ("Front-line" states are those nations cooperating with the United States in the global war on terrorism or are facing terrorist threats themselves.) Nearly half of all Foreign Operations appropriations the past four years have gone for terrorism or Iraq war-related purposes.

Although there is disagreement regarding the extent to which foreign aid can directly contribute to reducing the threat of terrorism, most agree that economic and security assistance aimed at reducing poverty, promoting jobs and educational opportunities, and helping stabilize conflict-prone nations can indirectly address some of the factors that terrorists use to recruit disenfranchised individuals for their cause.

The FY2006 budget continues the priority of fighting terrorism with $5.8 billion, or 25%, of Foreign Operations resources assisting the front-line states. The largest front-line state recipients for FY2006 include Afghanistan ($920 million), Pakistan ($698 million), Jordan ($462 million), and Iraq ($414 million). While the FY2006 request changes little in the size and composition of bilateral assistance for these countries that play key roles in the war on terror, questions are likely to be raised over the proposals for Afghanistan and Iraq.

The $920 million aid package for Afghanistan, while similar in size to amounts appropriated in the FY2005 regular Foreign Operations measure, does not include military assistance to train and equip the Afghan army, an activity that received around $400 million in Foreign Operations funding for FY2004 and FY2005. Instead, the Administration proposes placing military aid programs under the direction of the Defense Department and sought $1.3 billion for such purposes in the FY2005 Emergency Supplemental (H.R. 1268). Military assistance programs have maintained a long tradition of falling under the policy authority of the Secretary of State and civilian diplomats at the Department, with DOD given responsibility to manage the operations. Congress approved the shift from Foreign Operations to Defense Department funds for Afghan military aid in the FY2005 Emergency Supplemental, but only after adding the requirement that the Secretary of State must concur with DOD decisions over how to program these funds.

The FY2006 request for front-line states also differs from previous proposals in that for the first time, Iraq reconstruction funds are sought in a regular, rather than an emergency spending measure. Since Congress approved $18.44 billion for Iraq in the FY2004 emergency supplemental P.L. 108-106), no additional Foreign Operations funds have been requested until now.[8] The Administration's $414 million would largely focus on democracy and governance activities ($130 million) and economic reconstruction ($230 million). Some critics, however, continue to argue that since $5.6 billion of the $18.44 billion remains unobligated and that only $4.7

[8] The FY2005 Emergency Supplemental includes $5.7 billion, as requested, for Iraq security forces training programs, an amount that comes out of the Defense Department's budget, not Foreign Operations.

billion has been spent, there are sufficient funds available to meet current and future reconstruction needs in Iraq.[9]

Anti-terrorism training and technical assistance programs also would rise by 12% above FY2005 levels, as illustrated in **Table 6**.

Table 6. Global Counter-Terrorism Program Funding
($s — millions)

Program	FY03 Enacted	FY04 Enacted	FY05 Enacted	FY06 Request	FY06 House	FY06 Senate	FY06 Conf.
Anti-Terrorism Aid	65.6	141.4	117.8	133.5	—	—	—
Terrorist Interdiction	5.0	5.0	5.0	7.5	—	—	—
Engagement w/ Allies	—	—	2.0	2.0	—	—	—
Terrorist Financing - State Dept	5.0	—	7.2	7.5	—	—	—
Terrorist Financing - Treasury	5.0	5.0	10.0	8.5	—	—	—
TOTAL Counter-Terrorism	**80.6**	**151.4**	**142.0**	**159.0**	**—**	**—**	**—**

The Millennium Challenge Account[10]

The largest funding increase in the FY2006 Foreign Operations budget is for the Millennium Challenge Account (MCA), a foreign aid program announced in early 2002 and created in February 2004. The MCA is designed to radically transform the way the United States provides economic assistance, concentrating resources on a small number of "best performing" developing nations. MCA funds are managed by a new Millennium Challenge Corporation (MCC), which provides assistance through a competitive selection process to developing nations that are pursing political and economic reforms in three areas:

- Ruling justly — promoting good governance, fighting corruption, respecting human rights, and adhering to the rule of law;

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[9] Obligation and spending figures from Department of State. *Iraq Weekly Status Report*, April 27, 2005, p. 19. For more details on the status and implementation of Iraq reconstruction programs, see CRS Report RL31833, *Iraq: Recent Developments in Reconstruction Assistance*.

[10] For a complete discussion of the Millennium Challenge Account, its current status, and future challenges, see CRS Report RL32427, *The Millennium Challenge Account: Implementation of a New U.S. Foreign Aid Initiative.*

- Investing in people — providing adequate health care, education, and other opportunities promoting an educated and healthy population; and
- Fostering enterprise and entrepreneurship — promoting open markets and sustainable budgets.

If fully implemented and funded at its $5 billion per year target level, the initiative would represent one of the largest increases in foreign aid spending in half a century, outpaced only by the Marshall Plan following World War II and the Latin America-focused Alliance for Progress in the early 1960s.

The MCA concept is based on the premise that economic development succeeds best where it is linked to the principles and policies of free market economy and democracy, and where governments are committed to implementing reform measures in order to achieve such goals. The MCA differs in several fundamental respects from past and current U.S. aid practices:

- the size of the $5 billion commitment;
- the competitive process that will reward countries for past actions measured by 16 objective performance indicators;
- the pledge to segregate the funds from U.S. strategic foreign policy objectives that often strongly influence where U.S. aid is spent; and
- the requirement to solicit program proposals developed solely by qualifying countries with broad-based civil society involvement.

The request for FY2006 is $3 billion, twice the amount appropriated for FY2005, but less than the $5 billion FY2006 target that the President pledged when he announced the initiative in March 2002. The MCC's Board of Directors selected 17 countries[11] to participate in the program in FY2004 and FY2005, and the Corporation signed its first agreement, or Compact, with Madagascar on April 18, 2005.

Some Members of Congress, however, believe the initiative has started more slowly than they had anticipated, spending only small amounts of the roughly $2.5 billion appropriated in total for FY2004 and FY2005. Doubling the budget of an untested foreign aid program while other traditional development assistance programs are scheduled for reductions in FY2006, they assert, may not be the best allocation of Foreign Operations resources. The MCC argues, however, that the signing of additional Compacts will accelerate in the coming months, that existing resources are likely to be fully committed by the end of calendar 2005, and that an additional $3 billion is necessary to finance new countries selected for FY2006 programs. The Board is expected to meet and finalize the FY2006 participants in November.

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[11] The 17 countries are: Armenia, Benin, Bolivia, Cape Verde, Georgia, Ghana, Honduras, Lesotho, Madagascar, Mali, Mongolia, Morocco, Mozambique, Nicaragua, Senegal, Sri Lanka, and Vanuatu.

President's Emergency Plan for AIDS Relief (PEPFAR)

In his January 2003 State of the Union address, President Bush pledged to increase substantially U.S. financial assistance for preventing and treating HIV/AIDS, especially in the most heavily affected countries in Africa and the Caribbean. The President promised $15 billion over five years, $10 billion of which would be money above and beyond current funding. Most, but not all PEPFAR funds are included in the Foreign Operations bill; the balance is provided in the Labor/HHS appropriation measure.

Table 7. U.S. International HIV/AIDS, Tuberculosis, and Malaria Programs

(millions of current dollars)

Program	FY2002 Actual	FY2003 Actual	FY2004 Actual	FY2005 Estimate	FY2006 Request	FY2006 House	FY2006 Senate	FY2006 Conf.
USAID Child Survival/Health account for HIV/AIDS - regular	$395.0	$587.6	$513.4	$347.2	$330.0	—	—	—
USAID Child Survival/Health account for the Global Fund	$50.0	$248.4	$397.6	$248.0	$100.0	—	—	—
USAID Global Fund Carry-over	—	—	($87.8)[a]	$87.8	—	—	—	—
USAID Child Survival/Health account for TB & Malaria	$165.0	$129.0	$155.0	$168.6	$109.0	—	—	—
USAID other economic assistance	$40.0	$38.2	$51.7	$51.1	$53.0	—	—	—
State Dept. Global AIDS Initiative	—	—	$488.1	$1,373.9	$1,870.0	—	—	—
GHAI for the Global Fund	—	—	—	—	$100.0	—	—	—
Foreign Military Financing	—	$2.0	$1.5	$2.0	$2.0	—	—	—
Subtotal, Foreign Operations	**$650.0**	**$1,005.2**	**$1,519.5**	**$2,278.6**	**$2,564.0**	—	—	—
CDC Global AIDS Program	$143.8	$182.6	$273.9	$123.8	$123.9	—	—	—
CDC International Applied Prevention Research	$11.0	$11.0	$11.0	$11.0	$11.0	—	—	—
CDC International TB & Malaria	$15.0	$15.8	$17.9	$15.9	$11.0	—	—	—
NIH International Research	$218.2	$278.6	$317.2	$332.3	$350.0	—	—	—
Global Fund contribution, NIH/HHS	$125.0	$99.3	$149.1	$99.2	$100.0	—	—	—
Labor Dept AIDS in the Workplace	$8.5	$9.9	$9.9	$2.0	$0.0	—	—	—
Subtotal, Labor/HHS/Ed	**$521.5**	**$597.2**	**$779.0**	**$584.2**	**$595.9**	—	—	—
DOD HIV/AIDS prevention education with African militaries	$14.0	$7.0	$4.2	$7.5	$0.0	—	—	—
USDA Section 416(b) Food Aid	$25.0	$24.8	$24.8	$24.8	$0.0	—	—	—
TOTAL, all appropriations	**$1,210.5**	**$1,634.2**	**$2,327.5**	**$2,895.1**	**$3,159.9**	—	—	—
TOTAL, Global Fund	**$175.0**	**$347.7**	**$546.7**	**$435.0**	**$300.0**	—	—	—

Sources: House and Senate Appropriations Committees, Departments of State and HHS, USAID, and CDC.

Note: FY2004 and FY2005 estimates are adjusted for required across-the-board rescissions of 0.59% and 0.8%, respectively.

a. Reflects the amount that could not be transferred to the Global Fund in FY2004, but that has been carried over for a contribution in FY2005.

The program aims to prevent 7 million new infections, provide anti-retroviral drugs for 2 million infected people, and provide care for 10 million infected people, including orphans, in the 15 "focus" countries where much of the additional resources are concentrated. These 15 nations — 12 in sub-Saharan Africa,[12] plus Haiti, Guyana, and Vietnam — are among the world's most severely affected and where about half of the current 39 million HIV-positive people live. The new funds are channeled through the State Department's Global HIV/AIDS Initiative (GHAI), an office headed by the United States Global AIDS Coordinator, Randall Tobias. The AIDS Coordinator oversees not only the GHAI programs in the focus countries, but also the HIV/AIDS programs of USAID and other agencies in both focus and non-focus countries.

For FY2006, the President requests a total of $3.16 billion for the international HIV/AIDS initiative — $2.56 billion in Foreign Operations — up from the $2.9 billion enacted for FY2005 ($2.28 billion in Foreign Operations). As shown in **Table 7**, however, the increased budget request concentrates new resources in the State Department's GHAI program where funding for the 15 focus countries increases by over one-third. Bilateral HIV/AIDS assistance for non-focus countries remains at roughly the same level in the FY2006 request, while USAID bilateral malaria and tuberculosis appropriations would decline by 35%.

A contentious executive-legislative issue in the past has been how much to allocate out of the PEPFAR budget for a U.S. contribution to the Global Fund to Fight AIDS, Tuberculosis, and Malaria. The Fund is an international organization established in 2001 to receive contributions from countries that will finance HIV/AIDS, tuberculosis, malaria, and broad public health programs in nations facing acute health crisis. Some believe the President's plan is too strongly unilateral and argue for the United States to act in closer cooperation with other countries and donors, particularly the Global Fund. Since FY2003, Congress has boosted the President's annual $200 million request for the Global Fund to between $350 million and $550 million. The President proposes $300 million for the Global Fund for FY2006, still well below congressional appropriations the past three years.

Development and Humanitarian Assistance: Funding Priorities, Account Restructuring, and Policy Differences

A continuing source of disagreement between the executive branch and Congress is how to allocate the roughly $3 billion "core" budget for USAID development assistance and global health programs. Among the top congressional development aid funding priorities in recent years have been programs supporting child survival, basic education, and, as noted above, efforts to combat HIV/AIDS and

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[12] These 12 countries are: Botswana, Cote d'Ivoire, Ethiopia, Kenya, Mozambique, Namibia, Nigeria, Rwanda, South Africa, Tanzania, Uganda, and Zambia.

other infectious diseases. The Administration has also backed these programs, but officials object to congressional efforts to increase funding for children and health activities when it comes at the expense of other development sectors.

In years when Congress has increased appropriations for its priorities, but not included a corresponding boost in the overall development aid budget, resources for other aid sectors, such as economic growth and the environment, have been substantially reduced. This was more problematic during the mid-to-late 1990s when world-wide development aid funding fell significantly. In more recent years, and especially since FY2003, Congress increased overall development assistance so that both congressional and executive program priorities could be funded without significant reductions for non-earmarked activities. Nevertheless, Administration officials continue to argue that such practices undermine their flexibility to adjust resource allocations to changing global circumstances.

Most recently, USAID Administrator Natsios told the House Foreign Operations Subcommittee that part of the problem lay with development contractors, non-governmental organizations (NGOs), trade associations, universities, and other groups that have become major implementors of USAID development assistance programs. These organizations and individuals, he asserts, lobby Congress to earmark higher funds for programs the groups manage, mainly in the social sectors, but ignore other development programs, such as those supporting agriculture, infrastructure, institutional capacity building, and governance. The result, according to Administrator Natsios, is that the areas of USAID's budget that are not earmarked get "squeezed" by resource requirements mandated in Foreign Operations appropriation bills, leaving serious funding gaps in conducting a broad, comprehensive, and well-integrated development assistance strategy.[13]

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[13] Testimony of USAID Administrator Andrew Natsios before the House Foreign Operations Appropriations Subcommittee, April 20, 2005. Figures shown in Table 9 illustrate some of these points made by Administrator Natsios. Comparing amounts requested in FY2005 for specific programs with those enacted by Congress show a substantial reduction in the enacted level for the categories of Agriculture/Environment and Economic Growth. Conversely, there are significant increases between requested and enacted for the areas of Child Survival, Vulnerable Children, Other Infectious Diseases, and Family Planning.

Table 8. Development Assistance Funding

($s — millions)

	FY2004 Actual	FY2005 Estimate	FY2006 Request	FY06 +/- FY05 $	%
USAID "Core Development" Accounts:					
Development Asst. Fund	$1,376.8	$1,448.3	$1,103.2	($345.1)	-23.8%
Transition Initiatives (TI)	$54.7	$48.6	$325.0	$276.4	568.7%
subtotal, Development & TI	$1,431.5	$1,496.9	$1,428.2	($68.7)	-4.6%
Child Survival/Health	$1,824.2	$1,537.6	$1,251.5	($286.1)	-18.6%
Subtotal, "Core Development"	**$3,255.7**	**$3,049.4**	**$2,679.7**	**($369.7)**	**-12.1%**
Global AIDS Initiative	$488.1	$1,373.9	$1,970.0	$596.1	43.4%
Millennium Challenge Account	$994.0	$1,488.0	$3,000.0	$1,512.0	101.6%
TOTAL, Development Aid	**$4,737.8**	**$5,911.3**	**$7,649.7**	**$1,738.4**	**29.4%**

Source: USAID.

a. USAID's strategic pillars for Economic Growth and Democracy correspond to the Development Assistance account in title II of annual Foreign Operations appropriations bills.

b. USAID's strategic pillar for Global Health corresponds to the Child Survival and Health Program Fund account in title II of annual Foreign Operations appropriations bills.

Funding Disagreements. All sides agree that the Bush Administration has increased significantly overall funding for U.S. development and humanitarian aid activities, underpinned by the launch of the PEPFAR and MCA initiatives. This trend would continue in FY2006 under the President's request in which total development assistance would grow by over $1.7 billion, or 29% (see **Table 8**). A concern expressed frequently by development aid proponents and some Members of Congress, however, is that the two new initiatives were intended to be an *additional* source of international development funding, not a substitute for traditional programs. While the State Department's Global AIDS Initiative account (the major element of the PEPFAR program) and the MCA program have grown to represent a combined $5 billion in the President's FY2006 request, over $2.1 billion higher than for FY2005, the budget recommendations for the long-standing, traditional USAID accounts of Development Assistance and Child Survival and Health Programs are about $370 million, or 12% less than approved for FY2005.

Looking below the Account Level at Sector Allocations. Perhaps a more informative analysis of the FY2005 proposal is to look not at the totals but to compare funding levels recommended for individual components of development assistance. This broadens the scope of Foreign Operations account to include both the "core" development aid accounts and other funding channels, such as the Economic Support Fund, assistance to Eastern Europe and states of the former Soviet

Union, and alternative development programs funded under the Andean Counterdrug Initiative.

Using this broader scope of comparison, as illustrated in **Table 9**, a mixed picture emerges regarding the FY2006 budget proposal. The Administration seeks a substantial increase in Economic Growth (+21%), Higher Education (+10%), and Conflict Management (+18%) activities, with smaller increases proposed for Agriculture/Environment (+4%), Basic Education (+2%), Child Survival (+5%), and Democracy/Governance (+7%). Conversely, large cuts are proposed in most health categories — Vulnerable Children (-63%), Other Infectious Diseases (-28%), and contributions to the Global AIDS Fund, as well as reductions for Human Rights (-18%) and Family Planning programs (-3%).

Because of USAID plans to realign the structure of two accounts, however, there is a degree of uncertainty over precise sector allocation comparisons. USAID proposes to move programs for four "fragile" countries — Ethiopia, Sudan, Haiti, and Afghanistan — from the Development Assistance account to the Transition Initiatives (TI) account. (See discussion below regarding this request.) In order to compare FY2005 and FY2006 accurately, amounts for these four countries must be deducted from FY2005 totals because USAID has not determined how FY2006 resources for these four states under the Transition Initiatives account will be allocated. This is likely to distort some of the comparisons, making an accurate analysis of changes between FY2005 and FY2006 impossible until USAID determines how it plans to disburse TI assistance to the four fragile states.[14]

[14] For example, comparisons for the sector of Basic Education may be one that is most difficult, and possibly mis-leading. In FY2005, USAID allocated $24 million out of the Development Assistance account for Basic Education programs in Afghanistan, an amount not included in the Table 9 comparison. For FY2006, USAID proposes $42 million in Basic Education for Afghanistan, to be drawn from the ESF account and therefore, included in Table 9 totals. If the ESF amount represents the entire FY2006 Basic Education program for Afghanistan and no Basic Education funds are allocated from the Afghan Transition Initiatives account, overall Basic Education appropriations for FY2006 would decline by 5% rather than increase by 2%, as shown in Table 9.

Table 9. Economic Aid Allocations, by Program Sector

($s — millions)

Strategic Pillar	FY2005 Request	FY2005 Estimate	FY2006 Request	FY2006 +/- FY2005
Economic Growth/Agriculture/Trade	**$3,509.9**	**$3,381.4**	**$3,692.6**	**9.2%**
Agriculture & Environment	$765.1	$738.5	$766.4	3.8%
Economic Growth	$1,914.7	$1,787.6	$2,165.1	21.1%
Basic Education for Children	$273.2	$333.8	$341.2	2.2%
Higher Education and Training	$128.8	$146.5	$161.9	10.5%
Special Concerns[a]	$428.0	$375.0	$258.0	-31.2%
Global Health	**$1,604.0**	**$1,747.5**	**$1,501.9**	**-14.1%**
Child Survival/Maternal Health	$408.6	$425.3	$446.5	5.0%
Vulnerable Children	$18.6	$36.2	$13.5	-62.7%
HIV/AIDS (USAID non-focus countries)[b]	$521.0	$386.3	$363.0	-6.0%
Global Fund for AIDS, TB, & Malaria	$100.0	$248.0	$100.0	-59.7%
Other Infectious Diseases	$152.4	$214.7	$153.9	-28.3%
Family Planning	$403.4	$437.0	$425.0	-2.7%
Democracy, Conflict, & Humanitarian	**$1,070.1**	**$1,172.7**	**$1,255.7**	**7.1%**
Democracy & Local Governance	$936.6	$937.1	$1,003.3	7.1%
Human Rights	$35.6	$57.2	$47.0	-17.9%
Conflict Management	$98.0	$178.3	$205.4	15.2%

Source: USAID.

Notes: This table shows the distribution of economic aid funding, by sector, across most Foreign Operations accounts: Development Assistance, Child Survival/Health, Economic Support Fund, East European aid, foreign Soviet aid, Andean Counterdrug Initiative, and Transition Initiatives (except for FY2006 "fragile states"). It does not include allocations for HIV/AIDS "focus countries" that are now allocated exclusively out of the State Department's Global AIDS Initiative account. See footnote "b" below.

For FY2006, the Administration proposes to fund Economic Growth and Democracy programs for four "fragile" countries — Ethiopia, Sudan, Haiti, and Afghanistan — out of the Transition Initiatives account rather than the Development Assistance account. USAID, however has not reported how it plans to allocate the $275 million for these four countries among the program sectors shown in this table. For consistency and comparative purposes, amounts for these four countries in the Economic Growth and Democracy sectors for FY2005 requested and FY2005 estimated have been excluded.

a. Special Concerns category include economic aid programs for Israel and the South Pacific Fisheries.

b. Excludes Global AIDS Initiative allocations of $605.8 million in FY2005 estimate and FY2006 request. The FY2005 request did not utilize this methodology and cannot be compared with the other columns. In the FY2005 Foreign Operations conference report, Congress directed the Administration to allocate all focus-country assistance out of the Global AIDS account and not from the Child Survival/Health account. As a result, there was a sharp reduction in the amount of HIV/AIDS funding allocated from the Child Survival/Health account from the requested level, but a corresponding increase in the Global AIDS account that is not shown in this table.

USAID Appropriation Account Realignment Proposals. For FY2006, the Administration proposes to realign four appropriation accounts, one of which is in the Agriculture appropriation bill, that will require action by the Foreign Operations subcommittees. The rationale in each case, according to Executive branch officials, is to provide USAID with greater flexibility and the means to respond more effectively and appropriately to rapidly changing development needs.

Broadening the Transition Initiatives Account. A growing concern among U.S. national security and development officials is the threat posed to U.S. interests and the complexities of addressing the needs of fragile, failing, and post-conflict states. Last year, the State Department created an Office of the Coordinator for Reconstruction and Stabilization (O/CRS) in order to strengthen the U.S. capacity to deal with such countries which can be the source of regional instability and terrorists/criminal operations. The Senate has under consideration legislation that would authorize an expansion of the O/CRS (see S. 600) while funding for the Coordinator's Office is included in the State Department appropriations budget request.

Related to this effort is a proposal by USAID to transfer economic growth and democracy program resources, currently funded in the Development Assistance account, for four "fragile" states and place them in the Agency's Transition Initiatives (TI) account. The FY2006 USAID request recommends that $275 million in development aid for Ethiopia, Sudan, Haiti, and Afghanistan be shifted to the TI account, and combined with the traditional Transition Initiatives budget for a total TI appropriation request of $325 million. (See **Table 8**, above.) The TI account, which was established about 10 years ago, supports countries that face crisis or are in transition from conflict to stable development. It is a form of assistance that can bridge the gap between a strictly humanitarian intervention and the establishment of a permanent, long-term development strategy. In the past, Congress has approved a core appropriation to the TI Office at USAID from which funds are allocated as needs emerge. Annual appropriations have ranged between $40 and $55 million.

The FY2006 request marks the first time that USAID would manage a full country development assistance program out of the TI account. From the Agency's perspective, this offers greater flexibility — TI funds are available "notwithstanding" restrictions and conditions that might otherwise apply to development aid resources — and would permit USAID officials to design programs aimed at achieving results in a shorter time frame than the current five-year development program time horizon. At present, the TI account does not include congressional country or programmatic earmarks and permits a shorter congressional review period for new activities. Agency officials argue that this shift would avoid the more common six- twelve-month period for a regular development aid program to make its way through the contracting and congressional notification processes.[15]

Besides making it more difficult to compare USAID program funding priorities for FY2006 with FY2005, an issue noted above, some Members have questioned

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[15] See comments by USAID Administrator Natsios before the Council on Foreign Relations, April 20, 2005.

why this account realignment is necessary. Some wonder whether the change will erode congressional oversight of aid programming in these highly volatile environments. It is also unclear how these fragile state USAID programs will fit into the broader U.S. strategy addressing failing and fragile countries overseen by the O/CRS. For FY2006, USAID says that its field missions will manage the TI programs in the same way that they currently operate regular development assistance activities.

Shifting Conditions for Food Aid Programing. The Administration also seeks to transfer $300 million from the so-called PL480 Title II food assistance program,[16] funded in the annual Agriculture appropriation bill, to the International Disaster and Famine Assistance (IDFA) account in Foreign Operations. This would not result in a net gain or loss of resources available for international food aid, but change considerably how the $300 million could be programmed. Currently, PL480 assistance must be used to purchase U.S. commodities and transported, for the most part, on ships owned by American firms. IDFA resources have no such conditions attached. "Buy America" and cargo preference required by PL480 help U.S. agricultural and maritime interests, but add costs to the shipment of commodities overseas.

The Administration argues the proposal substantially improves the developmental impact of food aid by allowing the $300 million to purchase commodities in developing nations, thereby providing additional markets and income sources to local farmers. In some cases the commodities may come from an area close to an emergency situation, helping deliver the food more quickly and at a far lower cost. Transportation expenses of PL480 commodities often can equal the value of the food itself. Some in Congress, however, are opposed to this re-alignment of the PL480 and IDFA accounts. To them, it represents a further erosion of support for American farmers. They also raise questions regarding the quality of foreign-purchased commodities and whether proper standards and inspections are in place to ensure that the emergency food supplies are suitable. These critics contend that food could be pre-positioned near famine-prone regions so that commodities could be made able immediately.

Family Planning and UNFPA Policy Controversies.[17] U.S. population assistance and family planning programs overseas have sparked continuous controversy during Foreign Operations debates for nearly two decades. For FY2006, the Administration requests $425 million for international reproductive health and family planning programs, an amount that includes $25 million for the U.N. Population Fund (UNFPA) in the event the organization is declared eligible for U.S. assistance. This represents a cut of 8% from the combined $462 million available

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[16] Title II of the Agricultural Trade Development and Assistance Act of 1954, P.L. 83-480. Title II authorizes grant food aid for both emergency and non-emergency purposes.

[17] For more extensive discussion of the these controversies surrounding U.S. family planning programs and UNFPA contributions, see CRS Issue Brief IB96026, *Population Assistance and Family Planning Programs: Issues for Congress*; CRS Report RL30830, *International Family Planning: The "Mexico City" Policy*; and CRS Report RL32703, *The U.N. Population Fund: Background and the U.S. Funding Debate*.

in FY2005 for bilateral family planning programs and UNFPA, or other reproductive health programs if UNFPA is ineligible.

Although funding considerations have at times been heatedly debated by Congress, the most contentious family planning issues addressed in nearly every annual congressional consideration of Foreign Operations bills have focused on two matters: whether the United States should contribute to the U.N. Population Fund (UNFPA) if the organization maintains a program in China where allegations of coercive family planning have been widespread for many years, and whether abortion-related restrictions should be applied to bilateral USAID population aid grants (commonly known as the "Mexico City" policy).

UNFPA Funding. During the Reagan and George H.W. Bush Administrations, the United States did not contribute to UNFPA because of concerns over practices of forced abortion and involuntary sterilization in China where UNFPA maintains programs. In 1985, Congress passed the so-called Kemp-Kasten amendment which has been made part of every Foreign Operations appropriation since, barring U.S. funds to any organization that supports or participates "in the management" of a program of coercive abortion or involuntary sterilization. In 1993, President Clinton determined that UNFPA, despite its presence in China, was not involved in the management of a coercive program. From 1993 through the end of the decade, in most years Congress appropriated about $25 million for UNFPA, but added a directive that required that the amount be reduced by however much UNFPA spent in China. Consequently, the U.S. contribution has fluctuated between $21.5 million and $25 million.

For FY2002, President George W. Bush requested $25 million for UNFPA. Congress provided in the FY2002 Foreign Operations bill "not more than" $34 million for UNFPA. But after the White House placed a hold on UNFPA funds in January 2002 and sent a State Department team to investigate, in July 2002 Secretary of State Powell announced that UNFPA was in violation of the Kemp-Kasten provision and that funds would be withheld. Although Congress has continued to earmark funds for UNFPA in subsequent Foreign Operations bills, the Administration has continued to find UNFPA ineligible under the Kemp-Kasten restrictions and has re-directed the earmarked funds for other women's programs.

For FY2005, Congress again earmarked $34 million for UNFPA — $25 million drawn from the International Organizations and Programs (IO&P) account and $9 million drawn from the Child Survival/Health account. The entire $34 million is subject to Kemp-Kasten restrictions, but the Administration has issued no determination regarding the FY2005 funds. If the President determines that UNFPA is ineligible, Congress directs the Administration to transfer the $25 million IO&P account funds to the Child Survival/Health account for USAID-managed family planning, maternal and reproductive health programs.

Mexico City Policy. The debate over international family planning policy and abortion began over three decades ago, in 1973, when Congress added a provision to the Foreign Assistance Act of 1961 prohibiting the use of *U.S. appropriated funds* for abortion-related activities and coercive family planning programs. During the mid-1980s, in what has become known as the Mexico City policy (because it was first announced at the 1984 Mexico City Population Conference), the Reagan Administration, and later the George H. W. Bush Administration, restricted funds for foreign non-governmental organizations (NGOs) that were involved in performing or promoting abortions in countries where they worked, even if such activities were undertaken with *non-U.S. funds*. President Clinton in 1993 reversed the position of his two predecessors, allowing the United States to resume funding for all family planning organizations so long as no *U.S. money* was used by those involved in abortion-related work.

Subsequently, on January 22, 2001, two days after taking office, President George W. Bush issued a Memorandum to the USAID Administrator to rescind the 1993 memorandum of President Clinton and to direct the Administrator to "reinstate in full all of the requirements of the Mexico City Policy in effect on January 19, 1993." The President further said that it was his "conviction that taxpayer funds should not be used to pay for abortions or to advocate or actively promote abortion, either here or abroad." A separate statement from the President's press secretary stated that President Bush was "committed to maintaining the $425 million funding level" for population assistance "because he knows that one of the best ways to prevent abortion is by providing quality voluntary family planning services." The press secretary further emphasized that it was the intent that any restrictions "do not limit organizations from treating injuries or illnesses caused by legal or illegal abortions, for example, post abortion care." On February 15, 2001, the day on which FY2001 population aid funds became available for obligation, USAID issued specific policy language and contract clauses to implement the President's directive. The guidelines are nearly identical to those used in the 1980s and early 1990s when the Mexico City policy applied.

Critics of the certification requirement oppose it on several grounds. They believe that family planning organizations may cut back on services because they are unsure of the full implications of the restrictions and do not want to risk losing eligibility for USAID funding. This, they contend, will lead to higher numbers of unwanted pregnancies and possibly more abortions. Opponents also believe the new conditions undermine relations between the U.S. Government and foreign NGOs and multilateral groups, creating a situation in which the United States challenges their decisions on how to spend their own money. They further argue that U.S. policy, in effect, imposes a "gag" order on the ability of foreign NGOs and multilateral groups to promote changes to abortion laws and regulations in developing nations. This would be unconstitutional if applied to American groups working in the United States, critics note.

Supporters of the certification requirement argue that even though permanent law bans USAID funds from being used to perform or promote abortions, money is fungible; organizations receiving American-taxpayer funding can simply use USAID resources for permitted activities while diverting money raised from other sources to perform abortions or lobby to change abortion laws and regulations. The certification process, they contend, closes the fungibility loophole.

Since reinstatement of the Mexico City policy in early 2001, several bills have been introduced to reverse the policy, but except for language included in the Senate FY2004 Foreign Operations appropriations bill (S. 1426), none has passed either the

House or Senate, and no measure has been enacted into law. On April 5, 2005, the Senate approved 52-46 an amendment by Senator Boxer to S. 600 that would effectively overturn the Mexico City policy. S. 600, an omnibus foreign policy and aid authorization bill, remains under consideration in the Senate and has not received a final vote.

Conflict Response Fund

The Administration proposes to establish within the State Department a $100 million contingency fund to allow the United States to respond quickly to unforseen foreign crises with resources targeting immediate stability and reconstruction needs. This would include funding the capacity to mobilize and deploy an emergency civilian presence in the field. In the past, Congress has been reluctant to approve this type of contingency fund for which it can apply little oversight. The Administration had asked lawmakers to launch somewhat similar crisis funds in several recent emergency supplemental and Foreign Operations appropriation requests, proposals that were rejected in each case. The Conflict Response Fund, however, differs from these previous requests in that it is linked with a broad State Department strategy to more effectively respond to weak, fragile, and post-conflict states that can pose serious security risks for the United States. In mid-2004, with considerable encouragement by Senator Lugar and other Members of Congress, the Department created the Office of the Coordinator for Reconstruction and Stabilization to manage the U.S. government civilian response to crisis and unstable situations and is seeking funds to form and train a civilian ready response corps. Presumably, the Conflict Response Fund could be utilized by the Coordinator as an operational tool in the immediate aftermath of an international crisis where American interests were threatened. Previous requests for contingency funds had placed control of the money in the White House and did not link the resources with a specific U.S. policy initiative.

Other Key Elements of the FY2006 Request

Beyond these specific and prominent issues, the Foreign Operations proposal for FY2006 seeks to increase aid activities in a few areas while cutting resources for several programs. Significant appropriation increases included:

- **Export-Import Bank** resources would increase from $99 million to $226 million, allowing the Bank to guarantee about $13.76 billion in loans, the same as estimated for FY2005.

- **USAID administrative costs** would grow substantially, with operating expenses climbing by 11% and capital investment costs rising by one-third.

- **Peace Corps** spending would increase by 9%, but falls far below the level necessary to sustain the President's initiative announced three years ago to double the number of Peace Corps volunteers by FY2007.

- **Refugee assistance** resources would rise by 17% over FY2005 regular appropriations (excluding supplementals), with one-third of the additional resources for overseas programs and two-thirds available for refugee admissions into the United States.

- **Peacekeeping** funds would grow by 10%, including the expansion of Global Peace Operations Initiative ($114 million) that trains and equips foreign troops to strengthen their capacity to support global peace support operations. The program incorporates previous efforts focused exclusively in Africa, but with a substantial increase in resources.

- **Contributions to the World Bank's International Development Association (IDA) and to the African Development Fund**. The United States recently joined new replenishment agreements for both institutions. The FY2006 request includes $107 million and $31 million more, respectively, for IDA and the African Fund.

For several other Foreign Operations accounts, the FY2006 submission represents a reduction below regular amounts approved in FY2005. The proposal cuts funding in three main areas:

- assistance to **former Soviet states and Eastern Europe**, collectively, would decline by $85 million, or 10% from FY2005 levels.

- Worldwide totals for **Foreign Military Financing (FMF)**, the main U.S. military aid account, would decline by about over $150 million, or 3%. This reduction, however, is entirely the result of military aid for Afghanistan — $400 million in FY2005 — shifting to DOD appropriations. Adjusting for this transfer, the FMF request is 5% higher than FY2005 regular levels.

- Voluntary contributions to **international organizations** would decrease 13%, with reductions proposed for **UNICEF** (-$10 million) and the **UN Development Program** (-$13 million).

Table 10. Summary of Foreign Operations Appropriations

(Discretionary funds — in millions of current dollars)

Bill Title & Program	FY2004 Enacted	FY2005 Regular	FY2005 Supp	FY2005 Total	FY2006 Request
Title I - Export Assistance	(123)	(62)	—	(62)	97
Title II - Bilateral Economic Aid	32,626	13,241	2,042	15,283	16,241
Development/Child Survival/Global AIDS	*3,744*	*4,408*	—	*4,408*	*4,650*
Iraq Relief & Reconstruction	*18,439*	—	—	—	*414*

Bill Title & Program	FY2004 Enacted	FY2005 Regular	FY2005 Supp	FY2005 Total	FY2006 Request
Millennium Challenge Acct	*994*	*1,488*	—	*1,488*	*3,000*
Title III - Military Assistance	4,868	5,012	490	5,502	4,871
Israel/Egypt	*4,378*	*3,439*	—	*3,439*	*3,520*
Title IV - Multilateral Aid	1,678	1,545	—	1,545	1,617
Total Foreign Operations	**39,049**	**19,736**	**2,532**	**22,268**	**22,826**
Total, without Iraq Recon.	**20,610**	**19,736**	**2,532**	**22,268**	**22,412**

Source: House Appropriations Committee and CRS calculations.

Leading Foreign Aid Recipients Proposed for FY2006

While Iraq is the largest current recipient of U.S. assistance, cumulatively, since FY2003, and Israel and Egypt remain the largest annual U.S. aid recipients, significant changes among other benefactors of U.S. assistance have emerged. In the aftermath of the September 11 terrorist attacks, the war in Iraq, and the initiation of the President's Emergency Program for AIDS Relief (PEPFAR), foreign aid allocations have changed in several significant ways. The request for FY2006 continues the patterns of aid distributions of the past three years, with the added feature of several PEPFAR countries joining the list of top recipients. **Table 11** lists those nations that have received an average of more than $100 million from the United States in FY2005 and requested for FY2006. Countries are listed in the order of the combined amounts for those two years.

Since September 11, the Administration has used economic and military assistance increasingly as a tool in efforts to maintain a cohesive international coalition to conduct the war on terrorism and to assist nations that have both supported U.S. forces and face serious terrorism threats themselves. Pakistan, for example, a key coalition partner on the border with Afghanistan, had been ineligible for U.S. aid, other than humanitarian assistance, due to sanctions imposed after it conducted nuclear tests in May 1998, experienced a military coup in 1999, and fell into arrears on debt owed to the United States. Since lifting aid sanctions in October 2001, the United States has transferred over $2.4 billion to Pakistan. Jordan, Indonesia, and the Philippines also are among the top aid recipients as part of the network of "front-line" states in the war on terrorism.

Table 11. Leading Recipients of U.S. Foreign Aid
(Appropriation Allocations; in millions of current dollars)

	FY2003 Total	FY2004 Total	FY2005 Regular	FY2005 Supp	FY2005 Total	FY2006 Request
Israel	3,682	2,624	2,559	—	2,559	2,520
Egypt	2,204	1,865	1,821	—	1,821	1,796
Afghanistan	543	1,799	956	1,724	2,680	920
Pakistan	495	387	536	150	686	698
Colombia	602	574	568	—	568	559
Jordan	1,556	560	458	200	658	462
West Bank/Gaza	125	75	74	200	274	150
Iraq	2,485	18,439	—	—	—	414
Sudan*	27	171	201	33	234	112
Kenya	59	85	159	—	159	213
Uganda	70	113	149	—	149	220
South Africa	73	99	139	—	139	190
Haiti*	35	102	126	20	146	164
Nigeria	73	80	130	—	130	176
Indonesia*	132	123	136	—	136	159
Peru	177	157	153	—	153	135
Zambia	57	82	113	—	113	159
Ethiopia*	56	74	114	—	114	145
Ukraine	153	113	94	60	154	117
Bolivia	139	133	132	—	132	123
Philippines	153	111	129	—	129	96

Sources: U.S. Department of State.

Note: Countries are listed in order of the combined FY2005 and FY2006 estimate.

* Amounts in this table reflect only direct bilateral, non-food aid programs to these countries. In several cases, especially those noted with an "*", countries that have or are experiencing a crisis or natural disaster will receive considerable amounts of U.S. aid through worldwide emergency humanitarian assistance accounts for disaster, refugee, and food relief. For example, assistance for Sudan in FY2005 totals more than $1 billion after including these emergency programs. In many cases this emergency assistance is not identified on a country basis. It should be kept in mind, however, that for these selected countries, U.S. assistance is considerably higher in some years than the figures noted here.

Another major cluster of top recipients are those in the Andean region — Colombia, Peru, and Bolivia — where the Administration maintains a large counternarcotics initiative that combines assistance to interdict and disrupt drug production, together with alternative development programs for areas whose economies rely on the narcotics trade.

A new dimension in U.S. aid allocations — the impact of the President's international HIV/AIDS initiative — can also be seen in amounts allocated for FY2004/FY2005 and proposed for FY2006. Uganda, Ethiopia, Kenya, Zambia, South Africa, and Nigeria, all PEPFAR focus countries, are now among the leading recipients of U.S. assistance. This list will further change once the Administration announces aid packages for Millennium Challenge Account qualifying countries, perhaps adding several additional countries that receive more than $100 million in U.S. assistance.

Missing, from the list of top recipients, are several countries in the Balkans and the former Soviet Union — Serbia and Montenegro, Kosovo, Russia, Armenia, and Georgia — which have seen levels decline in recent years. Since Armenia and George are MCA-eligible countries, aid levels may return to $100 million-plus annual levels if they are awarded grants. Turkey, a leading recipient in most years over the past 25 years, also falls off the list.

State Department Appropriations and Related Agencies Overview and Congressional Action

Budgets for the Department of State and the Broadcasting Board of Governors (BBG), as well as U.S. contributions to United Nations (U.N.) International Organizations, and U.N. Peacekeeping, under the House Appropriations Committee structure, fall within the Science, State, Justice, Commerce and Related Agency (SSJC) appropriations.[18] Under the new divisions of the Senate Appropriations Committee organization, however, the State Department and BBG programs are combined with Foreign Operations programs as part of the State, Foreign Operations and Related Programs appropriations.

Intertwined with the annual appropriations process is the biannual Foreign Relations Authorization that, by law, Congress must pass prior to the State Department's expenditure of its appropriations. Frequently, these authorizing measures address both State Department and selected foreign aid issues. The Senate is considering a State Department authorization bill for FY2006 and FY2007 (S. 600), but has not come to a final vote on the measure.[19]

On February 7, 2005, the Administration requested a funding level for the Department of State of $9.15 billion, representing a 13.6% increase over the FY2005

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[18] See CRS Report RL32885, *Science, State, Justice, Commerce and Related Agency (SSJC) Appropriations*, for a full discussion of that bill.

[19] For details on the history and past foreign relations authorization legislation, H.R. 1950/S. 2144, see CRS Report RL31986, *Foreign Relations Authorization, FY2004 and FY2005: State Department and Foreign Assistance*.

regular appropriations. For international broadcasting, the request of $652 million represents a 10.2% increase over the FY2005 enacted amount.

Table 14 provides regular and supplemental State Department and related agencies' appropriations for FY2004, FY2005 and the FY2006 request. Rescissions for FY2005 are reflected in the table.

State Department

The State Department's mission is to advance and protect the worldwide interests of the United States and its citizens through the staffing of overseas missions, the conduct of U.S. foreign policy, the issuance of passports and visas, and other responsibilities. Currently, the State Department coordinates with the activities of 50 U.S. government agencies and organizations in operating more than 260 posts in over 180 countries around the world. The Department's staff size has increased, largely because of the integration in 1999 of the Arms Control and Disarmament Agency (ACDA) and the U.S. Information Agency (USIA) into State. Currently, the State Department employs approximately 30,000 people, about 60% of whom work overseas. Highlights of the FY2006 appropriations proposals follow.

Table 12. Summary of State Department/Broadcasting Appropriations

(Discretionary funds — in millions of current dollars)

Bill Title & Program	FY2004 Enacted	FY2005 Regular	FY2005 Supp	FY2005 Total	FY2006 Request
State Department/Admin of Foreign Affairs	**6,872**	**6,230**	**1,326**	**7,556**	**6,644**
Diplomatic & Consular Progs.	*4,849*	*4,172*	*734*	*4,906*	*4,473*
Embassy Security/Upgrades	*1,441*	*1,504*	*592*	*2,096*	*1,516*
Ed and Cultural Exchanges	*317*	*356*	—	*356*	*430*
Int'l Organizations/Confs.	**1,695**	**1,650**	**680**	**2,330**	**2,332**
Int'l Organizations	*1,000*	*1,166*	—	*1,166*	*1,297*
Int'l Peacekeeping	*695*	*484*	*680*	*1,164*	*1,036*
International Commissions	**57**	**63**	**—**	**63**	**70**
Related Appropriations	**78**	**99**	—	**99**	**105**
subtotal, State Department	**8,702**	**8,042**	**2,006**	**10,048**	**9,151**
International Broadcasting	**592**	**592**	*7*	**599**	**652**
Related Programs	**39**	**133**	—	**133**	**34**
Total State Dept/Broadcasting	**9,333**	**8,767**	**2,013**	**10,780**	**9,837**

Source: House and Senate Appropriations Committee and CRS calculations.

Diplomatic and Consular Programs (D&CP). The D&CP account funds overseas operations (e.g., motor vehicles, local guards, telecommunications, medical), activities associated with conducting foreign policy, passport and visa applications, regional bureaus, under secretaries, and post assignment travel. Beginning in FY2000, the State Department's Diplomatic and Consular Program account included State's salaries and expenses, as well as the technology and information functions of the former USIA and the functions of the former ACDA.

For the FY2006 budget, the Administration is requesting $4.47 billion for D&CP, a 7.2% increase over the FY2005 level. Included in the FY2006 request is $334 million for public diplomacy expenses and $690 million for worldwide security upgrades.

The enacted FY2005 funding level for D&CP was set at $4.17 billion, including $320 million for public diplomacy. Within the D&CP account, the conferees also designated $650 million for worldwide security upgrades. They noted progress by State on right-sizing embassies and urged continued efforts in staffing overseas posts. The conferees provided $837 million for the FY2005 Border Security Program, of which $75 million is from appropriated funds and $662 million will be derived from machine readable visa (MRV) fees.

Embassy Security, Construction and Maintenance (ESCM). This account supports the maintenance, rehabilitation, and replacement of overseas facilities to provide appropriate, safe, secure and functional facilities for U.S. diplomatic missions abroad. Early in 1998, Congress had enacted $640 million for this account for FY1999. However, following the embassy bombings in Africa in August 1998, Congress agreed to more than $1 billion (within a supplemental funding bill) for the *Security and Maintenance account* by establishing a new subaccount referred to as *Worldwide Security Upgrades.*

For FY2005, Congress enacted $604 million for regular ESCM and $900 million for worldwide security upgrades. The conferees included language to establish the Capital Security Cost Sharing Program, as requested by the Administration in that budget request.

For FY2006, the President requests $616 million for regular ESCM expenditures and $910 million for worldwide security upgrades, for a total account level of $1.53 billion, a 1.5% increase over FY2005 enacted funding. The most significant portion of funding for this account — that needed for the U.S. embassies in Iraq and Afghanistan — are not included in the President's FY2006 State Department budget, but are included in the FY2005 Emergency Supplemental Appropriation, as requested, that passed Congress on May 10 and was signed by the President on May 11 (P.L. 109-13; H.R. 1268).

Educational and Cultural Exchanges. This account funds programs authorized by the Mutual Educational and Cultural Exchange Act of 1961, such as the Fulbright Academic Exchange Program, as well as leadership programs for foreign leaders and professionals. Government exchange programs came under close scrutiny in past years for being excessive in number and duplicative. By a July 1997 executive order,[20] the Office of U.S. Government International Exchange and Training Coordination was created. For the FY2002 budget, Congress passed $237 million, including $125 million for the Fulbright programs. For FY2003 this account funding was $244 million, including $132 million for the Fulbright programs. The Consolidated Appropriations Act, FY2004, set the funding for Educational and Cultural Exchanges at $317 million, including $150 million for Fulbright. The conferees noted that exchanges with Eastern European and former Soviet Union countries are to be built into the base of the Educational and Cultural Exchanges, but Congress did not provide the money necessary to fully fund those programs.

The FY2005 appropriation for exchanges overall totaled $356 million. Included is $161 million for the Fulbright Program that, according to the conferees, is to include a Foreign Student Program with Iraq and Afghanistan.

The FY2006 request for Educational and Cultural Exchanges totals $430 million, representing a 21% increase over the FY2005 level. The President's request includes $180 million targeted for key Muslim populations.

The Capital Investment Fund (CIF). CIF was established by the Foreign Relations Authorization Act of FY1994/95 (P.L. 103-236) to provide for purchasing information technology and capital equipment which would ensure the efficient management, coordination, operation, and utilization of State's resources. In FY1998 Congress approved a 250% increase in this fund, from $25 million in FY1997 to $86 million in FY1998.

For FY2004, Congress enacted $79 million for the FY2004 CIF account. In addition, an estimated $114 million was to be derived from expedited passport fees, providing a total of $194 million for FY2004. Conferees noted that $40 million was provided within the Diplomatic and Consular Programs (D&CP) account for IT improvements.

The FY2005 request for CIF was $155 million (95.8% above the FY2004 enacted level), with an additional $114 million in estimated Expedited Passport Fees to be combined with CIF funds to provide a total $269 million for information technology and communication systems at the Department of State. However, Congress enacted $52 million for CIF in FY2005 and also created the Centralized Information Technology Modernization Program, with an appropriation of $77 million. Combined, the two accounts totaled $128 million, 17.3% less than requested for overall IT funding.

For FY2006, the Bush Administration is requesting $133 million for CIF and no funds for the Centralized Information Technology Modernization Program. The CIF request represents a 3.7% increase when compared with the combined technology accounts funded in FY2005.

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[20] EO 13055, July 15, 1997, 62 F.R. 39099.

International Organizations and Conferences

In recent years, U.S. contributions to U.N. international organizations and peacekeeping activities have been complicated by a number of issues, such as the withholding of funds related to international family planning policies. Recently, some controversial issues have included 1) the lack of agreement about the U.N.'s role in the current worldwide dispute on how to deal with Iraq; and 2) the loss of the U.S. seat on the U.N. Commission on Human Rights.

In past years, overdue U.S. arrearage payments had been an issue. Shortly after the September 11th terrorist attack and at a time when the U.S. government was seeking U.N. support in its coalition to fight terrorism, however, Congress passed, and the President signed, legislation (P.L. 107-46) that allowed the United States to make its second tranche ($475 million) of arrearage payments to the U.N.[21]

Contributions to International Organizations (CIO). CIO provides funds for U.S. membership in numerous international organizations and for multilateral foreign policy activities that transcend bilateral issues, such as human rights. Maintaining a membership in international organizations, the Administration argues, benefits the United States by advancing U.S. interests and principles while sharing the costs with other countries. Payments to the U.N. and its affiliated agencies, the Inter-American Organizations, as well as other regional and international organizations are included in this account.

For FY2006 President Bush requests $1.3 billion for international organizations, 11.2% greater than the FY2005 enacted level. The request represents full funding of U.S. assessed contributions to the 47 international organizations.

Congress enacted $1.17 billion as the funding level for CIO in FY2005 and urged the U.N. to do more to resolve the Sudan crisis and investigate the oil-for-food program in Iraq.

Contributions to International Peacekeeping Activities (CIPA). The United States supports multilateral peacekeeping efforts around the world through payment of its share of the U.N. assessed peacekeeping budget. The President's FY2006 request totals $1.04 billion. This represents 114.2% increase over the FY2005 enacted level of $484 million. The FY2005 conferees expressed concern that the Administration had voted in the U.N. Security Council for five new or expanded peacekeeping missions (Haiti, Burundi, Liberia, Cyprus, and Ivory Coast) without seeking appropriations for them from Congress. That is why the FY2006 request is more than double the previous year's funding level.[22] As discussed below, the Administration also proposed $780 million for CIPA in its FY2005 emergency supplemental request. (This amount mirrors the amount the Administration said was lacking in the enacted FY2005 budget for U.N. peacekeeping missions that the

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[21] For more detail, see CRS Issue Brief IB86116, *U.N. System Funding: Congressional Issues,* by Vita Bite.

[22] For more detail on international peacekeeping, see CRS Issue Brief IB90103, *United Nations Peacekeeping: Issues for Congress,* by Marjorie Ann Browne.

Administration voted for in the U.N. security council last year, but did not seek funding for in the FY2005 budget cycle.) Congress reduced the request, however, to $680 million.

International Commissions

The International Commissions account includes the U.S.-Mexico Boundary and Water Commission, the International Fisheries Commissions, the International Boundary Commission, the International Joint Commission, and the Border Environment Cooperation Commission. The FY2006 request of $70 million is an 11.1% increase from the FY2005 level of $63 million.

Related State Department Appropriations

The Asia Foundation. The Asia Foundation is a private, nonprofit organization that supports efforts to strengthen democratic processes and institutions in Asia, open markets, and improve U.S.-Asian cooperation. The Foundation receives both government and private sector contributions. Government funds for the Asia Foundation are appropriated to, and pass through, the State Department. For FY2005, Congress funded the Foundation at $12.8 million, even though the President's request of $8.9 million was well below that level. The Administration request for FY2006 is $10 million, nearly a 22% decrease over funds enacted in FY2005.

The International Center for Middle Eastern-Western Dialogue Trust Fund. The FY2004 conferees added language in the conference agreement for the Consolidated Appropriations Act, FY2004, to establish a permanent trust fund for the International Center for Middle Eastern-Western Dialogue. The act provided $6.9 million for perpetual operations of the Center, to be located in Istanbul, Turkey. Despite the fact that the Administration did not request any FY2005 funding for this Center, Congress provided $7.3 million. The Administration is requesting to spend $0.8 million of interest and earnings from the Trust Fund for program funding in FY2006.

National Endowment for Democracy (NED). The National Endowment for Democracy, a private nonprofit organization established during the Reagan Administration, supports programs to strengthen democratic institutions in more than 90 countries around the world. NED proponents assert that many of its accomplishments are possible because it is not a government agency. NED's critics claim that it duplicates U.S. government democracy programs and either could be eliminated or could operate entirely with private funding. NED's enacted FY2004 budget was $39.6 million. President Bush included a proposal in his State of the Union address in January 2004 to double NED's funding in FY2005 to $80 million for its Greater Middle East Democracy Initiative. However, final congressional action provided $60 million for NED for FY2005. The conferees strongly encouraged NED and its four core grantees to focus funding on democracy promotion activities in the Middle East. The Administration's FY2006 budget request for NED amounts to the same as its FY2005 request of $80 million. This represents a 35.1% increase over the enacted $59.2 million for FY2005.

East-West and North-South Centers. The Center for Cultural and Technical Interchange between East and West (East-West Center), located in Honolulu, Hawaii, was established in 1960 by Congress to promote understanding and cooperation among the governments and peoples of the Asia/Pacific region and the United States. The Center for Cultural and Technical Interchange between North and South (North-South Center) is a national educational institution in Miami, FL, closely affiliated with the University of Miami. It promotes better relations, commerce, and understanding among the nations of North America, South America and the Caribbean. The North-South Center began receiving a direct subsidy from the federal government in 1991. The enacted FY2004 appropriation included $17.7 million for the East-West Center and no funds for the North-South Center. For FY2005 the East-West Center received $19.2 million while, once again, no funds were included for the North-South Center.

The Administration FY2006 request is for $13 million (a decrease of 32.3%) for the East-West Center and no funds for the North-South Center.

Broadcasting Board of Governors

The United States International Broadcasting Act of 1994[23] reorganized within USIA all U.S. government international broadcasting, including Voice of America (VOA), Broadcasting to Cuba, Radio Free Europe/Radio Liberty (RFE/RL), Radio Free Asia (RFA), and the more recently-approved Radio Free Iraq and Radio Free Iran. The 1994 Act established the Broadcasting Board of Governors (BBG) to oversee all U.S. government broadcasting; abolished the Board for International Broadcasting (BIB), the administering body of RFE/RL; and recommended that RFE/RL be privatized by December 31, 1999. This recommendation was repealed by P.L. 106-113.

During the State Department reorganization debate in 1999, the 105th Congress agreed that credibility of U.S. international broadcasting was crucial to its effectiveness as a public diplomacy tool. Therefore, Congress agreed not to merge broadcasting functions into the State Department, but to maintain the Broadcasting Board of Governors (BBG) as an independent agency as of October 1, 1999.

In 2004, the 9/11 Commission recommended that international broadcasting receive an increase in funding, and the Intelligence Reform and Terrorism Prevention Act of FY2004 (P.L. 108-458) included language supporting programs to strengthen a free and independent media in countries with Muslim populations.

Congress enacted a total of $592 million for international broadcasting in FY2005 — $30 million more than the President's FY2005 request. The conferees expressed concern about the "blurring of distinction" between the broadcasting done by the BBG and that done by the Department of Defense and required the BBG to report to congressional committees of any such DoD activities.

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[23] Title III of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995, P.L. 103-236.

For FY2006 international broadcasting activities the President is requesting $652 million with an emphasis on enhancing programming for the war on terrorism, as well as a $10 million increase for modernization of techniques and technology for Cuba Broadcasting. The international broadcasting funding request is10.2% higher than the FY2005 enacted level.

Visa Issuance and Homeland Security

The State Department traditionally has had sole authority to issue visas overseas. The Homeland Security Act of 2002[24] now provides the Secretary of the Department of Homeland Security (DHS) with exclusive authority to: 1) issue regulations regarding administering and enforcing visa issuance, 2) impose upon any U.S. government employee, with consent of the head of his/her agency, any functions involved in visa issuance, 3) assign DHS employees to each overseas post where visas are issued, and 4) use the National Foreign Affairs Training Center to train DHS employees who will be involved in visa issuance. The act states that these authorities will be exercised through the Secretary of State. The Homeland Security Act of 2002 further provides the Secretary of State and consular officers with the authority to refuse visa applications. The act stipulates that within one year after the act is signed, the Secretary of DHS and the Secretary of State must report to Congress on implementation of visa issuance authorities and any proposals that are necessary to improve the activities surrounding visa issuance. Specifically regarding visa issuance in Saudi Arabia, the act stipulates that upon enactment of the act, the third party screening program in Saudi Arabia will terminate, but on-site personnel of the DHS shall review all visa applications prior to adjudication there.

The Homeland Security Act of 2002 did not alter the current authority for the Department of State to use machine readable visa fees as a part of its expenditures. State's total allocation of machine readable visa fees in FY2001 was $395 million; in FY2002 it was $443 million; the FY2003 estimate is $623 million; and the FY2004 estimate is for $688 million. The FY2005 appropriation includes $662 million from MRV fee collections. The budget request for FY2006 includes a request for the use of $672 million in MRV fees. The fees are typically used for State Department border security programs, technology, and personnel.

Now, as part of the war on terrorism, the visa issuance process takes much longer and the U.S.-led war may have reduced demand for travel to America. Thus, officials are seeing a gap between the MRV fee total estimates and actuals. The emergency supplemental appropriation helped to fill that gap in FY2004.

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[24] H.R. 5005/P.L. 107-296, signed into law on November 25, 2002.

FY2005 Emergency Supplemental[25]

On February 14, 2005, President Bush submitted an $82 billion supplemental appropriation request for FY2005 to provide funds for ongoing military operations in Iraq and Afghanistan, the global war on terror, reconstruction in Afghanistan, Tsunami relief and rehabilitation, and other activities. The request included $6.3 billion to support a broad range of foreign policy activities:[26]

- U.S. diplomatic costs in Iraq
- Afghanistan reconstruction and counternarcotics programs
- Darfur humanitarian relief and peace implementation aid in Sudan
- War on Terrorism assistance, including funds for Jordan and Pakistan
- Palestinian aid
- Ukraine assistance
- U.N. peacekeeping contributions
- Broadcasting programs in the Middle East
- Tsunami recovery and reconstruction

As signed by the President on May 11 (P.L. 109-13; H.R. 1268), lawmakers provided $5.78 billion in new appropriations for State Department, foreign aid, tsunami relief, and other foreign policy activities. This represents a $512 million, or 8% reduction to the President's $6.3 billion request. Conferees, as had earlier House and Senate-passed versions of H.R. 1268, offset part of these costs by rescinding $1 billion in FY2003-appropriated funds for aid to Turkey that had not yet been obligated.[27] As a result, the "net" appropriation for foreign policy programs in H.R. 1268 is $4.78 billion, or $1.5 billion below the request. The entire amount is designated as emergency appropriations.

Beyond congressional decisions to reduce selected supplemental requests, the conference agreement and the $512 million cut may have significant implications for Congress' consideration later this year of regular FY2006 appropriations for Foreign Operations and the State Department. In some cases, House and Senate Appropriation Committees had expressed the view that some supplemental requests did not require immediate funding and could be addressed during the debate on FY2006 appropriation bills. This is particularly relevant to the funds proposed for Afghanistan reconstruction and economic aid programs in southern Sudan. As noted earlier, Congress approved a budget resolution for FY2006 (H.Con.Res. 95) that

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[25] For a complete discussion of the supplemental request and congressional action, see CRS Report RL32783, *FY2005 Supplemental Appropriations for Iraq and Afghanistan, Tsunami Relief, and Other Activities.*

[26] With the exception of $150 million in food aid that is funded out of the Agriculture appropriation bill, the entire $6.3 billion was sought for Foreign Operations and State Department/Broadcasting programs.

[27] Congress appropriated $1 billion in the FY2003 Emergency Supplemental (P.L. 108-11) that could be used by Turkey to guarantee loans of about $8.5 billion to bolster its ailing economy. With substantial economic recovery during the past two years, Turkey has not drawn on the $1 billion loan guarantee funds.

assumes a reduction in the President's foreign policy funding request of about $2.4 billion, or 7%. If House and Senate Appropriation Committees add to the pending FY2006 request some of the items not approved in the FY2005 supplemental conference agreement, the challenge of meeting the budget resolution target for international affairs program will be an even greater challenge.

Major recommendations in P.L. 109-13 include:

- Afghanistan reconstruction and police training — $1.78 billion, $262 million less than requested. This level falls between the House-passed measure ($1.4 billion) and the Senate ($2.05 billion). The conference agreement fully funded counter-narcotics activities, but reduces police training by $40 million.

- Darfur humanitarian aid — at least $238 million, roughly the amount proposed by the President. The conference agreement, however, added $90 million in food aid world-wide, some of which might be available for Darfur, and permitted the transfer of $50 million in support of African Union peacekeeping operations in the region. The House measure had increased the funding level for Darfur to $342.4 million. The Senate version approved $242 million, as requested, but added an additional $320 million in food assistance, some of which could be used in Darfur, and $90 million that could have been transferred to meet humanitarian and peacekeeping needs.

- Sudan peace implementation aid — $37 million, as had been included in the House measure. Conferees deleted $63 million in rehabilitation and reconstruction funding. The Senate bill had included the entire $100 million request.

- Palestinian aid — $200 million, as requested and passed in earlier House and Senate votes. The conference measure set aside $50 million, similar to the Senate version, for Israel to help facilitate the movement of Palestinian people and goods in and out of Israel. None of the funds can be used for direct aid to the Palestinian Authority.

- Pakistan military aid — $150 million, as requested.

- Jordan economic and military aid — $200 million, as requested.

- Iraq embassy — $592 million, $66 million below the request. This is the same level as in the Senate bill, while the House measure included an amendment barring the use of the funds for construction of the embassy.

- Peacekeeping — $680 million, $100 million below the request. The conference amount is higher than both the House ($580 million) and Senate ($442 million).

- Tsunami relief and prevention — $656 million for relief and $25.4 million for prevention, the same as in the Senate bill. The House-passed amount was slightly higher. The conference agreement provided authority (but not the $45 million requested) to defer and reschedule debt owed by tsunami-affected countries. The House bill had not granted such authority.

- Partners Fund and Solidarity Fund — No funds were provided for the Partners Fund ($200 million proposed), while the full $200 million request for the Solidarity Fund was included. In addition, the conference agreements added $30 million for other Global War on Terror security assistance, as determined by the President. The House had denied all funding for these purposes, while the Senate approved $225.5 million for the two contingency funds.

- Ukraine aid — $60 million, as requested and including in the Senate measure. The House had approved $33.7 million. In addition, similar to the Senate, the conference agreement provided $10 million for other regional aid requirements in Belarus and the North Caucasus.

- Haiti assistance — $20 million, of which $2.5 million for criminal case management, case tracking, and the reduction of pre-trial detention in Haiti, similar to the Senate position. The $20 million had not been requested or included by the House.

- Iraqi families and communities affected by military operations — $20 million for civilians who have suffered losses due to military activities, similar to a Senate-added provision. These funds will be drawn from the $18.44 billion appropriated in P.L. 108-106, the FY2004 emergency supplemental for Iraq reconstruction.

Table 12 (below) summarizes the spending request and congressional action.

Table 13. Foreign Policy Funds in FY2005 Supplemental

(in millions of dollars)

Activity (account)*	Request	House Passed	Senate Passed	Enacted
Iraq:				
U.S. Mission operations (DCP)	$690.0	$690.0	$280.5[a]	$663.5
New Embassy Compound in Baghdad (Embassy Security/Construction)	$658.0	$592.0[b]	$592.0	$592.0
USAID operating expenses (USAID/OE)	$24.4	$24.4	$24.4	$24.4
USAID Inspector General (USAID/IG)	$2.5	$2.5	$2.5	$2.5
Subtotal, Iraq	**$1,374.9**	**$1,308.9**	**$899.4**	**$1,282.4**
Afghanistan:				
U.S. Mission operations (DCP)	$60.0	$55.5	$60.0[a]	$60.0
Police training (INCLE)	$400.0	$400.0	$444.5	$360.0
Counternarcotics (INCLE)	$260.0	$194.0	$215.5	$260.0
Counternarcotics related activities (ESF)	$248.5	[c.]	[c.]	[c.]
Reconstruction & Democratic institutions/Government capacity building (ESF)	$1,060.8	$739.2 [c.]	$1,309.3 [c.]	$1,086.6 [c.]
Anti-terrorism training and protection programs (NADR)	$17.1	$17.1	$17.1	$17.1
Subtotal, Afghanistan	**$2,046.4**	**$1,405.8**	**$2,046.4**	**$1,783.7**
Sudan/Darfur:				
Refugee relief for Darfur and Chad (MRA)	$48.4	$98.4	$48.4	$48.4
Humanitarian relief for Darfur (IDFA)	$44.0	$94.0	$44.0[d]	$40.0
Emergency food aid for Darfur (PL 480)[e]	$150.0	$150.0	$470.0 [f]	$240.0 [f]
Peacekeeping for Darfur (PKO)	—	—	[g]	[g]
Peace implementation aid for southern Sudan (ESF)	$22.0	$22.0	$22.0	$22.0
Security sector reform-southern Sudan (PKO)	$10.0	$10.0	$10.0	$10.0
Rehabilitation/reconstruction, mainly in southern Sudan (TI)	$63.0	$0.0	$63.0	$0.0
Repatriation of Sudanese refugees (MRA)	$5.0	$5.0	$5.0	$5.0
Subtotal, Sudan/Darfur	**$342.4**	**$379.4**	**$662.4**	**$365.4**
Other Global War on Terror Related:				
Global War on Terrorism Partners Fund	$200.0	$0.0	$25.5	$0.0
Aid for coalition partners with troops in Iraq & Afghanistan-Solidarity Fund (PKO)	$200.0	$0.0	$200.0	$200.0
Global War on Terror aid (PKO)	—	—	—	$30.0
Jordan econ. & military (ESF & FMF)	$200.0	$200.0	$200.0	$200.0
Pakistan military aid (FMF)	$150.0	$150.0	$150.0	$150.0

Activity (account)*	Request	House Passed	Senate Passed	Enacted
Subtotal, Other Global War on Terror	**$750.0**	**$350.0**	**$575.5**	**$580.0**
Other:				
Palestinian economic aid (ESF)	$200.0	$200.0	$150.0	$200.0 [h]
Israel (ESF)	—	—	$50.0	[h]
Ukraine economic assistance (FSA)	$60.0	$33.7	$60.0	$60.0
Belarus/North Caucasus (FSA)	—	—	$10.0	$10.0
Office of the Coordinator for Reconstruction & Stabilization (DCP)	$17.2	$3.0	$17.2	$7.7
Non-Proliferation and Disarmament Fund classified (NADR)	$15.0	$0.0	$15.0	$7.5
Peacekeeping, mainly for operations in Haiti and Africa (CIPA)	$780.0	$580.0	$533.0[i]	$680.0[i]
Refugee admissions backlog (MRA)	—	—	$25.9	$26.0
Africa refugees needs (MRA)	—	—	$29.1	$41.0
Africa emergencies (IDFA)	—	—	—	$50.0
Haiti economic aid (ESF)	—	—	—	$20.0
Lebanon democracy programs (ESF)	—	—	$5.0	$5.0
Middle East Broadcasting (BBG)	$4.8	$4.8	$4.8	$4.8
Broadcasting system upgrade (BBG)	$2.5	$0.0	$2.5	$2.5
Reduction in ESF account	—	($3.0)	—	—
Subtotal, Other	**$1,079.5**	**$818.5**	**$902.5**	**$1,114.5**
Tsunami Recovery and Reconstruction:				
Replenish USAID for immediate response & relief	$120.0	$120.0	$120.0	$120.0
Recovery and reconstruction, of which up to $45 million for debt reduction	$581.0	$539.0	$536.0	$536.0
Replenish DOD's immediate response	$226.1	$226.1	$226.1	$226.1
Tsunami warning system (NOAA and US Geological Survey)	$22.6	$22.6	$25.4	$25.4
Subtotal, Tsunami Recovery and Reconstruction	**$949.7**	**$907.7**	**$907.5**	**$907.5**
Less, non-Foreign Policy funds	($248.7)	($248.7)	($251.5)	($251.5)
Net, Foreign Policy Tsunami Recovery and Reconstruction	**$701.0**	**$659.0**	**$656.0**	**$656.0**
Rescission of FY2003 Turkey aid	—	($1,000.0)	($1,000.0)	($1,000.0)
TOTAL, Foreign Policy Funds	**$6,294.2**	**$3,921.6**	**$4,742.2**	**$4,782.0**

* Account acronyms: BBG = Broadcasting Board of Governors; CIPA = Contributions for International Peacekeeping Activities; DCP = Diplomatic and Consular Programs; ESF = Economic

Support Fund; FMF = Foreign Military Financing; FSA = Assistance for the Independent States of the Former Soviet Union; IDFA = International Disaster and Famine Assistance; INCLE = International Narcotics & Law Enforcement; MRA = Migration and Refugee Assistance; NADR = Nonproliferation, Anti-terrorism, Demining, and Related Programs; NOAA = National Oceanic and Atmospheric Administration; PKO = Peacekeeping Operations; PL 480 = Food for Peace; TI = Transition Initiative; USAID/OE/IG = US Agency for International Development Operating Expenses and Inspector General.

a. The Senate-passed bill reduced the Diplomatic and Consular Programs account by $400 million from the requested level but did not specify whether the reductions would come from Iraq or Afghanistan mission operations. In this table, the entire amount is taken from the Iraq mission operations line.

b. H.R. 1268, as passed by the House, included $592 million for a new U.S. embassy in Baghdad. However, an amendment adopted during floor debate prohibited the use of any funds in the bill for embassy security, construction, and maintenance.

c. Counternarcotics ESF funds included in Reconstruction/Democracy totals in House, Senate, and conference bills.

d. In addition to this amount, the Senate bill earmarked $40.5 million for disaster relief activities in Darfur that could be transferred from the Contribution to International Peacekeeping account, listed below. The enacted bill does not include this transfer authority, but provides a direct disaster relief appropriation of $50 million (see below) for other emergencies in Africa.

e. PL480 food aid is funded in the Agriculture appropriation bill.

f. The Senate bill added $320 million in food aid, some of which would be available for Darfur, but some (to the maximum extent possible) would be available to restore funds that had previously been diverted to respond to the tsunami disaster and to the situation in Darfur. The enacted bill also provides a higher level — $90 million more — for food aid that, like the Senate bill, is available to replenish accounts from which emergency food relief had been diverted. It is likely that not all of the $240 million food aid appropriation will be for Darfur relief.

g. The Senate bill and the conference agreement provided that up to $50 million for Africa Union peacekeeping operations in Darfur could be transferred from the Contribution to International Peacekeeping account, listed below.

h. The enacted bill provides $200 million for Palestinian aid, of which $50 million should be available to Israel to improve the movement of people and goods between Palestinian areas and Israel.

i. The Senate bill reduced the peacekeeping account by $147 million in order to offset appropriations for additional border patrol agents. In addition, the Senate measure provided that $90.5 million could be transferred to support emergency and peacekeeping activities in Darfur. The enacted bill provides that up to $50 million can be transferred from this account to support Africa Union peacekeeping operations in Darfur.

For Additional Reading

Overview

CRS Report 98-916. *Foreign Aid: An Introductory Overview of U.S. Programs and Policy*, by Curt Tarnoff and Larry Nowels.

CRS Report RL32885. *Science, State, Justice, Commerce and Related Agencies (House)/ Commerce, Justice, Science and Related Agencies (Senate): FY2006 Appropriations,* by Susan Epstein and Ian Fergusson.

CRS Report RL32783, *FY2005 Supplemental Appropriations for Iraq and Afghanistan, Tsunami Relief, and Other Activities,* Amy Belasco and Larry Nowels.

Foreign Operations Programs

CRS Issue Brief IB10050. *AIDS in Africa,* by Raymond Copson.

CRS Report RL32252. *AIDS Orphans and Vulnerable Children (OVC): Problems, Responses, and Issues for Congress,* by Tiaji Salaam.

CRS Report RS21437. *The Asian Development Bank,* Martin A. Weiss.

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CRS Report 98-568, *Export-Import Bank: Background and Legislative Issues,* by James Jackson.

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CRS Report RL30830. *International Family Planning: The "Mexico City" Policy,* by Larry Nowels.

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Table 14. Foreign Operations: Detailed Account Funding Levels

(millions of current dollars)

Program	FY2004 Total[a]	FY2005 Regular[b]	FY2005 Supp[c]	FY2005 Total[d]	FY2006 Request	FY2006 House	FY2006 Senate	FY2006 Conference
Title I - Export and Investment Assistance:								
Export-Import Bank	38.5	98.9	—	98.9	225.7	—	—	—
Overseas Private Investment Corp.	(211.0)	(211.6)	—	(211.6)	(177.5)	—	—	—
Trade and Development Agency	49.7	51.1	—	51.1	48.9	—	—	—
Total, Title I - Export Aid	**(122.8)**	**(61.6)**	**0.0**	**(61.6)**	**97.1**	**—**	**—**	**—**
Title II - Bilateral Economic:								
Development Assistance:								
Child Survival & Health (CS/H)	1,824.2	1,537.6	—	1,537.6	1,251.5	—	—	—
Global AIDS Initiative	488.1	1,373.9	—	1,373.9	1,970.0	—	—	—
Development Assistance Fund (DA)	1,376.8	1,448.3	—	1,448.3	1,103.2	—	—	—
Transition Initiatives	54.7	48.6	—	48.6	325.0	—	—	—
Subtotal, CS/H, AIDS, & DA	**3,743.8**	**4,408.4**	**0.0**	**4,408.4**	**4,649.7**	—	—	**—**
Intl Disaster & Famine Aid	544.0	484.9	90.0	574.9	655.5	—	—	—
Tsunami Recovery and Reconstruction Fund	—	—	656.0	656.0	—	—	—	—
Development Credit Programs	8.0	8.0	—	8.0	8.0	—	—	—
Subtotal, Development Aid	**4,295.8**	**4,901.3**	**746.0**	**5,647.3**	**5,313.2**	**—**	**—**	**—**
USAID Operating Expenses	640.5	613.1	24.4	637.5	680.7	—	—	—
USAID Inspector General	34.8	34.7	2.5	37.2	36.0	—	—	—

Program	FY2004 Total[a]	FY2005 Regular[b]	FY2005 Supp[c]	FY2005 Total[d]	FY2006 Request	FY2006 House	FY2006 Senate	FY2006 Conference
USAID Capital Investment Fund	98.3	58.5	—	58.5	77.7	—	—	—
Subtotal, Development Aid & USAID	**5,069.4**	**5,607.6**	**772.9**	**6,380.5**	**6,107.6**	**—**	**—**	**—**
Economic Support Fund (ESF)	3,244.9 [e]	2,462.6	1,433.6	3,896.2	3,036.4	—	—	—
Economic Support Fund rescission — Turkey	—	—	(1,000.0)	(1,000.0)	—	—	—	—
International Fund for Ireland	18.4	18.4	—	18.4	[f]	—	—	—
Eastern Europe/Baltic States	442.4	393.4	—	393.4	382.0	—	—	—
Former Soviet Union	584.5	555.5	70.0	625.5	482.0	—	—	—
Conflict Response Fund	—	—	—	—	100.0	—	—	—
Global War on Terror Partners Fund	—	—	0.0	—	—	—	—	—
Iraq Relief and Reconstruction Fund	18,439.0[g]	—	—	—	—	—	—	—
Coalition Provisional Authority OE	983.0	—	—	—	—	—	—	—
Inter-American Foundation	16.2	17.9	—	17.9	17.8	—	—	—
African Development Foundation	18.6	18.8	—	18.8	18.9	—	—	—
Peace Corps	308.2	317.4	—	317.4	345.0	—	—	—
Millennium Challenge Corporation	994.1	1,488.0	—	1,488.0	3,000.0	—	—	—
Intl Narcotics/Law Enforcement	460.3 [e]	326.2	620.0	946.2	523.9	—	—	—
Intl Narcotics — Andean Initiative	726.7	725.2	—	725.2	734.5	—	—	—
Migration & Refugee Assistance	780.7	763.8	120.4	884.2	892.8	—	—	—
Emergency Refugee Fund (ERMA)	29.8	29.8	—	29.8	40.0	—	—	—
Non-Proliferation/anti-terrorism/demining	396.4	398.8	24.6	423.4	440.1	—	—	—

Program	FY2004 Total[a]	FY2005 Regular[b]	FY2005 Supp[c]	FY2005 Total[d]	FY2006 Request	FY2006 House	FY2006 Senate	FY2006 Conference
Treasury Dept. Technical Assistance	18.9	18.8	—	18.8	20.0	—	—	—
Debt reduction	94.4	99.2	—	99.2	99.8	—	—	—
Total Title II-Bilateral Economic	**32,625.9**	**13,241.4**	**2,041.5**	**15,282.9**	**16,240.8**	**0.0**	**0.0**	**0.0**
Title III - Military Assistance:								
Intl Military Education & Training	91.2	89.0	—	89.0	86.7	—	—	—
Foreign Mil Financing (FMF)	4,632.7 [e]	4,745.2	250.0	4,995.2	4,588.6	—	—	—
Czech FMF loan	19.9	—	—	—	—	—	—	—
Peacekeeping Operations	124.5	103.2	240.0	343.2	195.8	—	—	—
Peacekeeping Operations - Darfur emergency	—	74.4	—	74.4	—	—	—	—
Total, Title III-Military Aid	**4,868.3**	**5,011.8**	**490.0**	**5,501.8**	**4,871.1**	**0.0**	**0.0**	**0.0**
Title IV - Multilateral Economic Aid:								
World Bank - Intl Development Assn	907.8	843.2	—	843.2	950.0	—	—	—
World Bank Environment Facility	138.4	106.6	—	106.6	107.5	—	—	—
World Bank-Mult Investment Guaranty Agency	1.1	—	—	—	1.7	—	—	—
Inter-American Development Bank	24.9	10.9	—	10.9	1.7	—	—	—
Inter-American Investment Corporation	—	—	—	—	1.7			
Asian Development Bank	143.6	99.2	—	99.2	115.3	—	—	—
African Development Fund	112.1	105.2	—	105.2	135.7	—	—	—
African Development Bank	5.1	4.1	—	4.1	5.6	—	—	—

Program	FY2004 Total[a]	FY2005 Regular[b]	FY2005 Supp[c]	FY2005 Total[d]	FY2006 Request	FY2006 House	FY2006 Senate	FY2006 Conference
European Bank for R & D	35.2	35.1	—	35.1	1.0	—	—	—
Intl Fund for Agriculture Development	14.9	14.9	—	14.9	15.0	—	—	—
Intl Organizations & Programs	294.9	325.8	—	325.8	281.9	—	—	—
Total, Title IV - Multilateral	**1,678.0**	**1,545.0**	**0.0**	**1,545.0**	**1,617.1**	—	—	—
TOTAL, Foreign Operations	**39,049.4**	**19,736.6**	**2,531.5**	**22,268.1**	**22,826.1**	—	—	**—**
TOTAL, without Iraq Reconstruction	**20,610.4**	**19,736.6**	**2,531.5**	**22,268.1**	**22,826.1**	—	—	**—**

Sources: House and Senate Appropriations Committee and CRS adjustments.

a. FY2004 includes "regular"and supplemental appropriations, plus amounts transferred from the FY2002 DOD Emergency Response Fund (ERF) for Afghanistan.

b. Amounts shown in this column are FY2005 "regular" appropriations provided in Division D of P.L. 108-447, the Consolidated Appropriation Act , 2005. Sec. 122, Division J of P.L. 108-447 required an 0.8% across-the-board rescission for each account. Amounts in this column are adjusted to reflect the required reduction for each account. Also included in this column is $100 million provided for Caribbean hurricane relief in P.L. 108-324, the FY2005 Military Construction appropriation.

c. Amounts enacted in H.R. 1268, the FY2005 Emergency Supplemental Appropriation.

d. The "FY2005 total" column includes all enacted appropriations, including the Emergency Supplemental.

e. Includes funds for Afghanistan that were reprogrammed in FY2004 from FY2002 Emergency Response Funds.

f. The Administration's FY2006 request includes $8.5 million for the International Fund for Ireland as part of the Economic Support Fund.

g. Excludes $210 million transferred to the International Disaster and Famine Aid account for Liberia ($100 million) and Sudan ($10 million), and to the Economic Support Fund for Jordan ($100 million).

Table 15. State Department/Broadcasting: Detailed Account Funding Levels

(millions of current dollars)

Program	FY2004 Total	FY2005 Regular	FY2005 Supp.	FY2005 Total	FY2006 Request	FY2006 House	FY2006 Senate	FY2006 Conference
Administration of Foreign Affairs:								
Diplomatic and Consular Program	4,849.3	4,172.2	734.0	4,906.2	4,472.6	4,436.6	—	—
[Public Diplomacy]	*[$301.6]*	*[$320.0]*	—	*[$309.2]*	*[$327.9]*	*[$340.0]*	—	—
[Worldwide Security Upgrades]	*[$639.9]*	*[$649.9]*	—	*[$649.9]*	*[$649.9]*	*[$649.9]*	—	—
Educational & Cultural Exchanges	316.6	355.9	—	355.9	430.4	410.4	—	—
Office of Inspector General	31.4	30.0	—	30.0	30.0	30.0	—	—
Representation Allowances	8.9	8.5	—	8.5	8.3	8.3	—	—
Protection of Foreign Missions & Officials	9.9	9.7	—	9.7	9.4	9.4	—	—
Embassy Security-Ongoing Ops & Non-Security Construct	588.3	603.5	592.0	1,195.5	615.8	603.5	—	—
Embassy Security-Worldwide Security Upgrades	852.3	900.1	—	900.1	910.2	910.2	—	—
Emergencies in the Diplomatic & Consular Service	116.5	1.0	—	1.0	13.6	10.0	—	—
Repatriation Loans	1.2	1.2	—	1.2	1.3	1.3	—	—
Payment to the American Institute in Taiwan	18.6	19.2	—	19.2	19.8	19.8	—	—
Capital Investment Fund	79.2	51.5	—	51.5	133.0	128.3	—	—
Centralized IT Modernization Program	—	76.8	—	76.8	—	—	—	—
Total, Administration of Foreign Affairs	**6,872.2**	**6,229.6**	**1,326.0**	**7,555.6**	**6,644.4**	**6,567.8**	**—**	**—**
International Organizations and Conferences:								
Contributions to International Organizations	1,244.8	1,166.2	—	1,166.2	1,296.5	1,166.2	—	—
Contributions to International Peacekeeping	450.1	483.5	680.0	1,163.5	1,035.5	1,035.5	—	—

Program	FY2004 Total	FY2005 Regular	FY2005 Supp.	FY2005 Total	FY2006 Request	FY2006 House	FY2006 Senate	FY2006 Conference
Total, International Organizations and Conferences	**1,694.9**	**1,649.7**	**680.0**	**2,329.7**	**2,332.0**	**2,201.7**	**—**	**—**
International Commissions	**57.2**	**63.3**	**—**	**63.3**	**70.3**	**63.8**	**—**	**—**
Related Appropriations:								
International Center for Middle Eastern-Western Dialogue	6.9	7.3	—	7.3	0.8	0.0	—	—
Asia Foundation	12.9	12.8	—	12.8	10.0	10.0	—	—
National Endowment for Democracy	39.6	59.2	—	59.2	80.0	50.0	—	—
East-West Center	17.7	19.2	—	19.2	13.0	6.0	—	—
Eisenhower Exchange	0.5	0.5	—	0.5	0.5	0.5	—	—
Israeli Arab Scholarship	0.4	0.4	—	0.4	0.4	0.4	—	—
Total, Related Appropriations	**78.0**	**99.4**	**0.0**	**99.4**	**104.7**	**66.9**	**—**	**—**
TOTAL, STATE DEPARTMENT	**8,702.3**	**8,042.0**	**2,006.0**	**10,048.0**	**9,151.4**	**8,900.2**	**—**	**—**
International Broadcasting:								
Capital Improvements	11.3	8.4	2.5	10.9	10.9	10.9	—	—
Broadcasting Operations	580.3	583.1	4.8	587.9	603.4	620.0	—	—
Broadcasting to Cuba	[a]	[a]	—	[a]	37.6	[a]	—	—
Total, International Broadcasting	**591.6**	**591.5**	**7.3**	**598.8**	**651.9**	**630.9**	**—**	**—**
TOTAL, STATE DEPT./INT'L BROADCASTING	**9,293.9**	**8,633.5**	**2,013.3**	**10,646.8**	**9,803.3**	**9,531.1**	**—**	**—**
Related Programs (in Title V of House bill):								
Commission-Preservation of America's Heritage Abroad	0.5	0.5	—	0.5	0.5	0.5	—	—
Commission on International Religious Freedom	3.0	3.0	—	3.0	3.0	3.2	—	—

Program	FY2004 Total	FY2005 Regular	FY2005 Supp.	FY2005 Total	FY2006 Request	FY2006 House	FY2006 Senate	FY2006 Conference
Commission on Security and Cooperation in Europe	1.6	1.8	—	1.8	2.0	2.0	—	—
Congressional-Executive Commission on the PRC	1.8	1.9	—	1.9	1.9	1.9	—	—
HELP Commission	3.0	1.0	—	1.0	1.0	1.0	—	—
U.S.-China Economic & Security Review Commission	2.0	3.0	—	3.0	4.0	4.0	—	—
U.S. Senate -China Interparliamentary Group	—	0.1	—	0.1	—	—	—	—
U.S. Institute for Peace	27.1	121.9	—	121.9	21.9	22.9	—	—
U.S.-Canada Alaska Railroad Commission	—	—	—	—	—	—	—	—
Total, Related Programs	**39.0**	**133.2**	**0.0**	**133.2**	**34.3**	**35.5**	**—**	**—**
GRAND TOTAL	**9,332.9**	**8,766.7**	**2,013.3**	**10,780.0**	**9,837.6**	**9,566.6**	**—**	**—**

Sources: House and Senate Appropriations Committee and CRS adjustments.

a. Included in Broadcasting Operations.