

The International Affairs Budget and Sequestration

Sequestration in Practice:

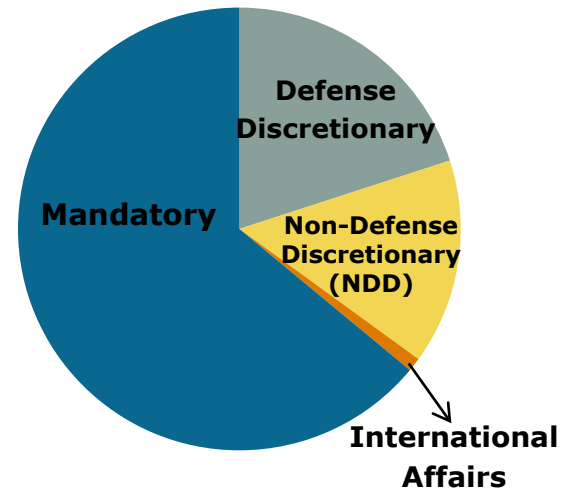
- Unless Congress acts, sequestration will implement across-the-board cuts starting in January 2013. Sequestration cuts will total \$1.2 trillion over nine years and will impact defense, portions of mandatory spending, and Overseas Contingency Operations (OCO) accounts.
- Under sequestration, defense and all other non-exempt funding will each be cut by \$54.7 billion a year respectively.
- Sequestration cuts will be taken off the level of funding appropriated in the Fiscal Year 2013 Continuing Resolution. International Affairs funding was continued at FY2012 levels plus a 0.6% increase.

International Affairs Funding and Sequestration:

Sequestration will be applied to all “*programs, projects, and activities*” (PPA) within a budget account meaning each PPA mentioned in an appropriations bill or the President’s budget will be cut. Programs, projects and activities are those activities that are delineated in an appropriations bill or its accompanying report.ⁱ

OMB estimates that the percentage cut necessary for international programs in FY13 is a reduction of 8.2%.ⁱⁱ

The Federal Budget



An 8.2% cut under sequestration would mean an estimated:

- **3.33 million people** will have reduced or denied access to lifesaving food aid;
- **377,200 children** will have reduced or denied access to school feeding programs;
- **656,000 fewer children** annually will have access to quality primary school education;
- 276,500 fewer people will receive HIV/AIDS treatment, potentially leading to **63,000 more AIDS-related deaths** and **124,000 more children becoming orphans**;
- 112,500 fewer HIV-positive pregnant women will receive HIV/AIDS treatment, leading to more than **21,000 infants being infected with HIV**;
- 2.5 million fewer insecticide-treated nets will be available under the Global Fund to Fight AIDS, TB, and Malaria, leading to **6,500 deaths from malaria**;
- 60,000 fewer people with tuberculosis will receive treatment, leading to **7,000 more deaths due to TB**; and
- 1.3 million fewer pentavalent vaccines for children will be available through the Global Alliance for Vaccines and Immunizations, leading to **14,000 more deaths** from diphtheria, tetanus, pertussis, Haemophilus influenza type B, and hepatitis B.

Funding cuts, whether a result from sequestration or other budget decisions, will impact families and children and, ultimately, they would cost lives.

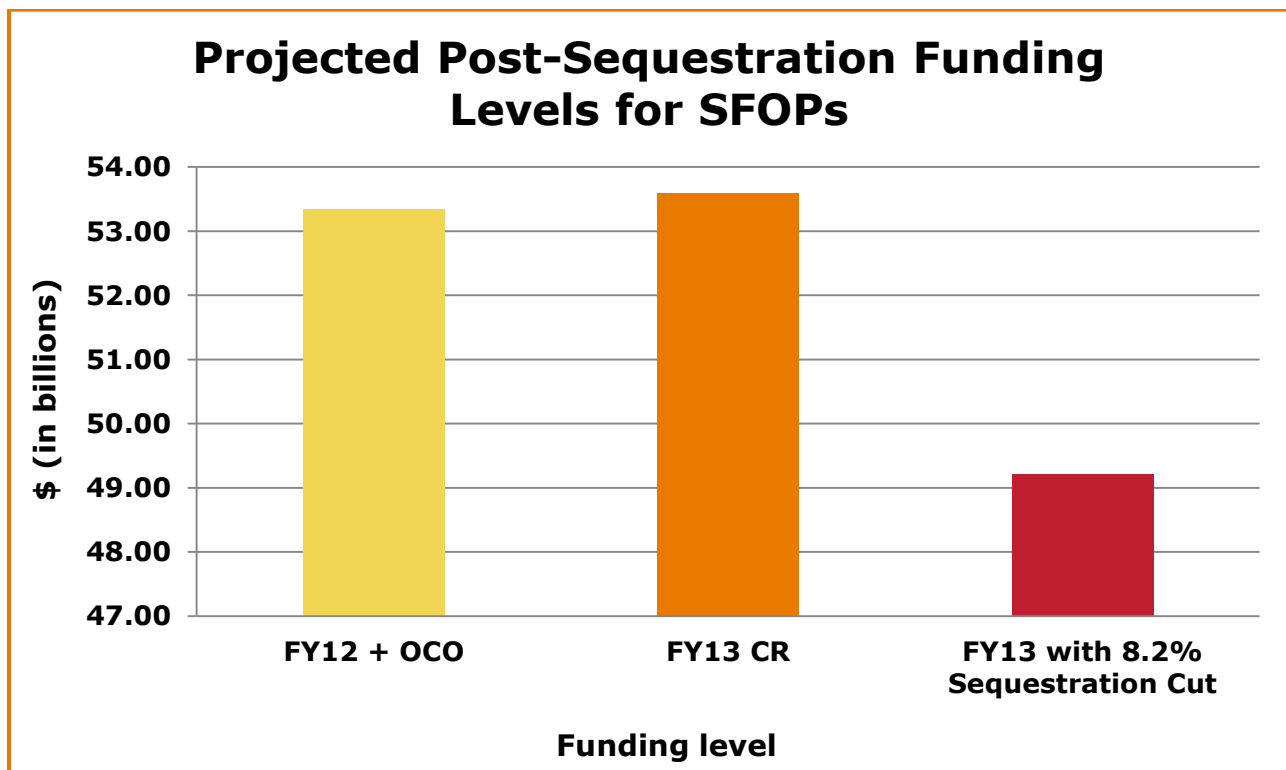
Impact of Sequestration on overall International Affairs Funding

If Congress does not act to stop sequestration, cuts to International Affairs funding would include:

- A base funding level of about \$38.9 billion (\$3.2 billion cut) and an overall funding level of \$49.2 billion (\$4.4 billion cut) when OCO is factored in.
- About \$1.7 billion in cuts to poverty-focused development accounts including a \$670 million cut to global health programs.

Funding cuts to these poverty-focused accounts could mean:

- Decreased staff capacity, leading to **less capacity for oversight** and monitoring and evaluation;
- **Increased instability and volatility** in the world as rising food prices and drought go unattended, leading to higher levels of food insecurity;
- More **lives would be needlessly lost** due to infectious disease and more children would be born HIV-positive;
- Shifting resources away from existing programs aimed at finding permanent solutions for refugees and the long-term displaced such as refugee education and livelihood programs;
- Reduce support through International Disaster Assistance to conflict victims in places like Darfur and Somalia and reduce resources for preventing and responding to new emergencies;
- Decreased resources for agricultural development projects aimed at helping small-scale farmers lift themselves out of poverty;
- Fewer people would gain access to safe drinking water and adequate sanitation; and
- Fewer mothers would receive nutrition assistance during pregnancy and the critical first two years of their children's lives leading to an **increase in malnutrition, stunting, and cognitive damage.**



ⁱ GAO, *Agency Operations: Agencies Must Continue to Comply with Fiscal Laws Despite the Possibility of Sequestration*. Pg 1, April 2012.

ⁱⁱ OMB, *OMB Report Pursuant to the Sequestration Transparency Act of 2012 (P.L. 112-155)*. Pg. 1, September 2012.