



COMMITTEE *on* APPROPRIATIONS

CHAIRWOMAN BARBARA A. MIKULSKI

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Contact: Vince Morris w/Appropriations: (202) 224-1010
Leahy Press Office/David Carle: (202) 224-3693

SUMMARY

DEPARTMENT OF STATE, FOREIGN OPERATIONS, AND RELATED PROGRAMS FISCAL YEAR 2015 APPROPRIATIONS BILL

Subcommittee Mark: June 17, 2014

Washington, DC – The Senate State, Foreign Operations, and Related Programs Appropriations Subcommittee today approved a fiscal year 2015 bill that provides \$48.285 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, \$8.625 billion is for Overseas Contingency Operations (OCO) in the frontline states (Afghanistan, Pakistan and Iraq) and other areas in political transition (including in the Middle East and North Africa) and to respond to humanitarian emergencies (e.g. Syria, Somalia, South Sudan). The bill is \$285 million below the President’s fiscal year 2015 budget request and \$716 million below the fiscal year 2014 enacted level.

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

“This was a difficult bill to draft because of the rapidly worsening humanitarian crises in Syria, Iraq, and Africa, and the dramatic surge in migration of unaccompanied minors from Central America. The bill includes additional funds to help Ukraine and other former Soviet republics counter Russian aggression. I am gratified that the bill includes full funding for diplomatic security, global health, U.N. peacekeeping, educational and cultural exchanges, and to support key allies. It also makes a number of reforms that will strengthen oversight and reduce waste. Ranking Member Lindsey Graham was, as usual, an able partner who provided essential input to produce a bill that is comprehensive in scope and balanced in approach.”

A summary of the bill follows below. All comparisons are to the fiscal year 2014 enacted level. Some dollar figures are rounded.

Reforms, Savings, and Reducing Government Waste

Reforms

- The bill includes a package of reforms to address long-standing concerns about the U.S. Agency for International Development's (USAID) implementation of assistance programs. These include the transition of a number of current Foreign Service Officer positions to a new cadre of officers, Local Sustainable Development Officers, who will have the necessary language and technical skills and longer overseas assignments to enable them to work closely with local communities and governments on assistance projects.
- The bill enhances the effectiveness of humanitarian aid through the collection of feedback data that is widely shared to improve the understanding of USAID and other donors of the needs and perceptions of aid beneficiaries.
- The bill includes authorities to improve USAID's ability to use technical experts and provide funding for innovative projects proposed by local individuals and organizations.
- The bill also establishes a Small Grants Program within USAID to expand partnerships with, and help build the capacity of, small organizations by providing grants, cooperative agreements and other assistance mechanisms to small nongovernmental organizations, universities and other similar entities.
- The bill includes provisions designed to improve the quality and oversight of lending by the international financial institutions.
- The bill requires posting on agency websites of many reports mandated by the Committee.

Savings

The bill is \$716 million below the fiscal year 2014 enacted level. This funding level requires cost saving measures and tradeoffs to ensure adequate funding for the Department of State and USAID operations as well as programs, including in response to the changing situation in Ukraine, Syria and Iraq, and the transition in Afghanistan.

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 (IG), including the Special Inspector General for Afghanistan Reconstruction, and directs implementation of key IG and Government Accountability Office recommendations;

- Includes limitations on conference expenses;
- Directs agencies to improve energy efficiency at overseas posts and conduct assessments to identify ways to further improve energy efficiency and reduce waste; and
- Directs agencies to continue efforts to improve financial management, contracting processes and internal controls to reduce the potential for waste and fraud.

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 continue implementing the Benghazi Accountability Review Board's recommendations.

Bolstering Global Health

HIV/AIDS, tuberculosis 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 providing significant funding for these programs.

- **HIV/AIDS.** The bill provides the President's request for global HIV/AIDS assistance (\$5.7 billion), including for President's Emergency Plan for AIDS Relief (\$4.02 billion), the Global Fund (\$1.35 billion) and USAID's HIV/AIDS programs (\$330 million).
- **Polio.** The bill increases funding for polio prevention programs to \$59 million, including \$7.5 million in Afghanistan and Pakistan and to support a multilateral campaign to eliminate the disease, which is \$9 million above the President's request.
- **Family Planning/Reproductive Health.** The bill provides a total of \$644 million, including \$37.5 million for the UN Population Fund. The prohibition on funding for abortion and involuntary sterilization is continued.
- **Children's Vaccines.** The bill provides \$200 million for the GAVI Alliance.
- **Malaria.** The bill provides \$669.5 million for assistance to combat malaria.
- **Tuberculosis.** The bill provides \$225 million for assistance to combat tuberculosis, which is \$34 million above the President's request.
- **Pandemic Influenza.** The bill provides \$72.5 million for pandemics and other emerging health threats, which is \$22.5 million above the President's request.

- Neglected Tropical Diseases (NTD). The bill provides \$100 million for NTDs, which is \$13.5 million above the President's request.

Meeting our International Commitments

The U.S. government is required by treaty to pay its assessed share of United Nations (UN) costs, which include UN peacekeeping missions the U.S. has voted for in Haiti, Lebanon, Mali, the Democratic Republic of the Congo and elsewhere, as well as our commitments to the international financial institutions. The bill substantially 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 (CIPA)**. The bill provides \$2.5 billion for CIPA, which fully funds U.S. commitments to UN peacekeeping missions as a critical component of furthering U.S. strategic interests globally. The bill does not include the new Peacekeeping Response Mechanism requested by the President, but instead includes transfer authority from the Complex Crisis Fund to CIPA and the Peacekeeping Operations accounts.
- **Contributions to International Organizations (CIO)**. The bill provides \$1.5 billion for CIO to support U.S. contributions to UN organizations, but does not include a contribution to UN Education, Scientific and Cultural Organization, which is prohibited by law.
- **International Development Association**. The bill provides \$1.285 billion for the U.S. contribution to the World Bank's soft loan window.
- **Clean Technology Fund**. The bill provides \$201.3 million for the Clean Technology Fund.
- **Strategic Climate Fund**. The bill provides \$63 million for the Strategic Climate Fund.
- **Global Environment Facility**. The bill provides \$136.6 million for the Global Environment Facility.
- **International Organizations and Programs**. The bill provides a total of \$351 million for voluntary contributions.

Supporting Key Allies

The bill provides substantial funding 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 \$1 billion in economic and military assistance for Jordan, in addition to humanitarian assistance for Syrian refugees in Jordan;
- Egypt. The bill provides a total of \$1 billion in military assistance, subject to democracy and human rights conditions, with exceptions for counter-terrorism and border security, and \$150 million in economic assistance; and
- Ukraine and other former Soviet Republics. The bill provides up to an additional \$100 million for economic and security assistance to counter Russian aggression in these countries.

Responding to Humanitarian Crises

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

- For Migration and Refugee Assistance, the bill provides a total of \$2.95 billion, which is \$904 million above the President's request.
- For International Disaster Assistance, the bill provides a total of \$1.895 billion, which is \$595 million above the President's request.
- The bill includes \$242.8 million for the Complex Crises Fund (CCF), and includes transfer authority between CCF, Peacekeeping Operations and CIPA for new or increased peacekeeping costs, including for Central African Republic and Mali.
- To respond to a surge in the U.S. of unaccompanied, undocumented minors from the Central American countries, the bill includes an additional \$100 million. The funding will be used to implement a prevention and response strategy focused on areas in Central America where key indicators of poverty, a lack of educational, vocational and employment opportunities and high rates of criminal gang violence, other violent crime, narcotics and human trafficking are contributing to this migration, including for the safe return and reintegration of the minors.

Support for the Frontline States

The bill includes the following for the Department of State and USAID operations and assistance for the frontline states:

- Afghanistan. A total of \$1.9 billion, which is \$700 million below the President's request of \$2.6 billion. Of this amount, the bill provides up to \$961.4 million for assistance programs;
- Iraq. A total of \$1.25 billion, which is \$251 million below the President's request of \$1.5 billion. Of this amount, up to \$50 million is for assistance under the Economic Support

Fund heading. Up to \$250 million is for assistance under the Foreign Military Financing Program heading, which may be made available only after a report by the Secretary of State on the Government of Iraq's efforts to promote reconciliation among Iraq's ethnic and political factions and to form a multi-sectarian government. These funds may also be used for humanitarian programs; and

- Pakistan. A total of \$959.7 million, which is \$65.8 million less than the President's request of \$1.03 billion. Of this amount up to \$816 million for assistance programs.

Promoting U.S. Exports

In response to increasing economic competition from China, the United Kingdom 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 for the Export-Import Bank, the Overseas Private Investment Corporation and the Trade and Development Agency.

New General Provisions

The bill also contains a number of new general provisions intended to further advance fundamental freedoms, the protection of American nationals and citizens abroad and provide additional support to our allies, including:

- Assistance for United States Citizens and Nationals Wrongly Detained Abroad. The bill directs the Secretary of State to report on citizens and nationals of the United States that have been wrongly detained abroad, directs that funds be used to develop and implement a policy for determining the nature of their detention and provides guidance for government officials and families to follow in attempting to secure their release;
- Asia Rebalance. The bill provides a framework for the President's Asia Rebalancing Initiative to enhance regional partnerships, improve trade and human rights in the Asia and Pacific region and includes requirements to provide greater clarity in the funding requests to support the Initiative;
- Russia. The bill provides a framework for additional assistance to allies in Central and Eastern Europe and Central Asia to respond to Russian aggression in the region and directs the President to implement a strategy for countering Russian efforts to expand influence; and
- Global Internet Freedom. The bill includes a general provision on internet freedom to enhance fundamental rights globally by directing that not less than \$35 million be used for internet freedom programs in countries whose governments restrict freedom of expression.