



DEPARTMENT OF STATE AND OTHER INTERNATIONAL PROGRAMS

Highlights:

- The Department of State, the U.S. Agency for International Development (USAID), and other international programs help to advance the national security interests of the United States by building a more democratic, secure, and prosperous world.
- The Budget for the Department of State and USAID's diplomatic and development activities supports the strategic objectives of the United States, including those outlined in the 2018 Budget and the newly released National Security Strategy of the United States. In addition, the Budget supports Agency reform and critical investments that improve accountability, effectiveness, and efficiency in using taxpayer dollars to advance U.S. foreign affairs and national security goals. By pursuing a more balanced share of international spending and holding Departments and international organizations accountable for results, the Budget supports U.S. interests abroad, which would lead to a more prosperous and secure America.
- The Budget requests \$25.8 billion in base funding for the Department of State and USAID, a \$9 billion or 26-percent decrease from the 2017 enacted level. The Budget also requests \$12 billion as Overseas Contingency Operations funding for extraordinary costs, primarily in war areas such as Syria, Iraq, and Afghanistan, for an Agency total of \$37.8 billion, which is a \$191 million increase from the 2018 Budget. The Budget also requests \$1.4 billion for Department of the Treasury international programs, a \$354 million or 20-percent reduction from the 2017 enacted level.

The President's 2019 Budget:

The Budget supports the missions of the Department of State, USAID, and other international programs to advance the national security interests of the United States. The Budget promotes the development of more resilient and democratic societies, leading to a more secure and prosperous world. The Budget requests sufficient resources for the Department of State and other international programs to carry out their responsibilities under the National Security Strategy to protect the American people, preserve peace and security, promote American prosperity, and advance American influence. The Budget would enable the United States to compete for influence against those who do not share America's values or interests, catalyze conditions to help aspiring partners achieve mutually beneficial economic and security goals, and respond to the emerging era of great power competition across political, economic, and information domains. In addition, the Budget prioritizes diplomatic and development activities that provide maximum policy benefits, while making efficient, effective, and accountable use of taxpayer resources. Furthermore, the Budget upholds

“America is a sovereign Nation and our first priority is always the safety and security of our citizens. We are not here to lecture—we are not here to tell other people how to live, what to do, who to be, or how to worship. Instead, we are here to offer partnership—based on shared interests and values—to pursue a better future for us all.”

President Donald J. Trump
May 21, 2017

U.S. commitments to partners and allies, while emphasizing the critical role of other donors to advance shared priorities.

Provides a Platform of over 275 Embassies, Consulates, and Diplomatic Missions Around the World for the Development and Implementation of U.S. Foreign Policy, and to Carry out Visa and Passport Programs to Protect the American People. The Budget requests \$8.2 billion for Diplomatic Programs and the Information Technology (IT) Central Fund, which would support the critical day-to-day operations of the Department’s overseas staff. In addition, the Budget is investing in more efficient and effective business processes for the Department of State. Specifically, the Budget requests \$96 million for human

capital investments in order to integrate a comprehensive approach to attracting, developing, and enabling personnel to have the resources and capabilities required for improved performance, leadership, and accountability. The Budget requests an additional \$150 million to address key IT investments that would modernize legacy systems and software, allow the workforce to be more agile and resourceful—regardless of their location—and accelerate cloud-based solutions. The Budget also requests \$1.3 billion for USAID Operations to support USAID personnel in 87 missions.

Prioritizes the Safety and Security of American Diplomats and Staff Overseas. The Budget requests \$4.6 billion to protect overseas personnel and facilities. This funding level includes the Department’s share of the \$2.2 billion requested Government-wide in the Budget for new, secure embassy construction, as recommended by the Benghazi Accountability Review Board report. This would continue the upward trend of housing overseas personnel in safer diplomatic facilities. With the proposed level of funding, the Department of State would continue to protect American personnel representing more than 30 agencies, as well as provide services to Americans overseas, in a safe and secure environment.

Promotes a Free and Open Indo-Pacific. The United States’ future security and prosperity depends on maintenance of free-and-open access to the Indo-Pacific. The Budget supports the Administration’s commitment to U.S. leadership in this dynamic region through advancing democracy and good economic governance, supporting U.S. private sector competitiveness, promoting exports of U.S. goods and services, and sustaining the role of the United States as the region’s preferred security and economic partner.

Advances American Interests in the Middle East. The Budget fully supports the new, 10-year Memorandum of Understanding between the United States and Israel, including \$3.3 billion in Foreign Military Financing grant assistance to bolster Israel’s capacity to defend itself and maintain its qualitative military edge. The Budget also requests \$1.3 billion in economic and security assistance to support a long-term commitment to Jordan in recognition of the critical U.S.-Jordan strategic partnership. This extraordinary level of commitment contributes to Jordan’s stability and security, and to shared goals of peace and prosperity in the Middle East and beyond. The Budget also dedicates significant security and economic assistance to other key partners in the region, including Egypt. In addition, the Budget supports the President’s strategy to counter the destabilizing influence of the Iranian regime in the Middle East and beyond.

Keeps the Islamic State of Iraq and Syria (ISIS) and Other Violent Extremist Organizations on the Path to Lasting Defeat. The Budget for the Department of State and USAID supports the global strategy to defeat ISIS and other terrorist organizations, in coordination with the Global Coalition working to defeat ISIS as well as other partner countries. The Budget provides targeted assistance to address sources of regional instability and support partner country efforts to re-establish security and stability within their borders. These efforts constitute conditions for the long-term defeat of violent extremists, and protect U.S. interests in the region.

Supports the President's Strategy in Afghanistan and South Asia. The Budget's more than \$630 million for civilian assistance supports the President's new strategy to empower the people of Afghanistan to take ownership of their future. In addition, the Budget strengthens and sustains improvements in education, health, governance, and other sectors that are essential for securing a stable and prosperous Afghanistan. The Budget also allows the United States to honor the pledge made at the Brussels conference on Afghanistan, which anticipated gradually declining assistance levels. The Budget requests \$256 million for Pakistan in economic and other assistance to help increase stability, promote economic growth, and create opportunities for U.S. businesses. In addition, the Budget requests \$80 million in Foreign Military Financing assistance to enhance Pakistan's counterterrorism and counterinsurgency capabilities, contingent on Pakistan taking appropriate action to expand cooperation in areas where U.S.-Pakistan interests converge and to address areas of divergence, in line with the Administration's South Asia strategy.

Counters the Proliferation of Weapons of Mass Destruction. The Budget prioritizes efforts to secure, eliminate, and prevent the proliferation of weapons of mass destruction and their delivery systems. Through diplomatic engagement, and bilateral and multilateral programs, the United States continues to promote strategic stability. These efforts build the international coalitions necessary to stop the spread of materials and expertise that aid state and non-state proliferators, and ensure that those who seek to build and use these weapons are held accountable.

Proposes a Reformed, Consolidated U.S. Development Finance Institution to Expand U.S. Influence Abroad. During his November 2017 trip to Asia, the President committed to reforming U.S. development finance institutions to better incentivize private sector investment in developing nations, counter America's competitors, and provide better alternatives to State-directed initiatives. The Budget builds on this commitment and acts on the President's call for a streamlined, more effective Government. Specifically, the Budget consolidates several private sector mobilization and development finance functions at various agencies, such as the Overseas Private Investment Corporation (OPIC) and USAID's Development Credit Authority, into a new, enhanced U.S. Development Finance Institution (DFI). The DFI would not only reduce fragmentation, achieve operational efficiencies, and provide cost savings to the taxpayer, but it would also improve coordination and policy alignment. The DFI also includes reformed and modernized tools to ensure that U.S. development finance effectively catalyzes, but does not displace, private sector resources, and does not create undue risk for the U.S. taxpayer. A reformed, consolidated DFI more effectively supports economic growth and development outcomes in emerging markets. It would also advance U.S. national security interests, and support U.S. companies, jobs, and exports.

Ensures that Trade is Fair and Reciprocal. The Budget requests \$63 million for the Office of the U.S. Trade Representative (USTR) in support of the President's ambitious trade agenda. By renegotiating outdated agreements and pursuing opportunities for new trade deals, the Administration is working to ensure that trade grows the economy and brings jobs back to America's shores. The Administration further protects American workers and businesses by identifying trade violations, and pursuing all enforcement options at its disposal to end these abuses, many of which went unaddressed for years.

Levels the Playing Field for America's Exporters. The Budget supports a fully functioning Export-Import Bank (ExIm) to help level the playing field for America's exporters and help America compete, while ensuring that ExIm does not displace the private sector. The Budget would allow ExIm to play an important role in supporting the Administration's job creation agenda by facilitating exports where market gaps would otherwise exist, while ensuring that ExIm does not unnecessarily distort the market. ExIm would focus its efforts on market segments where U.S. support is critical to compete, including in areas of national security importance, and on supporting small and medium-sized American exporters that are the engines of economic growth and U.S. job creation.

Targets Foreign Assistance to Promote Developing Countries' Self-Reliance and Ultimately End their Need for Aid. The Budget reflects the Administration's goal to encourage and advance partner countries' self-reliance in order to become tomorrow's trading and security partners. Working with partners to help them reach their development goals advances common interests and values, strengthens stability in key regions, boosts U.S. economic opportunities, and establishes the conditions for a more secure and prosperous world. The Budget supports new efforts to track countries' development progress from fragility through self-reliance to lasting prosperity. Going forward, agencies would use this information to guide resource requests, program approaches, incentivize critical reforms, and measure program performance to support partner countries' progress along the development pathway and toward a transition away from the need for aid. The Budget also emphasizes aid approaches that bring in private capital and innovation, foster fair and reciprocal trading relationships, and empower reform-minded governments and people who share the same goals to develop their own capabilities and resources.

Concentrates Efforts Against HIV/AIDS. In September, Secretary Tillerson launched the President's Emergency Plan for AIDS Relief's (PEPFAR) new Strategy for Accelerating HIV/AIDS Epidemic Control (2017-2020). The Budget supports the new impact strategy by continuing support in more than 50 countries and strengthening U.S. investment in a subset of countries, which represent the most vulnerable communities to HIV/AIDS and have the potential to achieve control by 2020. In addition, the Budget requests \$925 million to complete a three-year commitment to the Global Fund to Fight AIDS, Tuberculosis and Malaria, fully funding the U.S. Government's Fifth Replenishment pledge to match \$1 for every \$2 provided by other donors. At the funding level requested in the Budget, the United States would provide sufficient resources to maintain all current patient levels on HIV/AIDS treatment. U.S. efforts to control the HIV/AIDS epidemic are a direct reflection of U.S. leadership abroad and the goodwill, compassion, and generosity of the American people.

Helps Prevent Public Health Emergencies through the Global Health Security Agenda (GHSA) and Advances Maternal and Child Health. Containing the spread of deadly diseases overseas is a vital U.S. national security interest. To prevent, detect, and respond to infectious disease threats abroad, the Budget request supports an array of global health security activities through the GHSA. The Budget also requests nearly \$2 billion for lifesaving health interventions through USAID, including the President's Malaria Initiative, programs that address tuberculosis, polio eradication, and Neglected Tropical Diseases, and the U.S. contribution to Gavi, the Vaccine Alliance. With the Protecting Life in Global Health Assistance policy now in place, the Budget request includes U.S. investments in family planning and reproductive health, with an emphasis on evidence-based methods, including fertility awareness. These services would save thousands of lives and support women's empowerment.

Improves Food Security and Resilience. To help address global hunger and poverty, the Budget includes bilateral funding for agriculture-led food security programs. Increased emphasis on resilience and evidence-based programs that aim to address root causes of vulnerability would help prevent future famines in regions that face recurrent crises, particularly in Sub-Saharan Africa.

Resilience and targeted programs have been shown to be effective in helping vulnerable populations withstand severe weather and other shocks, which limits the need for emergency food and other humanitarian assistance. Beyond resilience, this funding is focused on strengthening the capacity of developing countries with extreme poverty that have strong potential to address their severe food insecurity, through activities such as improvements in smallholders' agricultural productivity, markets, and nutrition, and which commit to undertake policy reforms as part of robust country-led strategies.

Maintains U.S. Global Humanitarian Leadership While Expecting Others to do More.

The Budget requests significant humanitarian assistance resources enabling the United States to remain the largest single humanitarian donor. The Budget request also enables the United States to address major humanitarian crises, including those driven by conflict, such as in Syria, Yemen, and Iraq. The Budget relies on a new approach to relief that includes new efforts to influence other donors to give a greater share. The Budget also demands improved performance by United Nations (UN) organizations and other implementers to maximize the benefit for recipients of assistance. This approach supports the priority to impose greater accountability on international partners along with donor burden sharing that is more balanced, while reducing suffering and meeting the needs of refugees and displaced persons close to their homes until they can safely return.

"To honor the people of our nations, we must ensure that no one and no member state shoulders a disproportionate share of the burden, and that's militarily or financially. We also ask that every peacekeeping mission have clearly defined goals and metrics for evaluating success. They deserve to see the value in the United Nations, and it is our job to show it to them."

President Donald J. Trump
September 18, 2017

Mobilizes Partner Countries' Domestic Resources, a Critical Step on the Path to Self-Reliance and Transitioning Away from Aid Assistance.

Domestic resource mobilization (DRM) presents a long-term path to sustainable development finance by encouraging countries to adopt effective, transparent, and accountable systems for mobilizing their own resources to invest in their own development. The U.S. Government's DRM activities are funded by USAID, Treasury's Office of Technical Assistance, the Millennium Challenge Corporation (MCC), and PEPFAR. USAID's new centrally-managed DRM initiative would equip and challenge partner countries to more effectively mobilize and manage domestic public and private resources, leverage other available financing sources, and sustainably lead their own development. USAID is building on the experiences and successes of DRM efforts in countries such as El Salvador, where improvements in tax collection over the last decade have increased government revenues by \$350 million per year. Assistance would be provided to local governments to mobilize and manage public revenues, as well as private capital via local capital markets, to finance their own development and decrease aid dependency. This initiative would strive to ensure partner country commitment, a robust graduation strategy, rigorous monitoring and evaluation, and enhanced public-private dialogue.

Ensures U.S. Leadership at Multilateral Development Banks (MDBs). The Budget requests \$1.4 billion in funding for MDBs, including the World Bank's International Development Association, the African Development Fund, and the Asian Development Fund. As a leading donor in these institutions, the United States demands high performance, reforms in line with U.S. values, and strategic investments in projects that serve U.S. development, foreign policy, and national security goals.

Advances U.S. Interests and Values in Multilateral Organizations. The United States will compete and be a leader in multilateral organizations so that American interests and principles are protected. The Administration remains committed to the need for greater transparency and reform

in international bodies and for other donors to invest more. The Budget requests more than \$2 billion for contributions to the UN Secretariat and technical agencies, UN peacekeeping, and other international organizations while signaling intent to pursue greater accountability and emphasize shared responsibility among members throughout the international system. In support of these goals, the Department of State and USAID will review multilateral aid and contributions to evaluate how each multilateral organization to which the United States belongs advances American interests.

Reforms International Affairs Agencies to Strengthen Implementation of their Strategic Missions. The Administration is committed to making the Federal Government more effective, more efficient, and more accountable. In 2019, the Department of State and USAID will continue to implement an in-depth redesign process to adapt U.S. diplomacy and development to the 21st Century, and better position each Agency for the future. More than 35,000 State and USAID professionals provided comments about which strengths to build on and which inefficiencies to remedy, including information technology and human capital management. The Budget also supports USAID's efforts to realign its strategies, programs, and processes to improve project design and procurement, diversify its portfolio of partners, and build local capacity to prepare countries to progress beyond the need for traditional assistance. The Budget further proposes consolidating small grants assistance currently managed by the U.S. African Development Foundation and the Inter-American Foundation into USAID, in order to improve alignment while also elevating locally driven development in poor and remote communities.