

## KEY QUESTIONS

### the big six

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## How is the United States' ODA budget structured?

The US federal budget is divided into budget ‘functions’, which include all spending on a particular issue across departments or agencies and can include funding lines from multiple appropriations bills. The US does not have a dedicated ODA budget, but most development-related spending sits in Function 150 (referred to as the International Affairs Budget). Function 150 comprises both ODA-related and non-ODA funding, such as funding for operating embassies, military assistance, and promotion of US exports. In FY2019, the final budget for Function 150 was approved for US\$56.1 billion.

The vast majority of funding (around 96%) included under Function 150 comes from the State-Foreign Operations (SFOPs) appropriations bill. The remainder comes primarily from the agricultural appropriations bill for food security and food-assistance funding. In FY2018, the SFOPs was enacted at around US\$54 billion, while the FY2019 budget slightly increases SFOPs funding by 0.03%. The SFOPs bill is divided into ‘titles’, each covering a different budget envelope (see Table 2). The money in these envelopes is mainly, but not exclusively, managed by the State Department and the US Agency for International Development (USAID). Relevant titles related to global development include:

- **Title I: State, Broadcasting & Related Agencies** largely funds the management and running of the State Department. It also contributes to the US’ assessed contributions to 44 international organizations, including the UN’s regular budget and its specialized agencies.
- **Title II: United States Agency for International Development (USAID)** provides operational funds for USAID.
- **Title III: Bilateral Economic Assistance** covers much of the US’ foreign assistance and development activities, accounting for just under half of the entire SFOPs. By far the largest share goes to global health (36% in FY2018). This includes most of US support to combat HIV/AIDS and other infectious diseases, maternal and child health, and health systems strengthening, as well as the US’ contribution to the Global Fund to Fight AIDS, Tuberculosis and Malaria. Programs funded under this envelope are jointly managed by the State Department and USAID. Most funding is channeled through the ‘Development Assistance (DA)’ envelope, which goes broadly to foster economic

progress and social stability in partner countries, and the ‘Economic Support Fund (ESF)’, which aims to provide assistance to allies and countries in transition to democracy, support the Middle East peace process, and finance economic stabilization programs.

- **Title IV: Multilateral Assistance** includes money for US voluntary contributions for various multilateral organizations, including to the World Bank and global environmental funds.

Beyond titles, US foreign assistance is divided into two types: enduring funds and Overseas Contingency Operations (OCO; see Table 2). Enduring funds are meant to cover all base functions within US development cooperation, while OCO funds were originally for emergency support to activities related to the ‘Global War on Terror’. They are managed by the Department of Defense (DOD) and the State Department. Recently, however, they have been used for base budget activities of the DOD and the State Department.

Around one-quarter of the International Affairs Budget was funded through OCO in FY2018, including operations related to the response and prevention of crises, including armed conflict, and man-made and natural disasters. OCO funds are not subject to the same procedural limits on discretionary funding in congressional budget resolutions as regular foreign assistance but are appropriated simultaneously with it. For some budget lines, OCO funds comprise the primary source of funding.

Table 2 features the breakdown between base and OCO funding for the SFOPs for FY2019 as enacted, the latest year for which a detailed breakdown is available (as of March 2019).

In FY2019, Congressional approval of final appropriations levels was delayed to February 2019 from October 1, 2018. This delay came largely as a result of the 35-day partial US government shutdown and lack of agreement on certain appropriations bills, including the SFOP. The President’s FY2020 budget requests — normally delivered to Congress in the first week of February — was delayed by the government shutdown. The FY2020 budget, released on March 11, 2019, once again proposed large cuts to foreign assistance, which are likely to be rejected again by Congress in its approval of final appropriation levels (theoretically meant to take place by October 1, 2019).

Table 2. State-Foreign Operations Appropriations overview

US\$ millions	FY 2018 (total enacted)	FY 2019 (total conference package)		
	Total	Base	OCO	Total
<b>Title I. State, Broadcasting &amp; Related Agencies</b>	<b>15,923</b>	<b>11,790</b>	<b>4,366</b>	<b>16,156</b>
International Organizations	2,850	1,826	1,085	2,911
Other	13,074	9,964	3,281	13,245
<b>Title II. Admin of Foreign Assistance (USAID)</b>	<b>1,620</b>	<b>1,516</b>	<b>158</b>	<b>1,675</b>
<b>Title III. Bilateral Economic Assistance</b>	<b>24,402</b>	<b>21,270</b>	<b>3,223</b>	<b>24,493</b>
Global Health Programs (GHP), State & USAID	8,690	8,837	-	8,837
Development Assistance	3,000	3,000	-	3,000
International Disaster Assistance (IDA)	4,285	3,801	584	4,385
Economic Support Fund	3,969	2,546	1,172	3,718
Democracy Fund	216	227	-	227
Assistance for Europe, Eurasia and Central Asia	750	760	-	760
Migration & Refugee Assistance	3,359	2,028	1,404	3,432
Emergency Refugee & Migration	1	1	-	1
Independent agencies	1,368	1,368	-	1,368
Department of Treasury	30	30	-	30
Other	132	70	62	132
<b>Title IV. International Security Assistance</b>	<b>9,025</b>	<b>8,599</b>	<b>555</b>	<b>9,152</b>
<b>Title V. Multilateral Assistance</b>	<b>1,857</b>	<b>1,857</b>	<b>-</b>	<b>1,857</b>
World Bank: GEF	140	140	-	140
Green Climate Fund	-	-	-	-
World Bank IDA	1,097	1,097	-	1,097
World Bank IBRD	-	-	-	-
IFAD	30	30	-	30
GAFSP	-	-	-	23
International Organizations & Programs	339	339	-	339
Other	251	251	-	251
<b>Title VI. Export Assistance</b>	<b>-310</b>	<b>-336</b>	<b>-</b>	<b>-336</b>
<b>Total</b>	<b>52,517</b>	<b>44,696</b>	<b>8,302</b>	<b>52,997</b>

Source: Congressional Research Service, State, Foreign Operations and Related Programs: FY2019 Budget Analysis