



## U.S. Senate Committee on Appropriations

**PRESS RELEASE**

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**Summary: Fiscal Year 2014 Department of State, Foreign Operations, and Related  
Programs Appropriations Bill  
Full Committee Mark**

Washington, DC – The Senate Appropriations Committee today approved a fiscal year 2014 bill that provides \$50.594 billion in discretionary budget authority to project U.S. leadership and protect a wide array of U.S. security, humanitarian, and economic interests around the world. Of this amount, \$6.515 billion is for Overseas Contingency Operations (OCO) in the frontline states (Afghanistan, Pakistan and Iraq) and in other areas in political transition (the Middle East and North Africa) and to respond to humanitarian emergencies (e.g. Syria, Somalia, Central Africa). The bill is \$1.1 billion below the President’s fiscal year 2014 budget request and \$2.7 billion below the fiscal year 2013 enacted level. It is \$10 billion above the House Subcommittee mark.

Senator Patrick Leahy (D-Vt.), Chairman of the Appropriations Subcommittee on State and Foreign Operations, issued the following statement:

*“This bill, often mischaracterized as ‘just foreign aid’, provides the funds to counter a long list of global threats – from religious extremism to pandemic influenza. It represents a critical investment in protecting Americans at home and traveling, working, studying or serving in an increasingly dangerous and competitive world.*

*“It also projects America’s face to the world, from the Peace Corps to our diplomats, who provide an image of this country, and what we stand for, that is often distorted or maligned.*

*“Since the end of the Cold War the United States has enjoyed unrivaled dominance, but we cannot take the future for granted as the ambitions and influence of China and other nations rapidly expands. The choices are stark – delude ourselves into believing that our military power is enough and the United Nations, the World Health Organization, and our foreign assistance programs are unimportant or a luxury we cannot afford, or spend a mere one percent of our entire Federal budget to engage with the world. Senator Graham and I choose the latter course, and this bill, which was drafted in a fully bipartisan manner, is our answer.”*

Senator Barbara A. Mikulski (D-Md.), Chairwoman of the Appropriations Committee, issued the following statement:

*“I’m proud of the work done by Senators Leahy and Graham on the State and Foreign Operations bill. This is the bill that funds America’s public diplomacy and that protects American interests around the globe. So much important work is done through this bill: it gives assistance to our allies; keeps our embassies safe; provides lifesaving vaccines and nutrition assistance; fights despicable human trafficking; and, it protects religious freedoms around the world. The Foreign Operations Bill shows the rest of the world what America stands for and what America stands up for.*

*“This bill provides critical funding for embassy security to ensure the safety of all the people who work in our embassies and our diplomatic posts around the globe -- the men and women in our diplomatic corps who risk their lives in the line of duty as they represent our country’s values and interests. This bill supports them not just with words, but with deeds, by ensuring our embassies and diplomatic posts are protected.*

*“Maryland is home to many Non-Governmental Organizations (NGOs) devoted to humanitarian assistance around the globe, including such organizations as Catholic Charities and World Relief. I’m so proud of the work that they do saving innocent lives and promoting democracy abroad. The State and Foreign Operations bill provides robust support for global health and humanitarian efforts, so the spirit of America, our spirit of reaching out to help others, can extend beyond our shores.”*

Among other highlights, the State and Foreign Operations bill provides funding above the President’s request for diplomatic security; it fully funds our commitments to key allies like Israel and Jordan; our contributions to NATO and the International Atomic Energy Agency; UN peacekeeping; global health (including to combat HIV/AIDS); climate change programs; professional and academic exchanges; and to promote U.S. exports.

A summary of the bill follows below. All comparisons are to the fiscal year 2013 enacted level. Some dollar figures are rounded.

## **Savings, Reforms, and Reducing Government Waste**

### **Savings**

The bill totals \$2.68 billion below the fiscal year 2013 enacted level. It requires cost saving measures and does not include funding or authority for phase III of overseas comparability pay for Foreign Service officers. This results in savings of \$102.9 million in fiscal year 2014.

### **Reducing Waste, Fraud and Abuse**

All agencies funded in the bill are directed to regularly review operations and program costs to determine their necessity, priority, and effectiveness, and to modify or discontinue programs that fail to perform, meet sustainability goals, or require excessive overhead or security costs. The bill:

- Provides significant funding for the Inspectors General and directs implementation of key IG and GAO recommendations.
- Clarifies the appropriate use of representation and entertainment funds, and directs all agencies to reduce costs related to executive meetings, ceremonies, and conferences as well as curtailing the purchase of commemorative and promotional items.
- Includes limitations on conference expenses and requires agencies to report to the IGs on conference spending.
- Directs agencies to improve energy efficiency at overseas posts, and to conduct assessments to identify ways to further improve energy efficiency and reduce waste.
- Directs agencies to continue efforts to improve financial management, contracting processes, and internal controls to reduce the potential for waste and fraud.
- Limits the State Department's travel budget to the fiscal year 2013 level.

## **Strengthening Embassy Security**

The safety of our diplomats, consular officers, and aid workers is paramount. This bill provides the amount requested by the President, which includes the funds to implement the Benghazi Accountability Review Board's recommendations plus an additional \$25 million to improve security at expeditionary, interim, and temporary facilities. The bill directs the State Department to establish processes that ensure that the security needs of such facilities are regularly evaluated. The bill also directs the Department to reevaluate the cost-benefit of a continuing presence in Basrah, Iraq and directs any savings from reducing or closing this consulate to funding other security costs.

### **Bolstering Global Health**

HIV/AIDS and other infectious diseases threaten millions of Americans who travel, live, study and serve overseas, as well as here at home. In addition, billions of people in the poorest countries, especially children, die or suffer from debilitating diseases that can be easily prevented or treated. The bill continues the Subcommittee's tradition of funding these programs above the President's request.

- **HIV/AIDS.** The bill provides the President's request for global HIV/AIDS assistance (\$6 billion), including for PEPFAR (\$4.02 billion), the Global Fund (\$1.65 billion), and USAID's HIV/AIDS programs (\$330 million).
- **Polio.** The bill increases funding for polio prevention programs to \$61 million, including \$10 million in Afghanistan and Pakistan and to support a multilateral campaign to eliminate the disease, which is \$25.4 million above the President's request.
- **Family Planning/Reproductive Health.** The bill provides a total of \$669.5 million, including \$39.5 million for the UN Population Fund. The prohibition on funding for abortion and involuntary sterilization is continued.
- **Children's Vaccines.** The bill provides \$175 million for the GAVI Alliance.
- **Malaria.** The bill provides \$667 million for assistance to combat malaria.
- **Tuberculosis.** The bill provides \$225 million for assistance to combat tuberculosis.
- **Pandemic Influenza.** The bill provides \$75 million for pandemics and other emerging health threats.
- **Neglected Tropical Diseases.** The bill provides \$100 million for NTDs.

### **Meeting our International Commitments**

The U.S. Government is required by treaty to pay its assessed share of United Nations costs, which include UN peacekeeping missions the U.S. has voted for in Haiti, Lebanon, the Democratic Republic of the Congo, and elsewhere, as well as our commitments to the international financial institutions. The bill fully funds these commitments, preserving U.S. leadership and avoiding further arrears. However, portions of the funds are conditioned on transparency, audit, and reporting requirements.

- **Contributions for International Peacekeeping Activities.** The bill provides \$2.09 billion for CIPA, which fully funds U.S. commitments to UN peacekeeping missions. Funding for the Mali mission, which was not included in the President's request, is available from the Complex Foreign Crises fund and the Peacekeeping Operations account, but no amount is specified.

- **Contributions to International Organizations.** The bill provides \$1.46 billion for CIO, which fully funds U.S. contributions to UN organizations but does not include a contribution to UNESCO which is prohibited by law.
- **International Development Association.** The bill provides \$1.358 billion for the U.S. contribution to the World Bank's soft loan window.
- **Clean Technology Fund.** The bill provides \$215.7 million for the Clean Technology Fund.
- **Strategic Climate Fund.** The bill provides \$68 million for the Strategic Climate Fund.
- **Global Environment Facility.** The bill provides \$143.75 million for the Global Environment Facility.
- **International Organizations and Programs.** The bill provides a total of \$355.7 million for voluntary contributions, including \$132 million for UNICEF.

#### **Supporting Key Allies**

The bill provides funding at or above the President's request for key allies, including:

- Israel. As in past years, the bill provides the President's request of \$3.1 billion for military assistance for Israel.
- Jordan. The bill provides a total of \$870 million for Jordan, which includes \$200 million under "Complex Foreign Crises Fund" to respond to the humanitarian crisis resulting from the influx of Syrian refugees.
- Egypt. The bill provides "up to" the President's request for Egypt (\$250 million in economic and \$1.3 billion in military assistance). The \$1.3 billion is obligated in tranches, subject to certifications by the Secretary of State, as follows:
  - 25 percent of the military aid is provided immediately.
  - 25 percent is conditioned on Secretary of State certification that the Government of Egypt is supporting inclusive political processes and releasing political prisoners. The bill provides a national security waiver of this condition.
  - 25 percent is conditioned on a democratic election and a new government being in place. The bill provides a national security waiver of this condition.
  - 25 percent is conditioned on the newly elected government governing democratically and taking steps to protect the rights of women and religious minorities. The bill does not provide a waiver of this condition.

### **Supporting Frontline States**

The bill includes the following for State Department and USAID operations and assistance for the frontline states, including significant cuts due to concerns with security, sustainability of programs, and large pipelines of unexpended prior year funds:

- Afghanistan. The bill includes a total of \$1.9 billion, which is \$1.28 billion less than the President's request of \$3.2 billion. The bill provides \$959 million for State Department and USAID operations and the Special Inspector General for Afghanistan Reconstruction and \$958 million for assistance programs. In addition, the pipeline of prior year funds for Afghanistan assistance exceeds \$4.5 billion.
- Iraq. The bill includes a total of \$1.26 billion, which is \$222 million less than the President's request of \$1.48 billion. The bill provides \$710.7 million for State Department and USAID operations and \$552 million for assistance programs. In addition, the Department has \$428.7 million available from prior year balances for operations.
- Pakistan. The bill includes a total of \$878.6 million, which is \$465.7 million less than the President's request of \$1.3 billion. The bill provides \$181.7 million for State Department and USAID operations and \$696.8 million for assistance programs. In addition, the pipeline of prior year funds for Pakistan assistance exceeds \$2.5 billion.

### **Strategic Public Diplomacy and Communications**

The absence of a coherent and unified public diplomacy and communications strategy at the Department of State, USAID, and the Broadcasting Board of Governors (BBG) undercuts U.S. influence abroad. The bill directs these agencies to improve coordination and develop a joint public diplomacy strategic plan.

The bill includes \$44.6 million for programs to promote Internet freedom globally to countries whose governments restrict freedom of speech and association on the Internet, including a doubling from fiscal year 2013 funding for the BBG Internet freedom program to \$19.6 million. The bill requires a multi-faceted U.S. Government-wide strategy for Internet freedom, coordination of Internet freedom programs with other democracy and broadcasting programs, and continued research and development on technologies and key threats to Internet freedom.

### **Responding to Humanitarian Crises**

The bill provides funding above the amount requested to respond to man-made, humanitarian crises in Syria, Central Africa, Somalia, and elsewhere, from both enduring and OCO accounts.

- For Migration and Refugee Assistance, the bill provides a total of \$2.9 billion, which is \$1.1 billion above the President's request.

- For International Disaster Assistance, the bill provides a total of \$1.6 billion. (This is \$430 below the President's request which included \$1.1 billion in PL 480 food aid which is fully funded in the Agriculture Appropriations bill.)
- The bill includes a new fund, Complex Foreign Crises Fund, which is funded at \$575 million. A portion of these funds is available for the cost of UN peacekeeping mission in Mali, as well as for Jordan (see above) and to respond to political transitions in the Middle East and North Africa. (This is in lieu of the Middle East and North Africa Incentive Fund, requested by the President.)

### **Promoting U.S. Exports**

In response to increasing economic competition from China, the U.K. and other countries, and expanding U.S. trade with Africa, Asia, and Latin America, title VI of the bill provides funding to promote exports of U.S. goods and services in the amounts requested by the President for the Export-Import Bank, the Overseas Private Investment Corporation, and the Trade and Development Agency.

The bill designates higher funding to support financing for U.S. small businesses to increase exports as well as to support U.S. exports to sub-Saharan Africa. The bill also directs the State Department to report on economic and business diplomacy efforts, particularly in Africa, to promote U.S. exports.

### **Highlights of Senate Bill versus House Bill**

The House allocation for SFOPS is \$40.6 billion, which is \$10 billion below the Senate level. The differences are stark. Almost no account or program escapes unscathed in the House bill, but most glaring are the deep cuts to international organizations in which the U.S. plays a major role in addressing global threats no country can solve alone. The House cuts end U.S. support for many of these organizations, would create large arrears, and erode our influence vis a vis other major contributors and shareholders. For example:

- International Organizations and Programs. The House bill provides \$0 for the International Organization and Programs (IO&P) account, which funds U.S. contributions to UNICEF, the UN Development Program, the UN Population Fund, UN High Commissioner for Human Rights, UN Environment Program and the Montreal Protocol which protects the ozone layer, the World Heritage Fund, and contributions to many other UN specialized agencies in which the U.S. has a wide range of interests. The Senate bill provides \$355.7 million.
- Contributions to International Organizations. The House bill provides \$746 million for the Contributions for International Organizations account which funds U.S. assessed contributions for the United Nations and UN agencies, including NATO, the International Atomic Energy Agency, the World Health Organization, Food and Agriculture Organization, Asia-Pacific Economic Cooperation, and many others. This is \$710.7 million (48.8 percent) below the Senate bill level of \$1.45 billion.

- International Financial Institutions. The House bill provides only \$1.15 billion for U.S. contributions to the multilateral development banks and trust funds, and only for three institutions: the International Development Association, the Asian Development Fund, and the African Development Fund. This is \$2 billion (64 percent) below the Senate level of \$3.2 billion.

The House bill provides \$0 for the key multilateral environmental trust funds which support clean energy and protect forests and marine resources, including the Global Environment Facility, the Clean Technology Fund, and the Strategic Climate Fund. The Senate bill provides \$427.4 million.

- Millennium Challenge Corporation. The Senate bill provides \$899 million for the MCC, compared to \$702 million in the House bill.
- Development Assistance. The Senate bill provides \$2.5 billion for Development Assistance, which funds a wide range of democracy, rule of law, water and sanitation, clean energy and biodiversity conservation, microfinance, basic education, and economic growth programs. The House bill provides \$2 billion.
- Humanitarian Response. To respond to the exploding humanitarian crisis in Syria and to meet the needs of millions of refugees and internally displaced persons from Somalia to Colombia, the Senate bill provides \$1.61 billion for International Disaster Assistance which is \$687 million above the House bill (\$928 million), and \$2.9 billion for Migration and Refugee Assistance which is \$1 billion above the House bill (\$1.9 billion).

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