Last week, the House and Senate appropriations committees each approved foreign aid spending proposals for FY2014, which outline two vastly divergent sets of priorities. While the two committees were handed starkly different spending caps to work with, the choices the two bodies have made within those spending caps also outline contrasting visions for U.S. foreign assistance spending in the future.

**Wide Divergence in Overall Spending Levels**

In June, the House and Senate appropriations committees kicked off this process by allocating very different amounts to the State-Foreign Operations (SFOPS) spending bill, which carries the bulk of all U.S. foreign assistance funding. The House capped SFOPS spending at just $40.6 billion, while the Senate allocated $50.6 billion. (Each chamber included $6.5 billion of Overseas Contingency Operations, or OCO, spending within those totals.)

The House’s total was $11.3 billion (22%) below the administration’s request, which made it clear from the outset that House lawmakers would be left with difficult choices. Indeed, in releasing the bill, its lead author, Rep. Kay Granger (R-TX), stated clearly that the bill would emphasize security, and that “to meet these priorities, the bill eliminates or reduces funding to lower-priority international programs.”

**Contrasting Approaches to UN Programs and International Organizations**

The largest cut under the House proposal would be to UN programs. Between the Contributions to International Organizations (CIO) account and International Organizations and Programs (IOP), the House proposal would cut a total of $1.04 billion, 58% lower than last year’s estimated post-sequestration funding level. Funding for the Intergovernmental Panel on Climate Change, and the UN Population Fund (UNFPA) would be eliminated entirely.

The Senate bill, by contrast, fully funds IOP at $35 million above the president’s requested level, for a total of $356 million, continuing U.S. commitments to UNFPA and other UN bodies, such as UNICEF’s programs in child health, child protection and humanitarian response. Nevertheless, the Senate’s CIO number is $117 million below the president’s FY2014 request (likely due to a dispute over funding for UNESCO), roughly flat from last year’s level.

**Multilateral Assistance – Senate Funding Levels Higher**

Besides the UN, other multilateral programs have taken a serious hit in the House bill as well, including the International Development Association (IDA), the World Bank’s “fund for the poorest,” which would be cut 27%, or $342 million below last year’s estimated levels. A drop of this magnitude makes it much more difficult for the IDA to play its role as facilitator and financier of development projects in areas such as infrastructure, institutional development and technical support. Other multilaterals like the Global Agriculture and Food Security Program (GAFSP) and the International Fund for Agricultural Development (IFAD) would receive funding only through transfer out of the Development Assistance and Economic Support Fund accounts, forcing the
U.S. to sap important bilateral programs to pay for these multilateral programs. Other multilateral programs, like the Clean Technology Fund and Strategic Climate Fund, received no funding at all.

The Senate bill is more of a positive story on multilateral assistance. The IDA would receive a small increase over last year's level for a total of $1.36 billion, and GAFSP would receive essentially flat funding at $135 million, the same level as the president’s request for FY2014. The Clean Technology Fund and Strategic Climate Fund would also be funded at the president’s requested levels ($215.7 million and $68 million respectively). The Senate bill also provides that funds may be available for U.S. contributions to the Least Developed Countries Fund, the Special Climate Change Fund, and, for the first time, the Green Climate Fund.

**Humanitarian Assistance: Good News Overall**
The Senate also comes in considerably higher on most humanitarian accounts.

The International Disaster Assistance (IDA) account, which funds the Office of Foreign Disaster Assistance and the emergency food security program, would receive $1.6 billion in the Senate bill, higher than last year's estimated levels and 42.5% higher than the House's level of just $929 million. The difference in those spending levels could have an enormous impact on our ability to respond quickly and effectively to meet the needs of 4 million people displaced inside Syria without compromising ongoing humanitarian operations in places like Mali, Haiti, Sudan (with an estimated 2.5 million internally displaced persons) and the Democratic Republic of the Congo (2.6 million displaced, including half a million since April 2012).

In releasing the House bill, Rep. Granger mentioned that it prioritizes “help for refugees.” For Migration and Refugee Assistance (MRA), the House bill includes $1.99 billion, nearly 13% higher than President Obama’s request and 6% higher than FY2012. While this is welcome news, this level of funding is still 27% lower than the estimated peak level reached in FY2013, which was approximately $2.7 billion. The Senate bill, by contrast, outstrips that peak FY2013 level and allocates nearly a billion more ($2.9 billion) than the House.

The Senate would fund Emergency Refugee and Migration Assistance (ERMA) at $50 million, nearly twice the House level, and Contributions to International Peacekeeping Activities (CIPA) at the president’s requested level of $2.09 billion (compared with $1.68 billion in the House). The one exception to the trend of higher Senate spending levels is Peacekeeping Operations, where the House has allocated $422 million, compared with $390 million in the Senate, although both are well above the president’s requested level of $347 million.

**Global Health – Similarities and Contrasts**
One area in which the House and Senate seem to agree overall is global health. The House allocated a strong number of $8.175 billion, about 1-2% higher than last year’s spending, while the Senate allocated just 3% more, $8.455 billion.

- AIDS funding would be identical, with $4.02 billion for PEPFAR, $330 million for USAID’s AIDS prevention programs, and $1.65 for the Global Fund to Fight AIDS, TB and Malaria.
- Spending on nutrition would also be similar in each chamber and roughly similar to last year’s estimated spending levels – $100 million in the House, compared with $95 million in the Senate.

However, there are a few differences within global health spending. The largest of these is Family Planning, which the Senate funds at $669.5 million, while the House would allocate just $461 million, a 31% difference, largely due to ideological differences between the Democratic-controlled
Senate and the Republican-controlled House. Another example is vulnerable children, where the Senate allocates $22 million, $4.5 million (20.5%) above the House's level.

**Development Assistance – A Mixed Bag**
Under both the House and Senate plans, the Development Assistance (DA) accounts – the bedrock of U.S. global leadership in education, clean water, agriculture, environmental protection, economic development, good governance and democracy – would receive cuts, despite increasing food prices, environmental challenges, and tumult in the Arab world. Under the House plan, it would be funded at just $2 billion, about 25% below last year’s levels. The Senate would fund it at over half a billion more, $2.507 billion, but both totals are still considerably below the president’s request of $2.838 billion.

For Food Security, the numbers are difficult to compare because the House did not include a specific funding level, and the Senate funded Feed the Future at $1.1 billion; however, this does not include Agricultural Development in Frontline States, and it is unclear how much they have included for that portion of food security funding, or how it relates to GAFSP, making it difficult to compare the number to previous funding levels or to the president’s request. It should be noted, though, that the low DA number in the House and the relatively high recommendations made in other sectors leaves little funding for food security programs in the House bill.

On the environment, Senate appropriators fully funded the three pillars of the president’s bilateral Climate Change request of $481.9 million, including $186.9 million for adaptation, $171.5 million for clean energy and $123.5 million for sustainable landscapes. Their House counterparts did not include an overall number for climate change programs. For Biodiversity, the Senate included $225 million, compared with $200 million in the House, and both included an additional $45 million to combat wildlife poaching and trafficking.

The one DA area in which the House proposed a significantly higher spending level than the Senate was Basic Education, at $800 million, compared with the Senate’s $501.5 (which is almost identical to the president’s request). This is likely due to Rep. Nita Lowey (D-NY), who is a champion of global education and is the lead Democrat on the SFOPs subcommittee and the full Appropriations Committee.

Another area of agreement is microfinance, where both chambers have allocated totals considerably higher than the president’s request of just $173 million. The House allocated 6% more than the Senate, however, at $265 million, compared with $250 million in the Senate.

Both chambers have also recommended higher levels of funding for water than the president requested (just $231 million), although the Senate’s was higher at $405 million than the House’s $315 million.

**Other Key Accounts**
A particularly surprising cut on the House side was to the Millennium Challenge Corporation, created by the Bush Administration and a Republican-led Congress. Despite the House expressing continued support for MCC’s goals, its funding level of $702 million was reduced nearly $200 million from the president’s requested level of $898 million and the Senate’s recommended $899 million. This severe 18% funding drop would hamper the MCC’s ability to continue its work on existing compacts with approved low and middle-income countries, as well as limit its ability to take on new compacts with eligible countries in FY2014.
USAID Operating Expenses also sees a wide gap in spending – the House allocates just $1.18 billion while the Senate would allocate $1.35 billion, a 12% difference. While both are below the president’s request of $1.4 billion, the higher number would allow for more oversight of USAID contracting and other functions to ensure U.S. taxpayer dollars are being spent well.

**Next Steps**
Although the full House and Senate Appropriations Committees passed their bills last week (the House by voice vote, the Senate by a bipartisan 23-7 vote), they are likely not to see floor action in the near future.

The most likely scenario will be another Continuing Resolution (CR) that will fund parts or all of the government at roughly the same levels as previous years, with only minor modifications. We will continue to keep a close watch on SFOPS, possible CR developments and other related bills as they make their way through Congress.

Overall, there is a tough road ahead for those who care about the world’s poorest. While health programs and some refugee programs would survive, many long-term development accounts could take a severe hit if the House’s plan becomes law, which could slow progress down around the world and make it harder for people to pull themselves out of poverty. This is a crucial time for supporters of these programs to make their voices heard and tell Congress that we need to protect these critical programs and fight for the world’s most vulnerable citizens.

**Senator Paul Simon Water for the World Act**
On Thursday, Representatives Earl Blumenauer (D-OR) and Ted Poe (R-TX), along with a bipartisan group of 10 representatives, introduced the Senator Paul Simon Water for the World Act of 2013. The legislation would take steps to ensure that critical U.S. investments in water, sanitation and hygiene education target communities and countries most in need, without increasing funds or red tape. InterAction’s press release on the introduction of the bill can be found [here](#).

**Egypt Aid Amendment**
On Wednesday, Sen. Rand Paul (R-KY) proposed an amendment to the Transportation spending bill which would have cut off aid to Egypt in the aftermath of President Morsi’s removal from office by the Egyptian military. A number of Senators, including several Republicans, spoke out against the amendment and it was defeated 86-13.

**ARTICLES AND REPORTS**

**DevEx**
Jul. 30: [US Treasury posts more new aid data. Who’s next?](#)
This week the Treasury released data on where and how it spent $23 million in foreign aid, using the IATI format. USAID is expected to update the U.S. Foreign Assistance Dashboard in the coming weeks as well. This may mean smaller foreign assistance agencies such as the Peace Corps and the Millennium Challenge Corporation are moving toward releasing further data into the Obama Administration’s “open aid” environment.

**IRIN**
Jul. 30: [Among Syria’s children, anger, lost hope and sometimes newfound happiness](#)
After the abuse, displacement, and in many cases deaths of thousands of Syrian children due to the conflict, UNICEF fears that the children of Syria could become “a lost generation.” The NGO
Najda Now works to assist the recovery of children through theatre and art mediums in Lebanon where hundreds of thousands of Syrians reside.

**The New York Times**  
Aug. 1: *Despite West’s Efforts, Afghan Youths Cling to Traditional Ways*  
While youth in Afghanistan walk the streets of Kabul carrying cell phones and wearing American-labeled shirts, blue jeans and sunglasses, many are still bound to their conservative traditions. One of the West's most significant efforts, altering women's rights in Afghan society, is still a controversial issue among the younger generations.

**The Guardian**  
Jul. 31: *The market v social welfare: finding ways to feed a growing population*  
In Rwanda, the only sub-Saharan African country on track to meet the health-related Millennium Development Goals, childhood malnutrition and stunting still run rampant. The country now focuses on balancing the market-focused monoculture and modernizing initiatives led by agencies like World Bank, and social welfare programs run by NGOs to improve its food markets and ensure vulnerable populations receive needed resources.

*Disclaimer: Articles linked in the Update are intended to provide a dashboard view of newsworthy and topical issues from popular news outlets that will be of interest to readers of the Update. The articles are an information sharing vehicle rather than an advocacy tool. They are in no way representative of the views of InterAction or the U.S. NGO community as a whole.*