State, Foreign Operations, and Related Programs: FY2012 Budget and Appropriations

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Summary

Some in the 112th Congress view the foreign affairs budget as a place to cut funds in order to reduce the budget deficit. Foreign affairs expenditures typically amount to about 1% of the annual budget. Others, including Members of Congress of both political parties, view a robust foreign affairs budget as essential for America's national security and foreign policy interests.

The State Department, Foreign Operations, and Related Agencies appropriations bills, in addition to funding U.S. diplomatic and foreign aid activities, have been the primary legislative vehicle through which Congress reviews the U.S. international affairs budget and influences executive branch foreign policy making in recent years. (Congress has not amended foreign policy issues through a complete authorization process for State Department diplomatic activities since 2003 and for foreign aid programs since 1985.) After a period of decline in the 1980s and 1990s, funding for State Department operations, international broadcasting, and foreign aid rose steadily from FY2002 to FY2010, largely because of ongoing assistance to Iraq, Afghanistan, new global health programs, and increasing assistance to Pakistan. It declined again in FY2011 when Congress passed a continuing resolution (P.L. 112-10) significantly reducing U.S. government-wide expenditures, including foreign affairs.

On February 14, 2011, the Obama Administration submitted its FY2012 budget proposal before enactment of the final FY2011 appropriations and the current congressional emphasis on budget reductions. The FY2012 request sought $61.5 billion for the international affairs budget, including a core budget plus extraordinary Overseas Contingency Operation funds for frontline states in FY2012. This represents an increase of 21.8% over the enacted FY2011 funding level including an across-the-board rescission of 0.2% passed by the 112th Congress on April 14, 2011. Compared with the FY2010 enacted appropriation, the FY2012 foreign affairs request represents an 7.7% increase.

This report focuses on the $59.65 billion requested for programs and activities funded through the State-Foreign Operations appropriations bill, which excludes some portions of the International Affairs request such as funding for certain commissions and foreign food aid requested as part of other budget functions. The Administration's FY2012 budget request seeks significant increases for State Department's administration of foreign affairs, security assistance, and various multilateral environmental accounts. Programs for which the Administration recommended significantly reduced funding, compared with enacted FY2011 levels, are funding for the East-West Center, Debt Restructuring, and Emergency Refugee and Migration assistance.

The House-passed FY2012 budget resolution (H.Con.Res. 34, agreed to on April 15, 2011) calls for significant cuts in the foreign affairs budget. It provides new budget authority for the International Affairs 150 Function set at $36.6 billion, as compared to the House and Senate committee-approved allocation of $54 billion for the 150 Function the previous year. The Senate may take up the budget resolution later in the year.

This report analyzes the FY2012 request, including State Department, international broadcasting, and foreign aid highlights, recent-year funding trends, and congressional action related to FY2012 State-Foreign Operations legislation. This report will be updated to reflect congressional action. For details on the FY2011 State-Foreign Operations Appropriations, see CRS Report R41228, *State, Foreign Operations, and Related Programs: FY2011 Budget and Appropriations*.

Contents

Figures

Tables

Appendixes

Contacts

Introduction

With a campaign to significantly reduce the budget deficit, some in the 112th Congress see foreign affairs funds, particularly for foreign aid programs, as expenditures that can be cut in order to reduce the deficit. Foreign affairs spending typically amounts to about 1% of the total budget. Others, including Members of Congress in both political parties and outgoing Secretary of Defense Robert Gates, view a robust foreign affairs budget as essential to promoting U.S. national security and foreign policy interests, perhaps even saving long-term spending by preventing the much costlier use of troops overseas. The 112th Congress is expected to introduce and debate the annual State Department, Foreign Operations and Related Agencies appropriations (State-Foreign Ops) legislation this summer.

The State-Foreign Ops appropriation funds most programs and activities within the international affairs budget account, known as Function 150, including foreign economic and security assistance, contributions to international organizations and multilateral financial institutions, State Department and U.S. Agency for International Development (USAID) operations, public diplomacy, and international broadcasting programs. The bill does not align perfectly with the international affairs budget, however. Food aid, which is appropriated through the Agriculture appropriations bill, and the International Trade Commission and Foreign Claims Settlement Commission, both funded through the Commerce-Science-Justice appropriation, are international affairs (Function 150) programs not funded through the State-Foreign Operations appropriations bill. Furthermore, a number of international commissions that are not part of the Function 150, such as the International Boundary and Water Commission, are funded through the State-Foreign Operations bill. A chart illustrating the organizational structure of the State-Foreign Operations appropriations bill is provided in **Appendix A**.

Treatment of Overseas Contingency Operations Funds

The Administration, for the first time, divided the FY2012 International Affairs request into two parts: the "core" budget request reflecting "enduring" needs, and Overseas Contingency Operations (OCO), described in the Congressional Budget Justification as extraordinary, temporary costs in Iraq, Afghanistan and Pakistan. Of the $19.52 billion requested for the State Department and related agencies, $4.39 billion is designated as OCO, while $4.32 billion of the $40.13 billion foreign operations request is designated OCO. This approach reflects the way that the Department of Defense has presented its budget in recent years. However, to facilitate year-to-year comparison, and make readers aware of the full extent of State-Foreign Operations funding, the funding levels in this report, unless otherwise stated, include both core and OCO funds. As a result, they may differ from figures used in Administration or committee documents that exclude OCO funds.

This report focuses on only the accounts funded through the State-Foreign Operations appropriations bill, but provides appropriations figures for the entire international affairs (Function 150) budget in **Appendix E**.

Recent Developments

Most recent events and congressional activity related to the State-Foreign Operations appropriations include

- The House Appropriations Committee announced on May 11, 2011 the budget subcommittee allocations, or "302(b)s", which set the State-Foreign Operations funding ceiling at $39.6 billion, an 18% decrease from the FY2011 total of $48.2

billion and 22% below the President's request of $50.95 billion. These figures exclude funds for overseas contingency operations, which do not count toward the 302(b)allocation.

- Earlier, on April 15, 2011 the House Budget Committee passed a budget resolution (H.Con.Res. 34) recommending $36.6 billion in new budget authority for the International Affairs account, and an additional $8.7 billion in overseas contingency funds for State Department and foreign operations programs accounted for under a separate "Global War on Terrorism" budget function. At $45.3 billion, total budget authority approved under the resolution for International Affairs accounts would be 26% less than the Administration requested.
- On February 14, 2011, the Obama Administration submitted its FY2012 budget request to Congress. Hearings on various aspects of the international affairs budget request were held throughout March and April.

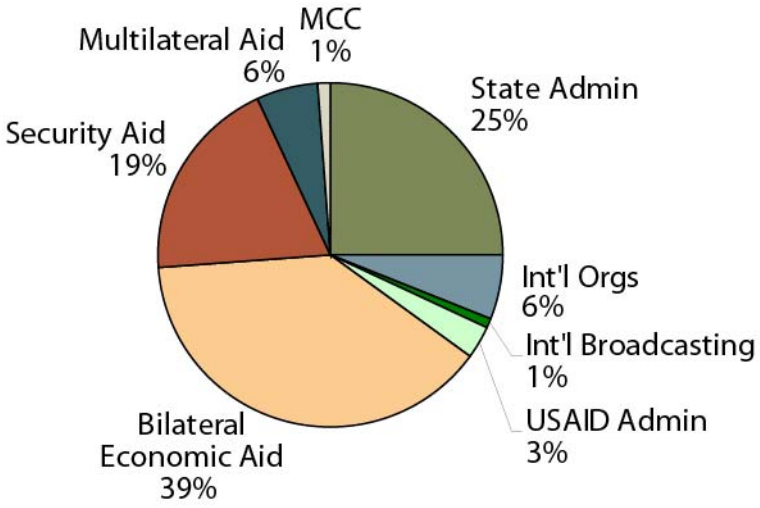
Table 1. Status of State-Foreign Operations Appropriations, FY2012

Subcomittee Markup		Full Committee		Floor		Conference Agreement	Conf. Rept. Passed		Public Law Signed
House	Senate	House	Senate	House	Senate		House	Senate	
no action taken									

The FY2012 Request

On February 14, 2011, the Obama Administration sent its FY2012 budget request to Congress, with a total of $59.65 billion requested for the Department of State, Foreign Operations, and Related Programs. The budget, which the Administration was compiling a year before the 112th Congress began focusing on reducing the deficit, represents an 8.2% increase from enacted FY2010 funding, including the FY2010 supplemental, and a 21.8% increase over the FY2011 enacted level. **Figure 1** provides a breakout of the request by assistance type.

Figure 1. Composition of the State-Foreign Operations Budget Request, FY2012



Source: *Fiscal Year 2012 Budget of the United States Government* and CRS calculations.

Note: MCC=Millennium Challenge Corporation

Figure 1 shows the major categories of foreign affairs funding requested for FY2012 and what percentage of the total foreign affairs request each comprises. The Administration's priorities on foreign affairs funding for FY2012 as compared with those in FY2011 would have State Department Administration of Foreign Affairs funding increase from 22% in the FY2011 request to 25%, Bilateral Economic Aid funding decrease from 46% in the FY2011 request to 39%, and Security Aid funding increase from 12% in the FY2011 request to 19%. These three categories make up more than 80% of the total foreign affairs funding requested. For a full listing of funds requested for State, Foreign Operations and Related Agency accounts, see **Appendix C** and **Appendix D**. (For a description of all the accounts, see CRS Report R40482, *State, Foreign Operations Appropriations: A Guide to Component Accounts*, by Curt Tarnoff.)

FY2012 Budget Request: State Department and Related Agencies

The Administration's FY2012 budget request for the Department of State, international broadcasting, and related agencies is $19.52 billion, a nearly 10.8% increase over the FY2010 enacted level of $17.62 billion (which includes $1.52 billion in supplemental funds) and 22.4% more than the FY2011 enacted level of $15.95 billion. Of the $19.52 billion requested for FY2012, $4.39 billion is designated as extraordinary Overseas Contingency Operations (OCO) funding,[1] with the remaining $15.14 billion considered to be the core budget request.

The two largest State Department accounts make up 70% of the State Department operations request. They are Diplomatic and Consular Programs (D&CP), which funds salaries and expenses, certain public diplomacy activities, and some worldwide security upgrades, and

[1] According to the Department of State, Overseas Contingency Operations funding is considered to be temporary funds to support military contingency operations and transitions to civilian led partnerships in the front-line states of Iraq, Afghanistan, and Pakistan.

Embassy Security, Construction, and Maintenance (ESCM), which covers costs related to embassy building, maintenance, land leasing, and worldwide security upgrades. D&CP would receive $11.89 billion, a nearly 36% increase over the FY2011 enacted funding level. The request for ESCM is $1.80 billion, or 11% more than the FY2011 enacted level.

The FY2012 request also includes $767.1 million for International Broadcasting, 2.7% above the FY2011 enacted level and 2.4% above the FY2010 total. FY2012 funds requested for other related agencies include $1.6 billion for Contributions to International Organizations (CIO) including the United Nations (U.N.), $1.9 billion for U.N. Peacekeeping (CIPA), $120.8 million for funding International Commissions, and $42.7 million for the U.S. Institute for Peace. Also included are funding for The Asia Foundation ($14.9 million), the National Endowment for Democracy ($104.0 million), and educational and cultural exchange activities ($637.1 million) that help advance U.S. interests. (See **Appendix C** for funding levels of State Department, International Broadcasting, and Related Agency accounts.)

Key State Department Issues

The State Department's FY2012 request reflects similar priorities as in previous years, including funding for "frontline states" of Iraq, Afghanistan and Pakistan, building Foreign and Civil Service capacity, and reduced funding to certain international organizations.

Support Missions in Iraq and Other Frontline States

For FY2012 short-term State Department activities in Iraq, the Administration is requesting $3.2 billion in OCO funds to cover the extraordinary costs associated with the transition from military to civilian leadership in Iraq, in addition to a core budget request of nearly $496 million to support ongoing operations there. The planned withdrawal of U.S. military forces from Iraq by December 31, 2011, in accordance with U.S.-Iraq bilateral agreements, will bring a dramatic shift in the U.S. government's presence in Iraq, with the State Department planning to take over the helm of U.S. engagement with a diplomatic presence—including an embassy, two consulates, and two temporary branch offices—that is unmatched in terms of its security considerations, size, and complexity. Some Members of Congress remain skeptical of the State Department's capacity to take over more than 300 activities that the U.S. military had been performing, from environmental cleanup to medical support, while pursuing a wide-ranging policy agenda.

The Administration is requesting $757.5 million in OCO funds in FY2012 for short-term needs related to State Department operations in Afghanistan to support an increased civilian presence, security, and other operations. In addition, the budget request includes a core budget request of $31.9 million for ongoing operations in Afghanistan. For State Department operations in Pakistan, the Administration's request for FY2012 includes $89.4 million in OCO funds to support an increased diplomatic presence, plus $19.6 million for ongoing operations.

Growth in Human Resource Capacity

The State Department's Human Resources Initiative is a multi-year initiative started under the George W. Bush Administration and continued by the Obama Administration to build civilian capacity through increased staffing to alleviate a chronic shortage, reduce reliance on contractors, and increase training, including for critical languages. Original plans called for increasing Foreign Service capacity by 25% over FY2008 levels by FY2014, but the Obama Administration's

FY2012 budget request shifted the goal beyond 2014 by requesting fewer positions than originally planned. In each of the past three years, the Administration had requested funds to support 500 – 600 new positions. For FY2012, while acknowledging the need for a "tight budget for tight times," the Administration nonetheless asked for increased funding for the Diplomatic & Consular Programs account to continuing rebuilding the workforce at the State Department. The Administration is requesting $687.2 million to continue to build civilian capacity, including adding 197 new State Department positions at a cost of $66.7 million, including 130 (86 overseas, 44 domestic) Foreign Service and 67 Civil Service positions.

Proposed Reductions in Funding

The Administration proposed reductions in FY2012 funding in several State Department and related agency accounts, relative to the FY2010 funding levels that were in effect when the request was submitted. In some of these accounts, Congress made deeper cuts in the enacted FY2011 continuing resolution appropriated after the Administration's FY2012 budget submission; in other accounts, however, the Administration had requested lower levels for FY2012 funding than levels enacted by Congress for FY2011.

The Administration requested $92.2 million in FY2012 for Conflict Stabilization Operations, formerly the Civilian Stabilization Initiative, which is designed to build civilian capability to prevent and respond to crises and conflicts. This is 23.2% less than in FY2010, but more than 4½ times greater than Congress appropriated in FY2011. The funds would support deployments of a Civilian Response Corps comprised of specialists from multiple federal agencies, as well as their training, oversight, and management.[2]

The FY2012 budget request also includes decreased funds, compared to FY2010 enacted levels for contributions to international organizations, including the United Nations, and for peacekeeping missions. The request, however, reflects some alternative sources of funding for some of these programs, including credits. Nevertheless, the Administration's FY2012 request still represents a 2.6% increase over the FY2011 enacted level for contributions to international organizations and 1.9% more than the FY2011 level for peacekeeping operations. These accounts primarily reflect the U.S. commitment to pay assessed contributions to most international organizations that have resulted from treaties and conventions the United States has signed and ratified. In addition, the Administration's FY2012 request proposed a cut of 13.2%, compared to FY2010 funding levels, for the U.S. Institute of Peace; however, the budget request of $42.7 million is 8.4% more than Congress appropriated for FY2011.

Some of the deepest proposed cuts in FY2012 as compared with FY2011 enacted levels were for foundations and commissions, including The Asia Foundation, down 16.8%; the East-West Center, reduced by 48.6%; the National Endowment for Democracy, cut 13.3%; the Center for Middle East-West Dialogue, cut 11.1%; the U.S. Commission on International Religious Freedom, reduced 7%; and the International Fisheries Commission, down 37.9%.

[2] For background information, see CRS Report RL32862, *Peacekeeping/Stabilization and Conflict Transitions: Background and Congressional Action on the Civilian Response/Reserve Corps and other Civilian Stabilization and Reconstruction Capabilities*, by Nina M. Serafino.

FY2012 Budget Request: Foreign Operations

The Foreign Operations budget comprises the majority of U.S. foreign assistance programs, both bilateral and multilateral. (See **Appendix D** for Foreign Operations accounts and funding levels.) The main exception is food assistance, which is appropriated through the Agriculture Appropriations bill. Foreign Operations accounts are managed primarily by USAID and the State Department, together with several smaller independent foreign assistance agencies such as the Millennium Challenge Corporation, the Peace Corps, and the Inter-American and African Development Foundations. The foreign operations budget also encompasses U.S. contributions to major multilateral financial institutions, such as the World Bank and U.N. entities, and includes funds for the Export-Import Bank and Overseas Private Investment Corporation, whose activities are regarded more as trade promotion than foreign aid. On occasion, the budget replenishes U.S. financial commitments to international financial institutions, such as the World Bank and the International Monetary Fund.

The foreign operations budget request for FY2012 totals $40.13 billion, representing a 21.5% increase from the enacted FY2011 level of $33.02 billion. The request was released in February, before final FY2011 appropriations were enacted and before the current emphasis on budget reductions developed in Congress. At that time, foreign operations programs were being funded largely at the FY2010 funding level of $37.49 billion, compared to which the request was a 7% increase.

Key Foreign Operations Issues

In the FY2012 foreign operations request, the Administration focused on its key foreign assistance initiatives—the Global Health Initiative, Food Security Initiative, and the Global Climate Change Initiative—as well as the transition from military to civilian authority in front-line states and resources needed for reforming USAID operations. Since the request was released in February, events in the Middle East and widespread support for significant budget cuts have raised new questions about foreign assistance priorities. The following issues are likely to be among those at the center of congressional consideration of foreign operations appropriations for FY2012:

Middle East Turmoil

With popular uprisings leading to the fall of governments in the Middle East when many in the 112th Congress are pressing for drastic budget reductions, foreign assistance as a tool of democracy promotion is receiving significant scrutiny. Egypt, for example, has long been a top U.S. foreign aid recipient. The results of its political transition combined with congressional reaction to a more independent foreign policy course may shape future U.S. assistance. The form of assistance (which in recent years has been primarily military aid) is a key issue, with some lawmakers calling for debt cancellation, others for direct democracy promotion assistance, and still others suggesting that focusing aid on economic growth is the best way to foster a democratic future for Egypt. Similar considerations apply to Tunisia, for which the United States pledged $20 million in March through the Middle East Partnership Initiative for transition support, and legislation has been introduced in the Senate, S. 618, to authorize Tunisia-United States and Egypt-United States enterprise funds. In Libya, the U.S. has suspended previously approved aid programs, approved $25 million in non-lethal assistance for Libyan opposition groups, and provided humanitarian assistance for refugees fleeing the country. As events evolve throughout

the Middle East, U.S. efforts to respond with appropriate aid will likely be at the top of the foreign assistance agenda.

Military/Civilian Transition

The Department of Defense (DOD) greatly expanded its foreign aid activities in the wake of the Iraq and Afghanistan invasions, when high levels of security and economic aid flowed into those countries even while instability and relatively low personnel capacity limited the role of civilian aid agencies. As conditions on the ground have stabilized and both State and USAID have begun building their capacity in both countries, the Secretary of State and Secretary of Defense have expressed support for stronger civilian control of these activities. Congress, however, has not demonstrated support for Administration efforts to carry out such transitions. For example, the FY2011 foreign operations request called for funding in three foreign operations accounts — the Complex Crisis Fund (CCF), Pakistan Counterinsurgency Capability Fund (PCCF), and the International Narcotics Control and Law Enforcement (INCLE) account — to support activities such as police training that were previously funded through the Defense Appropriations bill. Congress, rather than providing additional funding for these activities, cut the CCF and INCLE account significantly in the FY2011 continuing resolution from FY2010 enacted levels and eliminated foreign operations funding for the PCCF, for which it instead provided $800 million through the Defense appropriation. While Secretary of State Clinton has claimed that a shift from military to civilian control will allow the Defense budget for Iraq to decrease by $16 billion,[3] which may appeal to budget reduction advocates in Congress, the fate of the transition is in question, and FY2012 appropriations will be a strong indicator of Congress's position on this issue. For FY2012, the Administration has requested $75 million for the CCF, $1.1 billion for the PCCF, and $2.78 billion for INCLE programs. The Administration also requested, for the first time, $50 million for a Global Contingency Security Fund (with an additional $450 million requested through the DOD appropriation), to support a pilot program focused on joint civilian-military response to unforeseen events.

Accountability for Funding in Frontline States

As demonstrated in **Table 5**, the Administration's FY2012 request would largely continue the flow of assistance to Afghanistan, Iraq and Pakistan, countries of particular strategic interest in the fight against terrorism. However, Congress has expressed significant concerns over State and USAID accountability for the billions of U.S. assistance dollars that have flowed to these countries in recent years. The Commission on Wartime Contracting has reported that billions of dollars have been lost to waste, fraud, and abuse in Afghanistan and Iraq, often as a result of poor planning, limited competition in contracting, and insufficient oversight of contractors.[4] Widely reported corruption at every level of the Afghanistan government and within Pakistan has bolstered concerns that U.S funds are being channeled for the private use of elites, rather than for development purposes. In June 2010, then House State-Foreign Operations Appropriations Subcommittee Chairwoman Nita Lowey announced that her subcommittee would not consider the non-humanitarian part of the Administration's FY2011 aid request for Afghanistan until she

[3] Secretary Clinton's testimony before the Senate Foreign Relations Committee, Hearing on "Foreign Policy Priorities in the FY2011 International Affairs Budget," February 24, 2010.

[4] See Commission on Wartime Contracting, Special Report 1, available at http://www.wartimecontracting.gov/index.php/reports.

was satisfied that the corruption issue had been resolved. The topic was also raised by several appropriators at hearings in early 2011 on the FY2012 request. The revelation that Osama Bin Laden was apparently living near a military academy in Pakistan for years before he was killed in May 2011 by U.S. military forces has led to doubts about the use of U.S. security assistance to Pakistan and calls by some for the suspension of all U.S. aid to Pakistan. In determining FY2012 aid funding, Congress will likely consider the risks associated with the continuation or reduction of assistance to these countries, or the additional funding that might be required in an effort to enhance oversight and lessen the risk of fraud and abuse.

Global Health

The Administration has requested $8.72 billion through the Global Health and Child Survival Account to support State and USAID components of its Global Health Initiative (GHI) in FY2012.[5] The request represents a 10% increase over FY2010 funding, including supplemental funds, and 11.3% over the FY2011 enacted level.[6] GHI is intended to be a comprehensive approach to global health problems that builds on the previous Administration's focus on global HIV/AIDS, tuberculosis, and malaria, but prioritizes building strong and sustainable health systems through an emphasis on maternal and pediatric programs, as well as strategic coordination. The FY2012 request includes notable increases for nutrition programs and maternal and child health activities, while proposing a funding reduction only for pandemic influenza programs. The initiative was designed to last six years and invest $63 billion. However, with a total of about $18 billion appropriated for GHI in FY2009 and FY2010, Congress would need to provide $15 billion on average for FY2011 through FY2013 to meet that target, just as budget constraints make cuts more likely than increases. The 112th Congress may face difficult questions in determining funding levels for GHI programs. The life-saving nature of many global health activities may give pause to some lawmakers looking for budget savings, while the significant resources needed just to maintain the health gains of the last decade, such as providing anti-retroviral drugs for HIV/AIDS patients, may appear to others to be unsustainable.

Food Security

Feed the Future (FtF), the Obama Administration's food security initiative announced in 2010, continues to be a priority for the Administration, which requested $1.56 billion through the State-Foreign Operations appropriation for related programs in the FY2012 budget, about 20% more than the enacted FY2010 level.[7] FtF is the outgrowth of a pledge made by the President at a G-8 summit in 2009 to provide at least $3.5 billion over three years (FY2010-FY2012) to address root causes of global hunger, such as low agricultural productivity and poor nutrition. The initiative targets funding to countries with widespread hunger, an agriculture-based economy, and comprehensive strategies for food security already in place. The initiative also emphasizes the benefits of working multilaterally and in partnership with other stakeholders to leverage resources.[8] The FY2012 request also includes $308 million for the multi-donor Global

[5] An additional $1.1 billion is requested for GHI through the budgets of other government agencies outside the scope of the State-Foreign Operations appropriation.

[6] Some GHI funds are appropriated through sub-accounts for which FY2011 allocations are not yet available, so total GHI funding for FY2011 cannot be determined at this time.

[7] This amount does not include P.L. 480 food assistance, provided through the Agriculture appropriation, for which $1.7 billion was requested for FY2012. FY2011 funding data for FtF is not yet available.

[8] An additional $18 billion was pledged by other donors at the summit.

Agriculture and Food Security Program (GAFSP), managed by the World Bank.[9] Congress has shown less support for this approach, appropriating just under $100 million for the GAFSP in FY2011 in response to a request for $408 million. In testimony before the Senate State-Foreign Operations Appropriations Subcommittee, USAID Administrator Rajiv Shah commented that newer initiatives, such as FtF, are particularly vulnerable to budget cuts in FY2012.

Climate Change

The FY2012 request for programs supporting the Global Climate Change Initiative (GCCI) totals slightly over $1.3 billion, a 40% increase over the $946 million enacted in FY2010. (As with GHI and FtF, total GCCI funding for FY2011 is unclear because some relevant sub-account allocations have not been reported.) The funds would support activities relating to climate change, with an emphasis on adaptation, deployment of clean energy technologies, and reduction of greenhouse gas emissions through sustainable landscapes. A significant portion of this climate change funding would be channeled through international financial institutions. The emphasis on multilateral funding, both for climate change and food security, has been described by the Administration as a fiscally responsible approach intended to leverage commitments from other donors and increase the impact of U.S. funds.[10] As with the multilateral approach to food security, however, Congress has not been fully supportive of the Administration's requests. The $400 million requested for the International Clean Technology Fund in FY2012 would be a 117% increase over the FY2011 funding, which was enacted after the FY2012 request was made. The request also includes $190 million for the International Strategic Climate Fund, a 281% increase over the FY2011 level.

USAID Forward

USAID Administrator Shah noted in Congressional testimony earlier this year that his biggest frustrations in the job have related to the agency's complicated procurement process and a human resources management system that makes it difficult to reward leadership and risk-taking.[11] He hopes to address these issues through USAID Forward, an initiative to change the way the agency does business through implementing reforms related to procurement, talent management, building policy capacity, monitoring and evaluation, budget management, use of science and technology, and innovation. While these reforms are intended to address aspects of USAID operations that Congress has often criticized, implementation will require additional funding at a time when Congress seeks to reduce spending. For FY2012, the Administration requests about $380 million for USAID Forward reforms through the USAID Operating Expenses account, primarily to hire 95 mid-career Foreign Service Officers, with an emphasis on Contract Officers and Controllers.[12]

[9] While FY2011 funding levels allocated for FtF programs are not yet known, GAFSP has its own appropriation line.

[10] Remarks of Treasury Secretary Timothy Geithner, testifying before the House Appropriations Subcommittee on State-Foreign Operations, March 25, 2010.

[11] Comments of USAID Administrator Rajiv Shah before the Senate State-Foreign Operations Appropriations Subcommittee, April 12, 2011.

[12] This proposed hiring would be part of the Development Leadership Initiative that began in 2008 to build USAID's general capacity and technical expertise.

General Capital Increases at Multilateral Banks

The Administration has requested $358.4 million in funding through Treasury Department international programs for general capital increases (GCIs) at several multilateral financial institutions in FY2012 — $117.4 million for the International Bank of Reconstruction and Development; $106.6 million for the Asian Development Bank; $102.0 million for the Inter-American Development Bank; and $32.4 million for the African Development Bank. Most of the funds requested represent just one of several annual installments toward a larger total GCI commitment. Multiple simultaneous GCIs are unusual but necessary, according to Treasury Secretary Timothy Geithner, because of high lending rates at the institutions, with U.S. encouragement, in response to the global financial crisis.[13] Congressional appropriators, however, have suggested reluctance to appropriate such funds without prior consideration of authorization legislation stipulating reforms on which disbursement of the funds would be contingent.[14] The Administration asserts that failure to provide the requested funding would diminish U.S. influence globally and potentially create an opportunity for other countries, such as China, to expand their global influence.

State-Foreign Operations Background and Trends

U.S. national security, trade promotion, and humanitarian interests are rationales for most international affairs activities. During the Cold War, foreign aid and diplomatic programs had a primarily anti-communist focus, while concurrently pursuing other U.S. policy interests, such as promoting economic development, advancing U.S. trade, expanding access to basic education and health care, promoting human rights, and protecting the environment. After the early 1990s, with the Cold War ended, distinct policy objectives—including stopping nuclear weapons proliferation, curbing the production and trafficking of illegal drugs, expanding peace efforts in the Middle East, achieving regional stability, protecting religious freedom, and countering trafficking in persons—replaced the cold war-influenced foreign policy objectives.

A defining change in focus came following the 9/11 terrorist attacks in the United States. Since then, many U.S. foreign aid and diplomatic programs have emphasized national security objectives, frequently cast in terms of contributing to efforts to counter terrorism. In 2002, President Bush released a National Security Strategy that for the first time established global development as the third pillar of U.S. national security, along with defense and diplomacy. Development was again underscored in the Administration's 2006 and 2010 National Security Strategy.

Also in 2002, foreign assistance budget justifications began to highlight the war on terrorism as the top foreign aid priority, emphasizing U.S. assistance to 28 "front-line" states—countries that cooperated with the United States in the war on terrorism or faced terrorist threats themselves.[15]

[13] Testimony of Secretary of the Treasury Timothy Geithner before the House State-Foreign Operations Appropriations Subcommittee, March 9, 2011.

[14] Remarks of Chairwoman Kay Granger, House State-Foreign Operations Appropriations Subcommittee, March 9, 2011. (For more information, see CRS Report R41672, *Multilateral Development Banks: General Capital Increases*, by Martin A. Weiss.)

[15] According to the State Department, these "frontline" states in 2002 included Afghanistan, Algeria, Armenia, Azerbaijan, Bangladesh, Colombia, Djibouti, Egypt, Ethiopia, Georgia, Hungary, India, Indonesia, Jordan, Kazakhstan, Kenya, Oman, Pakistan, Philippines, Poland, Russia, Saudi Arabia, Tajikistan, Tunisia, Turkey, Turkmenistan, (continued...)

Large reconstruction programs in Afghanistan and Iraq exemplified the emphasis on using foreign aid to combat terrorism. State Department efforts focused extensively on diplomatic security and finding more effective ways of presenting American views and culture through public diplomacy, particularly in Muslim communities.

The Obama Administration has carried forward many Bush foreign aid initiatives, including USAID's Development Leadership Initiative (DLI), the Millennium Challenge Corporation, and robust assistance to Iraq, Afghanistan, and Pakistan. The Obama Administration has also largely sustained Bush Administration investments in global health and HIV/AIDS treatment, though its Global Health Initiative shifts the emphasis away from a focus on discrete diseases and toward comprehensive health systems. In the FY2011 and FY2012 requests, the Administration further defined its international priorities, with an emphasis on building State Department and USAID capacity, supporting multilateral food security and global climate change initiatives, and shifting responsibility for assistance programs in Iraq and elsewhere from military to civilian authorities.

Table 2 and **Figure 2** show State-Foreign Operations appropriations for the past decade in both current and constant dollars.

Table 2. State-Foreign Operations Appropriations, FY2002-FY2012

(in billions of current and 2012 constant dollars)

	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11 est.	FY12 req.
Current $	24.25	31.72	48.34	34.23	34.25	37.28	40.47	50.50	55.11	48.98	59.65
Constant 2011 $	30.84	39.31	58.24	39.77	38.43	40.68	42.61	52.91	56.81	49.79	59.65

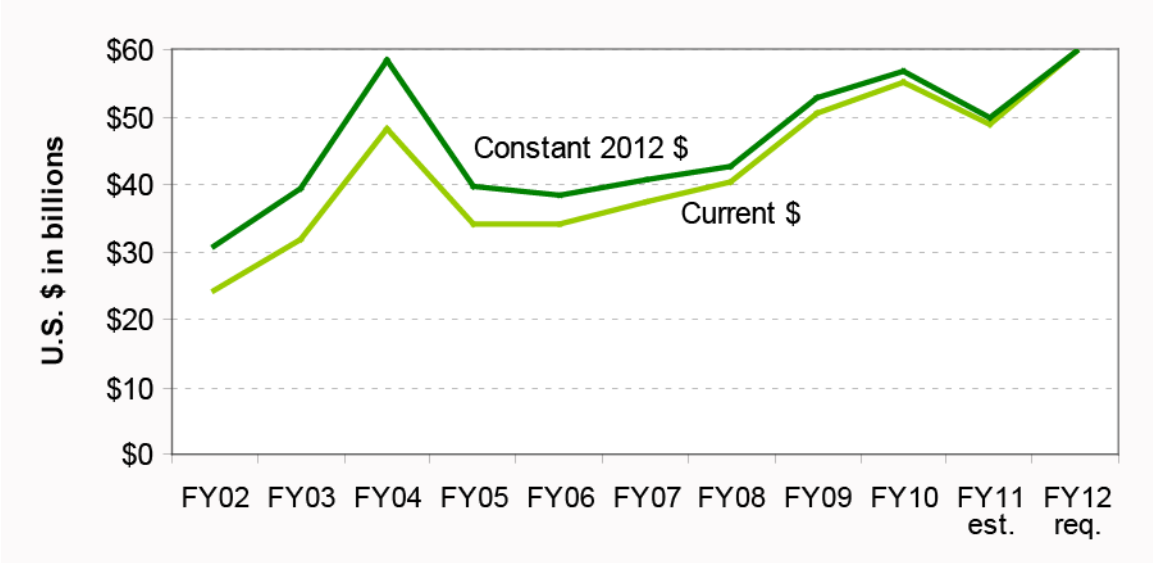
Source: Summary and Highlights, International Affairs Function 150, FY2003-FY2012 and CRS calculations.

Notes: Figures include all enacted appropriations: regular, OCO, supplementals, and rescissions.

(...continued)

Uzbekistan, and Yemen.

Figure 2. State-Foreign Operations Appropriations, FY2002-FY2012



Source: Summary and Highlights, International Affairs Function 150, FY2003-FY2012, and CRS calculations.

Table 3 and **Figure 3** show appropriations for the State Department and related agencies over the past decade in both current and constant dollars.

Table 3. State Department and Related Agencies Appropriations, FY2002-FY2012

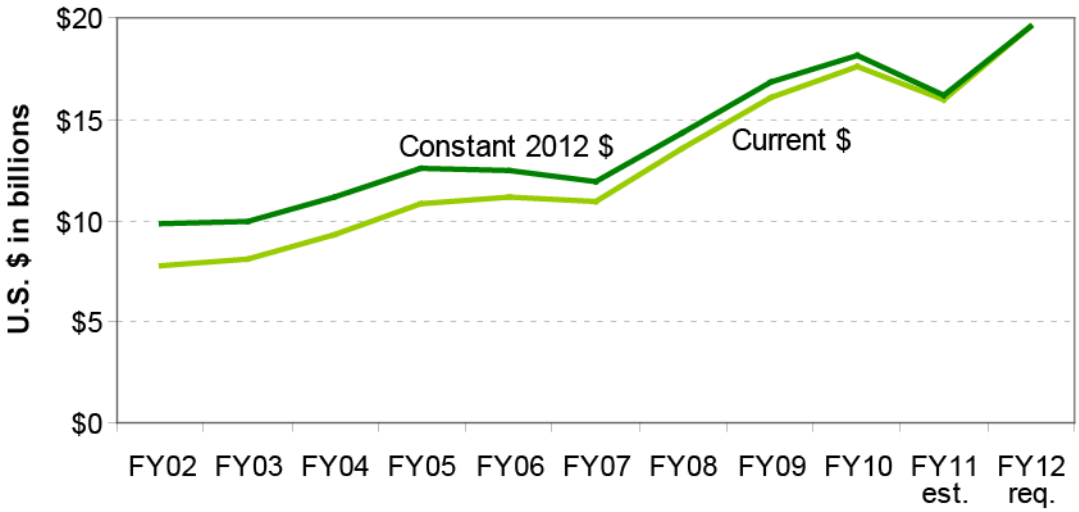
(discretionary budget authority in billions of current and 2012 constant dollars)

	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11 est.	FY12 req.
Current $	7.71	8.05	9.29	10.78	11.12	10.90	13.57	16.10	17.62	15.95	19.52
Constant 2011 $	9.81	9.98	11.19	12.52	12.48	11.89	14.28	16.87	18.16	16.21	19.52

Source: The Department of State Congressional Budget Justifications, FY2003-FY2012, and CRS calculations.

Notes: Figures include all enacted appropriations: regular, OCO, supplementals, and rescissions.

Figure 3. State Department and Related Agencies Appropriations, FY2002-FY2012



Source: The Department of State Congressional Budget Justifications, FY2003-FY2012, and CRS calculations.

Table 4 and **Figure 4** show appropriations for the State Department and related agencies over the past decade in both current and constant dollars.

Table 4. Foreign Operations Appropriations, FY2002-FY2012

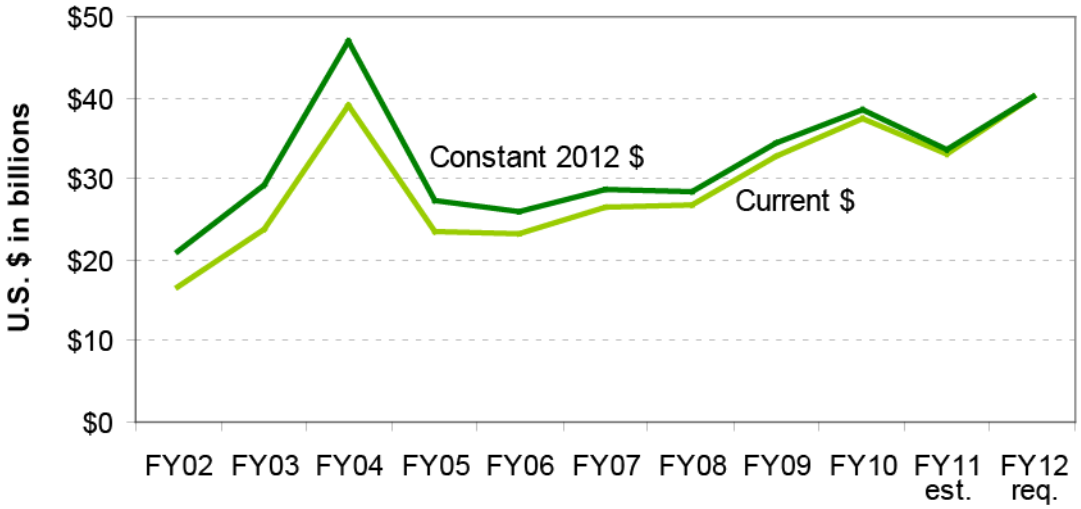
(discretionary budget authority in billions of current and constant 2012dollars)

	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11 est.	FY12 req.
Current $	16.54	23.67	39.05	23.45	23.13	26.38	26.89	32.82	37.49	33.02	40.13
Constant 2011 $	21.04	29.33	47.04	27.24	25.95	28.79	28.30	34.39	38.65	33.56	40.13

Source: The Foreign Operations Congressional Budget Justifications, FY2003-FY2012, and CRS calculations.

Notes: Figures include all enacted appropriations: regular, OCO, supplementals, and rescissions.

Figure 4. Foreign Operations Appropriations, FY2002-FY2012



Source: The Foreign Operations Congressional Budget Justification, FY2003-FY2012, and CRS calculations.

Top 10 U.S. Foreign Aid Recipient Countries

Prior to the wars in Afghanistan and Iraq, Israel and Egypt typically received the largest amounts of U.S. foreign aid every year since the Camp David Peace Accords in 1978.[16] The reconstruction efforts in Iraq and Afghanistan moved those countries into the top five, though assistance to Iraq has declined significantly in the past couple of years, with the completion of many reconstruction activities. Meanwhile, a combination of security assistance and economic aid designed to limit the appeal of extremist organizations has moved Pakistan up the list in recent years. Funding for Iraq, Afghanistan, and Pakistan include Overseas Contingency Operations (OCO) temporary appropriations.

[16] For more information on historic aid trends, see CRS Report R40213, *Foreign Aid: An Introduction to U.S. Programs and Policy*, by Curt Tarnoff and Marian Leonardo Lawson.

Table 5. Top 10 Recipients of U.S. Foreign Aid in FY2010, FY2012 Request

(in millions of current U.S. $)

FY2010 Actual		FY2012 Request	
Country	Estimated Allocation	Country	Requested Allocation
Afghanistan	$4,144.9	Afghanistan	$3,213.4
Israel	$2,775.0	Israel	$3,075.0
Pakistan	$1,911.6	Pakistan	$2,965.0
Egypt	$1,555.7	Iraq	$2,360.1
Haiti	$1,412.4	Egypt	$1,557.3
Iraq	$1,116.8	Kenya	$751.4
Ethiopia	$909.4	Jordan	$675.7
Jordan	$843.0	Nigeria	$660.5
Kenya	$797.9	Ethiopia	$608.3
Mexico	$757.6	Tanzania	$571.9

Notes: These lists consist of funding only from the 150 International Affairs Function. If funding from the defense budget were included, Pakistan, for example would rank second for both FY2010 and the FY2012 request. FY2010 numbers include supplemental funding from P.L. 111-212. FY2012 numbers include Overseas Contingency Operations (OCO) funding. Country-level data for FY2011 are not yet available.

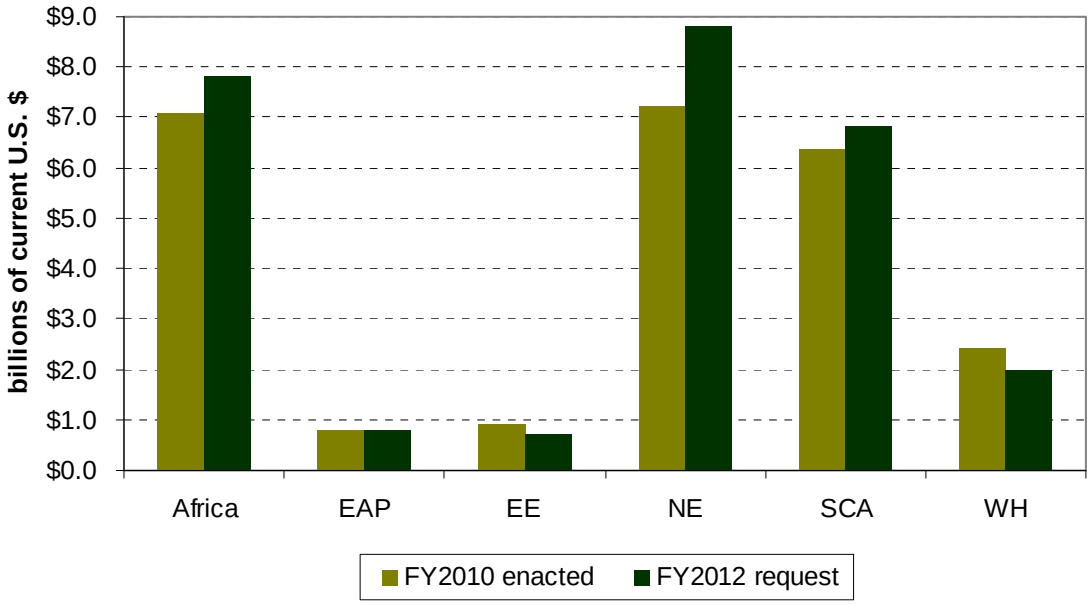
In the FY2012 request, Afghanistan tops the list at $3,213.4 million, including $1.2 billion in Economic Support Fund-OCO funds. Israel ranks second, with all of the $3,075 million requested for Foreign Military Financing (FMF). Pakistan ranks third at $2,965 million, 80% of which is for activities supported by the Economic Support Fund (ESF) and the Pakistan Counterinsurgency Capability Fund-OCO (PCCF). Iraq moves up from 6th in FY2010 to 4th in the FY2012 request. This is largely because of $1.0 billion for INCLE-OCO and $1.0 billion for FMF-OCO. Haiti, which was a top recipient in FY2010 as a result of supplemental funds for post-earthquake relief and reconstruction, would not be among the top 10 recipients in FY2012 under the Administration's proposal.

Regional Distribution

As shown in **Figure 5**, under the FY2012 budget request, Africa ($7.8 billion), Near East ($8.8 billion), and South Central Asia ($6.8 billion) would receive the most U.S. foreign assistance. Aid to Africa primarily supports HIV/AIDS and other health-related programs while 88% of the aid to South Central Asia is requested for Afghanistan and Pakistan. The Near East region continues to be dominated by assistance to Israel ($3.0 billion), Iraq ($2.4 billion), Egypt ($1.6 billion), and Jordan ($0.7 billion). The Western Hemisphere's projected relative decline in FY2012 is attributable mostly to the $1.4 billion in supplemental funds for Haiti's humanitarian crisis in 2010. Assistance to Europe and Eurasia would decline, according to the Administration, partly due to a reduction of funds in AEECA to reflect progress made by many countries in the region and other more pressing global priorities.[17] Aid to East Asia and Pacific remains relatively low and consistent with past years' levels.

[17] Executive Budget Summary, Function 150 and Other International Programs, Fiscal Year 2012, p. 86.

Figure 5. Regional Distribution of Foreign Aid, FY20010 and FY2012 Request



Source: Foreign Operations Congressional Budget Justification, FY2012.

Note: FY2010 figures include enacted funding from the Consolidated Appropriations Act, 2010 (P.L. 111-117), forward funding from the Supplemental Appropriations Act, 2009 (P.L. 111-32), supplemental funding from the Supplemental Appropriations Act, 2010 (P.L. 111-212), and Overseas Contingency Operation funds. FY2012 figures represent the Administrations request, including Overseas Contingency Operations funds. EAP=East Asia and Pacific; EE=Europe and Eurasia; NE=Near East; SCA=South and Central Asia; WH=Western Hemisphere.

Sector Distribution

Over the years, Congress has expressed interest in various discrete aid sectors, such as education, building trade capacity, maternal and child health, and biodiversity, that are funded across multiple accounts and/or agencies. Administrations have begun presenting their respective budget requests with a section showing what portion of the request would address some of these "key interest areas." Unlike the account funding tables in the budget request, however, the key interest area breakout does not show prior year allocations, limiting year-to-year comparison to requested funds rather than actual funding. This provides an indication of the Administration's interests and priorities, but not necessarily those of congressional appropriators.

Table 6 compares the FY2011 and FY2012 budget requests for key interest areas identified by the Administration. The Administration requested less for most sectors than it did in FY2011. Perhaps surprisingly, two of the Administration's major initiatives—Food Security and Global Climate Change—show declines in the FY2012 request, as does the request for Microenterprise and Microfinance, Trade Capacity Building, Pandemic Influenza, and Other Public Health Threats. Sectors with increased funding include Family Planning, Maternal and Child Health, and Water. The Administration emphasized two new focus areas, adding Gender Funding and Science, Technology, and Innovation to the key interests list.

Table 6. Selected Sector Funding, FY2011 Request and FY2012 Request

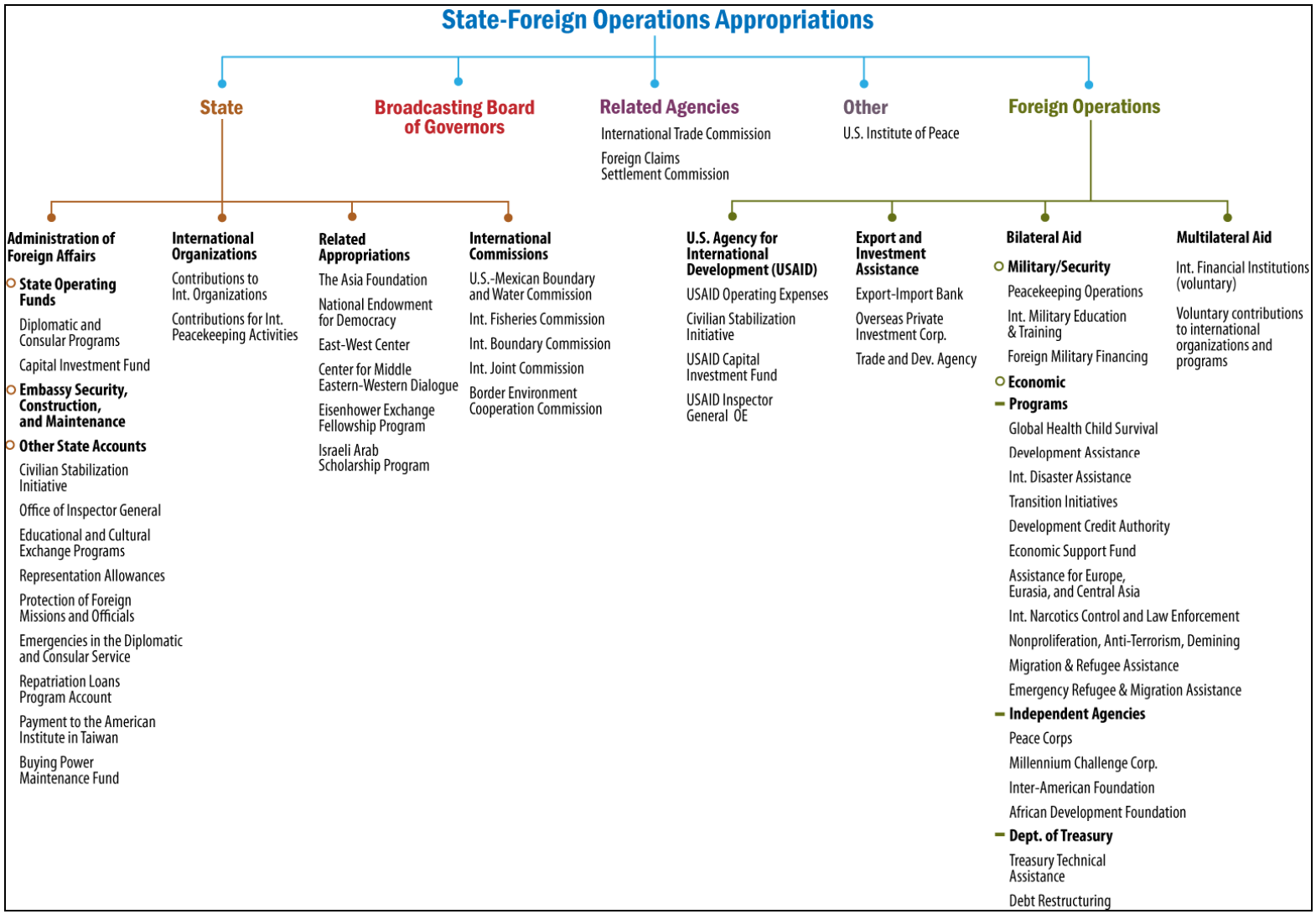
(millions of current U.S. $)

Sector	FY2011 req.	FY2012 req.	% Change
Avian/Pandemic Influenza	$75	$60	-20%
Basic Education	$844	$740	-12%
Biodiversity	$114	$79	-31%
Clean Energy	$203	$195	-4%
Family Planning/Reproductive Health	$716	$769	+7%
Food Security	$1,644	$1,100	-33%
Gender Funding	—	$391	—
Global Climate Change	$1,391	$1,329	-4%
Higher Education	$249	$233	-6%
HIV/AIDS	$5,850	$5,992	+2%
Malaria	$680	$691	+2%
Maternal and Child Health	$983	$1,191	+21%
Microenterprise and Microfinance	$230	$155	-33%
Neglected Tropical Diseases	$155	$163	+5%
Nutrition	$231	$226	-2%
Other Public Health Threats	$225	$100	-125%
Polio	$33	$40	+21%
Science, Tech. & Innovation	—	$333	—
Trade Capacity Building	$323	$216	-33%
Trafficking in Persons	$36	$37	+3%
Trans-Sahara Counter-Terrorism	$61	$53	-13%
Tuberculosis	$251	$254	+1%
Water	$256	$294	+15%

Source: U.S. Department of State Foreign Operations Congressional Budget Justification, FY2011 and FY2012, and CRS calculations.

Note: Totals for Water, Basic Education, Child & Maternal Health, and Food Security do not include related funding through the P.L. 480/Food for Peace program, which is funded through Agriculture appropriations.

Appendix A. Structure of State-Foreign Operations Appropriations



Source: CRS.

Appendix B. Abbreviations

Funding Accounts:	
ACI	Andean Counterdrug Initiative
AEECA	Assistance for Europe, Eurasia, and Central Asia
CSH	Child Survival and Health
DA	Development Assistance
DF	Democracy Fund
ERMA	Emergency Refugee and Migration Assistance
ESF	Economic Support Fund
FMF	Foreign Military Financing
GHAI	Global HIV/AIDS Initiative
IDFA	International Disaster and Famine Assistance
IMET	International Military Education and Training
INCLE	International Narcotics Control and Law Enforcement
MCC	Millennium Challenge Corporation
MRA	Migration and Refugee Assistance
NADR	Non-proliferation, Anti-Terrorism, Demining, and Related Programs
PEPFAR	President's Emergency Plan For AIDS Relief
PKO	Peacekeeping Operations
PL 480	Food aid
PMI	President's Malaria Initiative
TI	Transition Initiatives
Other:	
DFA	Director of Foreign Assistance
AFR	Africa
EAP	East Asia and Pacific
EE	Europe and Eurasia
LAC	Latin America and Caribbean
NE	Near East
SCA	South and Central Asia
USAID	U.S. Agency for International Development

Appendix C. State Department and Related Agencies Appropriations

Table C-1. State Department and Related Agencies Appropriations, FY2010-FY2012

(in millions of current U.S. $)

	FY2010 Enacted (H.R. 3288/div F; P.L. 111-117	FY2010 Supp. enacted (H.R. 4899; P.L. 111-212	Total, enacted FY2010 regular & supp	FY2011 enacted P.L. 112-10	FY2012 Request	% change FY2012 vs. FY2011 enacted
Title I. State Department Administration of Foreign Affairs, Subtotal	**11,183.4**	**1,415.8**	**12,599.2**	**11,410.6**	**14,907.3**	**30.6%**
Diplomatic & Consular Program	8,227.0	1,326.0	9,553.0	8,772.4	11,893.5	35.6%
Capital Investment Fund	139.0	—	139.0	59.4	125.0	110.4%
Embassy Security, Construction & Maintenance	1,724.1	79.0	1,803.1	1,616.8	1,801.5	11.4%
Civilian Stabilization Initiative	120.0	—	120.0	34.9	92.2	164.2%
Ed. & Cultural Exchange Programs	635.0	—	635.0	598.8	637.1	6.4%
Office of Inspector General	102.0	3.6	105.6	101.8	128.1	25.8%
Special Inspector General for Afghanistan Reconstruction	—	7.2[a]	7.2	[24.0]	[8.2]	[-65.8%]
Representation Allowances	8.2	—	8.2	7.5	8.2	9.3%
Protection of Foreign Missions & Officials	28.0	—	28.0	27.9	27.7	-0.7%
Emergency-Diplomatic & Consular Services	10.0	—	10.0	9.5	10.0	5.3%
Buying Power and Maintenance	8.5	—	8.5	0	—	—
Repatriation Loans	1.5	—	1.5	1.5	1.8	20.0%
Payment American Institute Taiwan	21.2	—	21.2	21.2	23.3	10.0%
Foreign Service Retirement (mandatory)	158.9	—	158.9	158.9	158.9	—

	FY2010 Enacted (H.R. 3288/div F; P.L. 111-117	FY2010 Supp. enacted (H.R. 4899; P.L. 111-212	Total, enacted FY2010 regular & supp	FY2011 enacted P.L. 112-10	FY2012 Request	% change FY2012 vs. FY2011 enacted
International Organizations, Subtotal	**3,807.5**	**96.5**	**3,904.0**	**3,462.5**	**3,539.4**	**2.2%**
Contributions to Int'l Orgs	1,682.5	—	1,682.5	1,578.6	1,619.4	2.6%
Contributions to International Peacekeeping	2,125.0	96.5	2,221.5	1,883.9	1,920.0	1.9%
International Commissions[b]	**142.9**	**0.0**	**142.9**	**120.1**	**120.8**	**0.6%**
Int'l Boundary;/U.S.-Mexico	76.3	—	76.3	69.7	77.5	11.2%
American Sections	12.6	—	12.6	—	12.0	—
International Fisheries	54.0	—	54.0	50.4	31.3	-37.9%
International Broadcasting, Subtotal	**746.4**	**3.0**	**749.4**	**746.9**	**767.1**	**2.7%**
Broadcasting Operations	733.8	3.0	736.8	740.0	754.3	1.9%
Cuba Broadcasting	[30.5]	—	[30.5]		[28.5]	—
Capital Improvements	12.6	—	12.6	6.9	12.8	85.5%
Related Appropriations, Subtotal	**211.0**	**0.0**	**211.0**	**197.9**	**174.1**	**12.0%**
Asia Foundation	19.0	—	19.0	17.9	14.9	-16.8%
U.S. Institute of Peace	49.2	—	49.2	39.4	42.7	8.4%
Center for Middle East-West Dialogue-Trust & Program	0.9	—	0.9	0.9	0.8	-11.1%
Eisenhower Exchange Programs	0.5	—	0.5	0.5	0.5	—
Israeli Arab Scholarship Program	0.4	—	0.4	0.4	0.4	—
East-West Center	23.0	—	23.0	21.0	10.8	-48.6%
National Endowment for Democracy	118.0	—	118.0	117.8	104.0	-13.3%
Other Commissions	**13.0**	**0.0**	**13.0**	**13.0**	**12.8**	**-1.5%**
Preservation of America's Heritage	0.6	—	0.6	0.6	0.6	—
Int'l Religious Freedom	4.3	—	4.3	4.3	4.0	-7.0%
Security &CooperationEurope	2.6	—	2.6	2.6	2.7	3.8%
Cong.-Exec. on People's Republic of China	2.0	—	2.0	2.0	2.0	—

	FY2010 Enacted (H.R. 3288/div F; P.L. 111-117	FY2010 Supp. enacted (H.R. 4899; P.L. 111-212	Total, enacted FY2010 regular & supp	FY2011 enacted P.L. 112-10	FY2012 Request	% change FY2012 vs. FY2011 enacted
U.S.-China Economic and Security Review	3.5	—	3.5	3.5	3.5	—
State/Broadcasting/Related Agencies, TOTAL	**16,104.2**	**1,515.3**	**17,619.5**	**15,951.0**	**19,521.5**	**22.4%**

Sources: U.S. Department of State budget documents, House and Senate Appropriations Committees, and CRS calculations.

Note: Includes Overseas Contingency Operations (OCO) funds. Brackets indicate funds are subsumed in larger account above.

a. H.R. 4899 appropriates $7.2 million for SIGAR while simultaneously rescinding $7.2 million appropriated for the State Inspector General in P.L. 111-32 which was authorized to be transferred to SIGAR.

b. These activities are funded through the State-Foreign Operations bill, but are not part of Function 150 of the budget.

Appendix D. Foreign Operations Appropriations

Table D-1. Foreign Operations Appropriations, FY2010-FY2012

(millions of current U.S. $)

	FY2010 enacted (H.R. 3288/div F; P.L. 111-117	FY2010 Supp. enacted (H.R. 4899; P.L. 111-212	Total, enacted FY2010 regular & supp	FY2011 enacted PL112-10	FY2012 request	% change FY2012 vs. FY2011 enacted
Title II. USAID Admin., Subtotal	**1,650.3**	**7.9**	**1,658.2**	**1,526.9**	**1,744.1**	**14.2%**
USAID Operating Expenses	1,388.8	—	1,388.8	1,347.3	1,503.4	11.6%
Civilian Stabilization Initiative	30.0	—	30.0	5.0	—	—
USAID Capital Investment Fund	185.0	—	185.0	129.7	189.2	45.9%
USAID Inspector General	46.5	7.9	54.4	44.9	51.5	14.7%
Title III. Bilateral Economic Assistance, Subtotal	**21,861.2**	**3,167.1**	**25,028.3**	**21,208.9**	**23,743.5**	**12.0%**
Global Health and Child Survival, State + USAID	7,779.0	45.0[a]	7824.0	7,829.3	8,715.5	11.3%
GHCS (State Dept.)	[5,359.0]	—	[5,359.0]	[5,334.3]	[5,641.9]	[5.8%]
GHCS (USAID)	[2,420.0]	—	[2,420.0]	[2,495.0]	[3,073.6]	[23.2%]
Development Assistance	2,520.0	—	2,520.0	2,520.0	2,918.0	15.8%
International Disaster & Famine Assistance	845.0	460.0	1,305.0	863.3	860.7	-0.3%
Transition Initiatives	55.0	—	55.0	54.9	56.0	2.0%
Complex Crises Fund	50.0	—	50.0	40.0	75.0	87.5%
Development Credit Authority – Admin	8.6	—	8.6	8.3	8.3	—
Development Credit Authority Subsidy	[25.0]	—	[25.0]	[30.0]	[50.0]	—
Economic Support Fund	6,344.0	2,490.0	8,834.0	5,946.2	7,185.3	20.8%
Assistance for Europe; Eurasia & Central Asia (AEECA)	741.6	—	741.6	695.7	626.7	-9.9%
Fund for Ireland	17.0	—	17.0	0	—	—
Democracy Fund	120.0	—	120.0	114.8	—	—
Migration & Refugee Assistance	1,693.0	165.0	1,858.0	1,686.6	1,613.1	-4.4%
Emergency Refugee and	45.0	—	45.0	49.9		

	FY2010 enacted (H.R. 3288/div F; P.L. 111-117	FY2010 Supp. enacted (H.R. 4899; P.L. 111-212	Total, enacted FY2010 regular & supp	FY2011 enacted PL112-10	FY2012 request	% change FY2012 vs. FY2011 enacted
Migration					32.0	-35.9%
Independent Agencies, Subtotal	*1,558.0*	—	*1,558.0*	*1,324.5*	*1,607.8*	*21.4%*
Inter-American Foundation	23.0	—	23.0	22.5	19.1	-15.1%
African Development Foundation	30.0	—	30.0	29.5	24.0	-18.6%
Peace Corps	400.0	—	400.0	374.3	439.6	17.4%
Millennium Challenge Corporation	1,105.0	—	1,105.0	898.2	1,125.1	25.3%
Department of Treasury, Subtotal	*85.0*	—	*92.1*	*75.4*	*45.1*	*-40.2%*
Treasury Department Technical Assistance	25.0	7.1	32.1	25.5	30.1	18.0%
Debt Restructuring	60.0	—	60.0	49.9	15.0	-70.0%
Title IV. Military/Security Assistance, Subtotal	**6,985.5**	**1,281.7**	**8,267.2**	**8,116.7**	**11,322.8**	**39.5%**
International Narcotics Control & Law Enforcement	1,597.0	1,181.7	2,778.7	1,593.8	2,511.8	57.6%
Nonproliferation, Anti-Terrorism, Demining	754.0	—	754.0	738.5	708.5	-4.1%
International Military Education & Training	108.0	—	108.0	105.8	110.0	4.0%
Foreign Military Financing	4,195.0	100.0	4,295.0	5,374.2	6,550.5	21.9%
Peacekeeping Operations	331.5	—	331.5	304.4	292.0	-4.1%
Pakistan Counterinsurgency Capability Fund (PCCF)	—	—	—	—	1,100.0	—
Global Security Fund	—	—	—	—	50.0	—
Title V. Multilateral Assistance, Subtotal	**2,437.7**	**212.0**	**2,649.7**	**2,302.6**	**3,667.5**	**59.3%**
World Bank: Global Environment Facility	86.5	—	86.5	89.8	143.8	60.1%
International Clean Technology Fund	300.0	—	300.0	184.6	400.0	116.7%
Strategic Climate Fund	75.0	—	75.0	49.9	190.0	280.8%

	FY2010 enacted (H.R. 3288/div F; P.L. 111-117	FY2010 Supp. enacted (H.R. 4899; P.L. 111-212	Total, enacted FY2010 regular & supp	FY2011 enacted PL112-10	FY2012 request	% change FY2012 vs. FY2011 enacted
World Bank: Int'l. Development Association	1,262.5		1,262.5	1,232.5	1,358.5	102.2%
Int'l Bank Recon & Dev	—	—	—	—	117.4	—
Inter-Amer Dev Bank	—	—	—	—	102.0	—
IADB: Enterprise for Americas MIF	25.0	—	25.0	25.0	25.0	—
IADB: Inter-American Investment Corporation	4.7	—	4.7	21.0	20.4	-2.9%
Asian Development Fund	105.0	—	105.0	0	115.3	—
Asian Development Bank	—	—	—	106.4	106.6	0.2%
African Development Fund	155.0	—	155.0	109.8	195.0	77.6%
African Development Bank	—	—	—	—	32.4	—
International Fund for Agricultural Development	30.0	—	30.0	29.5	30.0	1.7%
Global Food Security Fund	—	—	—	99.8	308.0	208.6%
International Organizations & Programs	394.0	—	394.0	354.3	348.7	-1.6%
Haiti Response/Debt Relief[b]	—	212.0	212.0	—	—	—
Multilateral Debt Relief	—	—	—	—	174.5	—
Title VI. Export Aid, Subtotal	**-113.9**	—	**-113.9**	**-130.5**	**-344.7**	—
Export-Import Bank (net)[c]	2.4	—	2.4	2.4	-212.9	—
Overseas Private Investment Corporation (net)[d]	-171.5	—	-171.5	-182.8	-188.1	—
Trade & Development Agency	55.2	—	55.2	49.9	56.3	12.8%
Foreign Operations, Total	**32,820.8**	**4,668.7**	**37,489.5**	**33,024.6**	**40,133.2**	**21.5%**
State/Broadcasting/Related Agencies, Total	**16,104.2**	**1,515.3**	**17,619.5**	**15,951.0**	**19,521.6**	**22.4%**
State-Foreign Operations, Total	**48,925.0**	**6,184.0**	**55,109.0**	**48,975.6**	**59,654.8**	**21.8%**

Source: U.S. Department of State budget documents, House and Senate Appropriations Committees, and CRS calculations.

Notes: Includes Overseas Contingency Operations (OCO) funds. Brackets indicate funds are subsumed in larger account above and are not counted against the total.

a. The agency managing the supplemental GHCS funds was not specified in the legislation.

b. These funds are requested for contributions to the Inter-American Development Bank, the International Development Association, and the International Fund for Agricultural Development to cancel debts owed by Haiti and for disaster response activities following the January 12 earthquake. These contributions are part of a multi-donor debt cancellation deal to which the U.S. has agreed.

c. Appropriated funds are for expenses of the Inspector General. Administration expenses and loan program funds are covered by Bank receipts.

d. These figures represent anticipated OPIC receipts, minus amounts requested for administrative expenses and credit funding.

Appendix E. International Affairs (150) Budget Account

Table E-1. International Affairs (150) Budget Account, FY2010-FY2012

(in millions of current U.S. $)

	FY2010 Base enacted (P.L. 111-117)[a]	FY2010 Supp. enacted (H.R. 4899; P.L. 111-212)	FY2010 enacted, Total	FY2011 enacted	FY2012 request	% change FY2012 vs. FY2011
State-Foreign Operations, excluding commissions[b]	48,782.1	6,184.0	54,966.1	48,842.6	59,521.2	21.9%
Commerce-Justice-Science						
Foreign Claim Settlement Commission	2.1	—	2.1	2.1	2.1	—
Int'l Trade Commission	81.9	—	81.9	81.7	87.0	6.5%
Agriculture						
P.L. 480 & McGovern-Dole	1,899.5	150.0	2,049.5	1,695.7	1,899.5	12.0%
Total International Affairs (150)	**50,765.6**	**6,334.0**	**57,099.6**	**50,622.1**	**61,509.8**	**21.5%**

Source: U.S. Department of State budget documents, House and Senate Appropriations Committees, and CRS calculations.

Note: Includes Overseas Contingency Operations (OCO) funds.

a. P.L. 111-32, the Supplemental Appropriations Act, 2009, included $1.8 billion that the Administration considers forward funding for FY2010, but which are not included in the FY2010 column in this table.

b. While funding for international commissions are appropriated in State-Foreign Operations bill, they are not part of the International Affairs Function 150 Account.

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