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Summary

The State, Foreign Operations, and Related Programs appropriations legislation provides annual funding for almost all of the international affairs programs generally considered as part of the 150 International Affairs Budget Function (the major exception being food assistance). The legislation has also served as a vehicle for Congress to place conditions on the expenditure of those funds, and express its views regarding certain foreign policy issues.

This report briefly discusses the legislation generally and then provides a short description of the various funding accounts as they appear in Division J, “Department of State, Foreign Operations, and Related Programs Appropriations Act, 2017,” of the Consolidated Appropriations Act, 2017 (P.L. 115-31).
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Introduction

The Department of State, Foreign Operations, and Related Programs (State, Foreign Operations) appropriations bill provides annual appropriations for the vast majority of international affairs programs generally considered as part of the 150 International Affairs Budget Function. The State Department portion makes up about one-third of the funding, and the Foreign Operations portion—often called the “foreign aid” bill—makes up the remainder of the funds appropriated.

Among the areas covered by the State, Foreign Operations appropriations legislation, and explained below, are the Department of State and the U.S. Agency for International Development’s (USAID’s) operating budgets; both assessed and voluntary U.S. contributions to international organizations and peacekeeping operations; U.S. non-military international broadcasting; bilateral and multilateral U.S. foreign economic assistance; assistance to foreign militaries; anti-narcotics funding; and funding for the Peace Corps, the Millennium Challenge Corporation, and the many other programs operated primarily by the Department of State and USAID through which the United States engages with the world to protect and advance U.S. national interests. Beyond providing funds, the appropriations bills, in recent years, also have been an important vehicle in conditioning the use of these funds and stating congressional views regarding foreign policy issues.

There are, however, several funding areas that are not covered by the State, Foreign Operations appropriations legislation that might be considered international affairs activities. These programs would include P.L. 480 and other food assistance, part of the 150 budget function but funded by the Agriculture appropriations bill. While the State Department and USAID sponsor nearly four-fifths of U.S. and foreign participants in educational and cultural exchange programs, other government agencies are responsible for the remaining participants in such programs, including, for example, the short-term exchange of scientists program at the National Cancer Institute. The Department of Defense’s Afghanistan Security Forces Fund (ASFF) supports the training and equipping of Afghanistan’s police and military forces, its 10 U.S.C. 2282 (formerly known as “Section 1206”) authority facilitates the strengthening of foreign military capacities, and its Drug Interdiction and Counter-Drug Activities Program provides counter-narcotics support. These and other programs are funded through their own agency appropriations measures.

While the appropriation of funds is an authority reserved for Congress by the Constitution, the two-step authorization/appropriations process is established by House and Senate rules; and the authorization of appropriations is intended to provide guidance to appropriators as to a general amount and under what conditions funding might be provided to an agency or program. However, in the case of the State Department and foreign assistance programs, it is prescribed by law that legislation authorizing appropriations is required before the appropriations can be made.

1 International affairs is one category of the various components of the federal budget designated by the Office of Management and Budget (OMB). Each category represents a major objective and operation of the federal government. Each function and subfunction is assigned a three-digit code. International affairs is 150. Subfunction 151 encompasses international development and humanitarian assistance; subfunction 152 consists of security assistance programs, etc. Accounts under the International Commissions category of the legislation are the exception—they are part of the 300 Natural Resources Budget Function.

2 Until the 110th Congress, the State Department and Foreign Operations portions of the bill were developed in different Appropriations subcommittees and considered as separate bills.


These provisions have been waived in the years for which Congress has not enacted authorizations.  

Within the appropriations legislation, account names have changed over the years and new accounts have been added and old ones terminated. In FY2008, for example, the International Disaster and Famine Assistance account became the International Disaster Assistance account. In the FY2009 bill, the Former Soviet Union account was combined with the Eastern Europe and Baltic States account to form a new Europe, Eurasia, and Central Asia account. That account was discontinued in the FY2013 appropriations at the request of the Obama Administration, but was reinstated in FY2016. In the FY2006 bill, a new Democracy Fund was established. The overall organization of the legislation may change as well. The FY2009 bill added a new title (Title II), specifically for USAID operations.

In the FY2017 Consolidated Appropriations Act (P.L. 115-31), the State Department, Foreign Operations, and Related Programs appropriations legislation (Division J) is divided into eight titles:

- **Title I**  Department of State and Related Agency
- **Title II**  United States Agency for International Development
- **Title III**  Bilateral Economic Assistance
- **Title IV**  International Security Assistance
- **Title V**  Multilateral Assistance
- **Title VI**  Export and Investment Assistance
- **Title VII**  General Provisions
- **Title VIII**  Overseas Contingency Operations/Global War on Terrorism

This report briefly explains the different accounts in the order they are presented in the FY2017 State, Foreign Operations appropriations legislation.

**Account Descriptions**

**Title I—Department of State and Related Agency**

Title I provides funds for (1) the personnel, operations, and programs of the Department of State; (2) U.S. participation in international organizations, such as the United Nations, as well as small commissions, such as the International Boundary and Water Commission between the United States and Mexico; (3) U.S. government, non-military-international broadcasting; and (4) several U.S. nongovernmental agencies whose purposes also help promote U.S. interests abroad, and other U.S. commissions and interparliamentary groups more directly related to U.S. foreign policy initiatives, such as the U.S. Commission on International Religious Freedom.

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5 For example, see §7022 of the FY2017 Consolidated Appropriations Act, Division J (P.L. 115-31). Most foreign operations program appropriations have not been authorized since 1987. For related discussion, see CRS Report R40089, *Foreign Assistance Act of 1961: Authorizations and Corresponding Appropriations*, by Dianne E. Rennack and Susan G. Chesser.
Administration of Foreign Affairs

The Administration of Foreign Affairs account category provides for the personnel, operations, and programs of the Department of State as well as the construction and maintenance of its facilities around the world.

Diplomatic and Consular Programs (D&CP)

Diplomatic and Consular Programs is the principal operating account of the Department of State. The account includes four funding categories:

- **Human Resources.** Among the areas the Human Resources category funds are Department of State employee salaries for domestic and overseas American employees, costs associated with providing training to department employees at the Foreign Service Institute, and diversity recruitment and development programs such as the Pickering and Rangel Fellowships.

- **Overseas Programs.** The Overseas Programs category funds the operations of the various regional, functional, and administrative bureaus and many of their programs associated with the conduct of foreign policy; for example, in previous years funds have enabled the Bureau of Conflict Stabilization Operations to provide funding to U.S. personnel and allies during outbreaks of combat and political instability.

- **Diplomatic Policy and Support.** The Diplomatic Policy and Support category is the source of funding for many of the department’s strategic and managerial functions, such as the operations of the Office of the Secretary; the Bureaus of Administration, Budget and Planning, Legislative Affairs, Information Resource Management, and Intelligence and Research; and, separately, processing Freedom of Information Act (FOIA) requests.

- **Security Programs.** The Security Programs category provides funding for the department’s security programs and policies, including those implemented by the Bureaus of Counterterrorism, Intelligence and Research, and International Security and Nonproliferation. It is also the primary source of funding for the Worldwide Security Protection sub-account, which provides funds to the Bureau of Diplomatic Security and other bureaus to implement programs to protect the department’s staff, property, and information.

Capital Investment Fund (CIF)

The Capital Investment Fund was created in 1994 to provide for purchasing information technology and other capital equipment to ensure efficient management, coordination, and communications.

Office of Inspector General (OIG)

This account funds the State Department’s Office of the Inspector General, which conducts independent audits, inspections, evaluations, and investigations of the programs and offices of the Department of State and the Broadcasting Board of Governors (BBG).
Educational and Cultural Exchange Programs

With funds appropriated to this account, the State Department manages U.S. educational, professional, and cultural exchanges, such as the Fulbright Scholar Program, the International Visitor Leadership Program, and the Young Leaders in the Americas Initiative. Funds are appropriated to Academic Programs, Professional and Cultural Exchanges, and Young Leaders Initiatives.

Representation Expenses

Funding for the Representation Expenses account provides partial reimbursement to Ambassadors, Principal Officers, and some Foreign Service Officers for costs associated with providing for the official representation of the United States in the host country where they are assigned. For example, funds have been used in the past to support events that promote U.S. foreign policy priorities on the margins of major regional summits.

Protection of Foreign Missions and Officials

This account provides funding for reimbursable expenses to state and local governments as a result of “extraordinary” protective services provided for the protection of foreign missions and officials. The Bureau of Diplomatic Security permanently or intermittently protects international organizations and foreign missions and officials in New York City and elsewhere in the United States.

Embassy Security, Construction, and Maintenance (ESCM)

Embassy Security, Construction, and Maintenance funds provide for ongoing operations—the general maintenance and support of U.S. State Department facilities both in the United States and abroad—and Worldwide Security Upgrades (WSU), which provides the Department of State’s share of the costs involved with the construction and security upgrades of embassies and facilities around the world. The funds are managed by the Bureau of Overseas Building Operations (OBO).

Emergencies in the Diplomatic and Consular Service

This account addresses unexpected events, such as the evacuation of U.S. diplomats and their families from an embassy as a result of natural disasters, epidemics, terrorist attacks, or civil unrest. This account also pays for rewards for information related to international terrorism, narcotics-related activities, transnational organized crime, and war crimes. It also funds select activities of senior Administration officials pertaining to the conduct of foreign affairs, including participation in conferences such as NATO Summits or OAS General Assemblies.

Repatriation Loans Program

The Repatriation Loans Program allows the U.S. government to provide funds, on a loan basis, to destitute U.S. citizens abroad who are unable to fund their return to the United States.

Payment to the American Institute in Taiwan (AIT)

The American Institute in Taiwan acts as an unofficial U.S. consulate. The account supports a contract providing for salaries, benefits, and other expenses associated with maintaining the Institute.
International Center, Washington, DC

The International Center, or the International Chancery Center (ICC), is a 47-acre diplomatic enclave owned by the U.S. government located in Washington, DC. This account comprises proceeds drawn from leases paid by foreign governments for the use of space at the ICC that are used in turn to carry out ICC maintenance, security, and repairs.

Payment to the Foreign Service Retirement and Disability Fund

The Fund is a mandatory expense that covers the U.S. government’s portion of maintaining the Foreign Service Retirement and Disability System and the Foreign Service Pension System.

International Organizations

Through the following two accounts in the International Organizations category, the United States meets its assessed obligations to the many international organizations and peacekeeping efforts that the United States supports.

Contributions to International Organizations (CIO)

The Contributions to International Organizations account under the Department of State funds U.S. assessed contributions to the budget of the United Nations, certain U.N. system organizations, Inter-American organizations, war crimes tribunals and mechanisms, and other intergovernmental organizations.

Contributions for International Peacekeeping Activities (CIPA)

The Contributions for International Peacekeeping Activities account funds U.S. assessed contributions to U.N. peacekeeping operations worldwide. It also provides assessed contributions to the War Crimes Tribunals in Yugoslavia and Rwanda and the International Residual Mechanism for Criminal Tribunals.

International Commissions

Accounts under the International Commissions category provide funding for the U.S. portion of the salaries and programs of the following bilateral and multilateral commissions:

- International Boundary and Water Commission, United States and Mexico,
- International Joint Commission (between the United States and Canada),
- International Boundary Commission (between the United States and Canada),
- Border Environment Cooperation Commission (between the United States and Mexico), and
- International Fisheries Commissions.

Broadcasting Board of Governors (BBG)

The sole listing under the “Related Agency” category, the Broadcasting Board of Governors (BBG) is the independent federal agency that directs and oversees all U.S. government-funded non-military international media programs. Operating in dozens of languages, BBG’s media networks include Voice of America (VOA), Broadcasting to Cuba (Radio and TV Marti), Radio Free Europe/Radio Liberty (RFE/RL), Radio Free Asia (RFA), and the Middle East Broadcasting
Networks, Inc. (MBN), which includes Alhurra Television Radio Sawa. The broadcasting category is generally divided into the following two accounts:

**International Broadcasting Operations**

The Operations account funds the operations of the BBG and all U.S. government, non-military international broadcasts, including salaries and benefits of management, administrative staff, broadcasters, and reporters; contracts with surrogate broadcasters such as Radio Free Asia; transitioning to greater use of new digital communications methods; and other operating expenses.

**Broadcasting Capital Improvements**

The Capital Improvements account supports provision and maintenance of BBG facilities and equipment, from broadcast station repair to the building of new antennas, as well as physical security programs worldwide.

**Related Programs**

Under this category, funds are provided to several nongovernmental organizations that have objectives that are similar to views and positions advocated by the United States in its foreign policy. These nongovernmental organizations provide educational programs, exchanges, and grants to organizations in foreign countries promoting democracy, rule of law, economic development, open markets, literacy, women’s rights, and many similar objectives. Most of these organizations are nonprofit organizations and receive funding from both the U.S. government, through appropriated funds, and through private donations.

**The Asia Foundation**

The Foundation is a private, nonprofit organization that seeks to strengthen democratic processes and institutions in Asia, support economic reform and development, and improve U.S.-Asian relations.

**United States Institute of Peace (USIP)**

The mission of the U.S. Institute of Peace is to increase the nation’s capacity to manage international conflict without violence. It offers educational programs, conferences, and workshops; professional training; applied research; and dialogue facilitation in the United States and abroad.

**Center for Middle Eastern-Western Dialogue Trust Fund**

The FY2004 Consolidated Appropriations Act (P.L. 108-199) created a trust fund to support the operations of the International Center for Middle Eastern-Western Dialogue (the Hollings Center). Through policy discussions and programs of cooperative study, the Hollings Center promotes dialogue between the United States and nations with significant Muslim populations, including Turkey and those in the Middle East, North Africa, South and Central Asia, and elsewhere.
Eisenhower Exchange Fellowship Program
The Exchange Program brings professionals who are rising leaders in their countries to the United States and sends their U.S. counterparts abroad with custom-designed programs for each participant to make contacts and learn about the other’s country and work environment.

Israeli-Arab Scholarship Program (IASP)
The IASP funds scholarships for Israeli Arabs to attend institutions of higher education in the United States.

East-West Center
The East-West Center promotes understanding and cooperation among the governments and peoples of the Asia-Pacific region and the United States.

National Endowment for Democracy (NED)
NED is a private, nonprofit organization established to support democratic institutions in over 90 countries.

Other Commissions
The commissions and groups in the Other Commissions category of the State, Foreign Operations appropriations are organizations that are established by an act of Congress to advance certain U.S. objectives in the international arena. In the Federal Budget submission to Congress, these organizations are listed under the legislative branch Boards and Commissions; however, Congress funds them through State, Foreign Operations, and Related Programs appropriations.

Commission for the Preservation of America’s Heritage Abroad
The 21-member Commission seeks to identify and report on cemeteries, monuments, and historic buildings in Eastern and Central Europe that are associated with the heritage of U.S. citizens, particularly endangered properties. It also works to obtain, in cooperation with the Department of State, assurances from the governments of the region that the properties will be protected and preserved. The commission also encourages, sponsors, assists, and otherwise facilitates private and foreign government site restoration, preservation, and memorialization projects.

United States Commission on International Religious Freedom (USCIRF)
In consultation with the State Department, the commission seeks to promote international religious freedom.

Commission on Security and Cooperation in Europe (CSCE)
The commission oversees the work of the Organization on Security and Cooperation in Europe (OSCE), particularly in the area of humanitarian affairs.

Congressional-Executive Commission on the People’s Republic of China
The commission monitors China’s compliance with international human rights agreements and standards, as well as the development of rule of law in China.
United States-China Economic and Security Review Commission
The commission monitors, investigates, and submits to Congress an annual report and recommendations on the national security implications of the bilateral trade and economic relationship between the United States and the People’s Republic of China.

Title II—United States Agency for International Development (USAID)
This title provides operational funds for USAID, an independent agency (under the policy guidance of the Department of State) directly responsible for implementing most bilateral development assistance and disaster relief programs, many of which are funded in Title III.

Funds Appropriated to the President

Operating Expenses (OE)
The Operating Expense account funds the operational costs of USAID including salaries and benefits, overseas and Washington, DC, operations, staff training, security, and information technology maintenance and upgrades.

Capital Investment Fund
A program begun in FY2003, the Capital Investment Fund supports USAID modernization of information technology systems and the construction of facilities overseas.

Office of Inspector General
This account supports operational costs of USAID’s Inspector General office, which conducts audits and investigations of USAID programs, as well as of the Millennium Challenge Corporation, the Inter-American Foundation, the United States African Development Foundation, and the Overseas Private Investment Corporation.

Title III—Bilateral Economic Assistance
Under this title, funds are appropriated in support of U.S. government departments and independent agencies conducting humanitarian, development, and other programs meeting U.S. foreign policy objectives throughout the world.

Funds Appropriated to the President
Funds in this category of appropriations are provided chiefly through USAID or in close association with the Department of State.

Global Health Programs
Global Health Programs is made up of two accounts supporting multiple health activities conducted by USAID and the Department of State:
Global Health-USAID
Managed by USAID, appropriations in this account fund programs focused on combating infectious diseases such as immunization and oral rehydration; HIV/AIDS; malaria; tuberculosis; maternal and child health; vulnerable children; and family planning and reproductive health.

Global Health-State
Managed by the Office of the Global AIDS Coordinator (OGAC) in the Department of State, this account is the largest source of funding for the President’s Emergency Plan for AIDS Relief (PEPFAR). Programs funded from this account are implemented by USAID, the Department of Defense, the Centers for Disease Control and Prevention, and the Peace Corps, among others. A specified amount from the Global Health-State account supports the U.S. contribution to the multilateral organization, the Global Fund to Fight AIDS, Tuberculosis and Malaria.

Development Assistance (DA)
Managed by USAID, the Development Assistance account funds programs in agriculture, private sector development, microcredit, water and sanitation, education, environment, democracy and governance, among others.

International Disaster Assistance (IDA)
Managed by the USAID Office of Foreign Disaster Assistance, the account provides relief and rehabilitation to nations struck by natural and manmade disasters and emergencies.

Transition Initiatives
The Transition Initiatives account supports the activities of USAID’s Office of Transition Initiatives (OTI), a program launched in 1994 to bridge the gap between disaster and development aid. It supports flexible, short-term assistance projects in transition countries that are moving from war to peace, civil conflict to national reconciliation, or where political instability has not yet erupted into violence and where conflict mitigation might prevent the outbreak of such violence.

Complex Crises Fund
The Fund allows USAID to respond to emerging or unforeseen crises with projects aimed at the root causes of conflict or instability. It is meant to replace funding formerly provided through the Department of Defense Section 1207 authority.

Development Credit Authority (DCA)
Managed by USAID, the Development Credit Authority specifies an amount of funds that may be transferred from other accounts to subsidize U.S. loan guarantees that assume a portion of the risk taken by private banks financing housing shelter projects, water and sanitation systems, and microcredit and small enterprise development programs, among others. The provision also directly appropriates administrative costs to run the credit program.
Economic Support Fund (ESF)

The Economic Support Fund uses economic assistance to advance U.S. political and strategic goals in countries of special importance to U.S. foreign policy. Key recipients in recent years include Afghanistan, Iraq, South Sudan, Egypt, Colombia, and Jordan. Funding decisions are made by the State Department; programs are implemented largely by USAID.

Democracy Fund

The Fund supports democratization programs run by the State Department’s Bureau of Democracy, Human Rights and Labor (DRL), and USAID’s Office of Democracy and Governance.

Assistance for Europe, Eurasia, and Central Asia (AEECA)

This account, discontinued at the Obama Administration’s request in FY2013, was reinstated in FY2016. It combines two formerly separate accounts into one. The two accounts were the following:

- Assistance for Eastern Europe and the Baltic States. This account was commonly known as the SEED Act account (Support for East European Democracy), after its authorizing legislation (P.L. 101-179). Since 1989, USAID and other agencies, under the guidance of the State Department, channeled U.S. economic assistance to Eastern Europe through this regional program.

- Assistance for the Independent States of the former Soviet Union. This account was commonly known as the FREEDOM Support Act account (Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act), after its authorizing legislation (P.L. 102-511). Through this regional program, launched in 1992, USAID and multiple other agencies, under the guidance of the State Department, extended economic aid to the 12 countries of the former Soviet Union.

Department of State

Migration and Refugee Assistance (MRA)

The Migration and Refugee Assistance program supports refugee relief activities worldwide and, in some cases, helps resettle refugees.

United States Emergency Refugee and Migration Assistance (ERMA) Fund

ERMA holds contingency funds that can be drawn upon quickly in times of refugee emergencies. Appropriations replenish resources to this account.

Independent Agencies

Peace Corps

The Peace Corps sends U.S. volunteers to developing countries to provide technical aid and to promote mutual understanding on a people-to-people basis. In FY2015, 6,919 volunteers served in 63 nations.
Millennium Challenge Corporation (MCC)
Established in 2004, the MCC supports large-scale, five-year development projects, called “compacts,” designed and implemented by recipient countries, which are selected on the basis of their commitments to good governance; investment in health, education, and the environment; and support for economic freedom.

Inter-American Foundation (IAF)
The IAF finances small-scale enterprise and grassroots community self-help activities aimed at assisting poor people in Latin America.

United States African Development Foundation (USADF)
The USADF finances small-scale enterprise and grassroots community self-help activities aimed at assisting poor people in Africa.

Department of the Treasury

International Affairs Technical Assistance
This technical assistance program supports financial advisors to countries seeking help in implementing economic reforms, focusing on banking and financial institutions, economic crimes, government debt, revenue policy, and budget and financial accountability.

Title IV—International Security Assistance

Department of State

International Narcotics Control and Law Enforcement (INCLE)
The INCLE account funds international counter-narcotics activities; anti-crime programs, including fighting human trafficking; and rule of law activities, including support for judicial reform. For example, funds support the efforts in Mexico to enhance bilateral and regional cooperation to combat drug trafficking and organized crime, in Colombia and the Andean region for both drug interdiction and alternative development, and in Afghanistan to support judicial system reform and counter-narcotics activities.

Nonproliferation, Anti-terrorism, Demining, and Related Programs (NADR)
This account funds a variety of State Department-managed activities aimed at countering proliferation of weapons of mass destruction, supporting anti-terrorism training and related activities, and promoting demining operations in developing nations.

Peacekeeping Operations (PKO)
Unlike the Title I Contributions to Peacekeeping Activities (CIPA) account, which provides assessed funds for peacekeeping forces, the PKO account provides voluntary support for multilateral efforts in conflict resolution, including the training of African peacekeepers and
funding operations of the Multinational and Observers Mission in the Sinai. The State Department controls the funds and sets the policy; DOD implements.

**Funds Appropriated to the President**

**International Military Education and Training (IMET)**

Through IMET, the United States provides training and education to selected foreign military and civilian personnel on U.S. military practices and standards, including democratic values. The State Department controls the funds and has policy authority; the Department of Defense implements this program.

**Foreign Military Financing Program (FMF)**

The Foreign Military Financing Program supports U.S. overseas arms transfers on a grant basis. The State Department controls the funds and has policy authority; the Department of Defense implements this program.

**Title V—Multilateral Assistance**

**Funds Appropriated to the President**

**International Organizations and Programs (IO&P)**

This account provides voluntary donations through the Department of State to support the programs of international agencies involved in a range of development, humanitarian, and scientific activities, including the U.N. Development Program (UNDP), U.N. Environment Program (UNEP), U.N. Children’s Fund (UNICEF), and U.N. Population Fund (UNFPA).

**International Financial Institutions**

Under this category, funds are provided through the Department of the Treasury to a wide range of multilateral financial institutions, which offer loans—both “soft” (i.e., concessional) and “hard” (i.e., near-market rate)—and some grants to developing countries and private sector entities in those countries. Not all international financial institutions require or receive U.S. contributions from year to year.\(^6\)

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\(^6\) Among those that sometimes receive funding but for which there was either no request or appropriation in FY2017 are the following:

- The International Finance Corporation (IFC). IFC, another World Bank window, makes loans and equity investments to promote growth of productive private enterprise in developing nations.
- World Bank Multilateral Investment Guaranty Agency (MIGA). MIGA encourages private investment in developing countries by offering insurance against noncommercial risks such as expropriation.
- European Bank for Reconstruction and Development (EBRD). The EBRD lends at near-market rates to help East European and former Soviet states adopt market economies. Private sector and privatizing public sector firms receive substantial amounts of EBRD lending.
- Inter-American Investment Corporation (IIC). The IIC is an IADB facility that makes loans and equity investments to promote the growth of small and medium-sized private enterprise in Latin America and the Caribbean.
- Enterprise for the Americas Multilateral Investment Fund (MIF). The MIF, a multi-donor trust fund residing within the (continued...)
In the case of concessional lending institutions, U.S. appropriations contribute to periodically agreed donor replenishments as capital is drawn down. Non-concessional bank institutions rarely require new financial commitments. However, following the global financial crisis, donor countries agreed to increase the capital base of the hard loan windows. Congress authorized participation in the capital increases in FY2011 (P.L. 112-10) and FY2012 (P.L. 112-74), and appropriations of the U.S. commitment have been spread out over a multiyear period (five to eight years, depending on the institution). In FY2017 funds were appropriated towards the capital increases for the hard lending facilities at three multilateral development banks. Congress also appropriated funds to multilateral funds focused specifically on the environment and food security.

**Global Environment Facility (GEF)**
Cosponsored by the UNDP, UNEP, and the World Bank, the GEF makes grants to help developing countries deal with global environmental problems.

**World Bank: International Development Association (IDA)**
As the World Bank’s “soft loan” window, IDA lends at concessional rates to low-income countries.

**World Bank: International Bank for Reconstruction and Development (IBRD)**
The IBRD is the World Bank window that provides loans on near-market terms to promote economic development primarily in middle-income countries, based largely on bond sales. Appropriated funds support the “general capital increase” at the IBRD.

**Inter-American Development Bank (IDB)**
The IADB promotes economic and social development in Latin America and the Caribbean by providing near-market rate loans through its ordinary capital account and concessional loans to the poorest nations through its Fund for Special Operations (FSO). Appropriated funds support the “general capital increase” at the IDB.

(...continued)
Inter-American Development Bank, provides technical and financial assistance to help countries in Latin America and the Caribbean reform their investment policies in order to attract foreign investment.

Clean Technology Fund (CTF). This multilateral fund, for which the World Bank is trustee, seeks to reduce the growth of greenhouse gas emissions in developing countries by financing the extra costs of commercially available cleaner technologies over dirtier, conventional alternatives.

Strategic Climate Fund (SCF). Another multi-donor fund seeking to address climate change under the auspices of the World Bank, the SCF supports three targeted programs: the Pilot Program for Climate Resilience, the Forest Investment Program, and the Program for Scaling-Up Renewable Energy in Low-Income Countries. Each program seeks to pilot new approaches and scaled-up activities to address climate change challenges in developing countries.

Asian Development Bank (AsDB). The Asian Development Bank provides loans on near-market terms to promote economic development.

North American Development Bank (NADBank). The NADBank is governed by the United States and Mexico as part of the North American Free Trade Agreement (NAFTA). It began lending in 1996 to finance environmental infrastructure projects along the U.S./Mexico border, as well as community adjustment and investment activities in both nations.
Asian Development Fund (AsDF)
The AsDF is the “soft loan” window of the Asian Development Bank (AsDB), which finances economic development programs in Asia and the Pacific.

African Development Bank (AfDB)
The AfDB lends at near-market rates, with special emphasis on agriculture, infrastructure, and industrial development. To support a general capital increase, legislative provisions include both paid-in capital and callable capital subscriptions.7

African Development Fund (AfDF)
The AfDF lends on concessional terms to low-income sub-Saharan African countries. It resides within the African Development Bank.

International Fund for Agricultural Development (IFAD)
IFAD is a multilateral financial institution helping developing countries increase agricultural productivity and income, improve nutritional levels, and integrate into larger markets.

Global Agriculture and Food Security Program (GAFSP)
The GAFSP was established with leading developed and developing countries (the G-20) to increase investments in agriculture and food security in poor countries. The United States chairs the Steering Committee of this fund.

Title VI—Export and Investment Assistance

Export-Import Bank of the United States
The Export-Import Bank issues loan guarantees and insurance to commercial banks that make trade credits available to American exporters. The Bank also extends direct loans to U.S. businesses, especially those whose counterparts abroad receive foreign government-subsidized trade credits. An appropriation is provided for the agency’s inspector general. An appropriation ceiling is also specified for a subsidy to support the agency’s programs and administrative expenses, but most, if not all, of these costs are annually covered by Bank receipts.

Overseas Private Investment Corporation (OPIC)
OPIC offers political risk insurance, guarantees, and investment financing to encourage U.S. firms to invest in developing countries. Although the agency is self-sustaining, the appropriation sets ceilings on administrative expenses to carry out the insurance programs and denotes a level of support for credit financing.

7 U.S. financial commitments to the general capital increases include “paid-in” capital (money paid directly to the multilateral development bank) and “callable capital” (money that is a guarantee, but only paid in the event of a default). Callable capital for the other institutions was authorized in full in FY2011 and FY2012; callable capital for the AfDB is being authorized over a multiyear period. Callable capital is denoted in legislation as a “Limitation on Callable Capital Subscriptions.”
Trade and Development Agency (TDA)

The TDA finances feasibility studies and other project-planning services for major development activities in developing countries, to support economic development and to promote U.S. exports.

Title VII—General Provisions

Under the General Provisions title are limitations and prohibitions on assistance; administrative, notification, and reporting requirements; and more detailed funding mandates for specific accounts in other titles of the legislation. Provisions also address specific countries and regions, including the Middle East and North Africa (§7035 through §7041); sub-Saharan Africa (§7042); East Asia and Pacific (§7043); South and Central Asia (§7044); Latin America and the Caribbean (§7045); and former Soviet Union (§7046 and §7070).

Title VIII—Overseas Contingency Operations/Global War on Terrorism

Since FY2012, executive branch budget requests have distinguished between “core” international affairs funding and funding to support “overseas contingency operations” (OCO), described in budget documents as “the extraordinary costs of Department [of State] and U.S. Agency for International Development (USAID) operations and programs in Afghanistan, Iraq, and Pakistan” and extended by the Obama Administration in 2014 to include efforts to combat the Islamic State. Congress has adopted this approach, but has defined OCO more broadly. In each of the past five years, Congress appropriated OCO funding for a broader range of countries and activities, particularly, according to the FY2017 Consolidated Appropriations Act’s Joint Explanatory Statement, “in the Middle East, South Asia, and Africa; security, stabilization, and peacekeeping programs; humanitarian activities; and counterterrorism and counterinsurgency efforts.” OCO funding is not counted toward spending caps established by the Budget Control Act, 2011, as amended (P.L. 112-25).

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8 For further discussion, see CRS Report R40557, Foreign Operations Appropriations: General Provisions, by Dianne E. Rennack, Lisa Mages, and Susan G. Chesser.

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