

# State, Foreign Operations, and Related Programs

## End Funding for the United Nations Development Program

The UNDP conducts projects in more than 170 countries around the world. It aspires to be the U.N. system’s premier anti-poverty agency, but the impact of the billions of dollars it spends every year on antipoverty programs is unclear. For example, a 2012 report commissioned by the UNDP found that the organization spent over \$8 billion on antipov-erty activities between 2004 and 2011 but that this focus was lost at the country level:

At the strategic planning level and at the execu-tive board level, poverty reduction is accorded top

priority. By the time the issue reaches the country level, however, the focus on poverty reduction of-ten becomes diluted.... Many of [the UNDP’s] ac-tivities have only remote connections with poverty, if at all.<sup>2</sup>

Moreover, UNDP aid meant to assist suffering populations in many authoritarian countries inad-vertently helps to perpetuate their suffering. In the past, the UNDP has funded inappropriate activities in Iran, North Korea, Venezuela, and Zimbabwe.<sup>3</sup>

### ADDITIONAL READING

- Ambassador Terry Miller, “The United Nations and Development: Grand Aims, Modest Results,” Heritage Foundation *Special Report* No. 86, September 22, 2010.
- Brett D. Schaefer, “Why Does UNDP Continue to Aid Repressive Regimes?” The Daily Signal, August 27, 2010.

PROPOSAL	STATUS	EXPLANATION
President’s Budget (FY2019)	INCLUDED	No funding for International Organizations and Programs account, which funds UNDP.
House Budget Resolution	PARTIALLY INCLUDED	Reduces contributions to International Organizations and Programs account and says UNDP is “susceptible to fraud, waste, and abuse.”
Senate Budget Resolution	NOT ADDRESSED	
Republican Study Committee	INCLUDED	Recommends eliminating International Organizations and Programs account.

–\$171  
INCREASE IN MILLIONS<sup>4</sup>

PRESIDENT

HOUSE

SENATE

RSC

## Eliminate the Overseas Private Investment Corporation

Created in 1969 at the request of the Nixon Administration to promote investment in developing countries, OPIC provides loans and loan guarantees, subsidizes risk insurance against losses resulting from political disruption; and capitalizes investment funds. In today's global economy, many private firms in the developed and developing worlds offer investment loans and political-risk insurance. OPIC can displace these private options. Worse, when it guarantees investments in risky foreign environments, countries have less reason to adopt investor-friendly policies.

It is also far from clear that OPIC projects directly support U.S. economic security or interests. Examples include \$85 million in loans for a major hotel and apartment complex in Afghanistan that was never properly overseen and never completed; \$67

million to finance 13 projects in the Palestinian territories while a unity government was formed with Hamas; and financing for Papa John's pizza franchises in Russia, a chain of Wendy's branded franchise restaurants in Georgia, and development of Century 21 brand real estate franchising in Brazil.

OPIC activities might have been justified 50 years ago, when international financial markets were less pervasive, but the number of countries that now lack access to financial markets or that pose substantial political risk to investors is far less than the 160-plus countries where OPIC is authorized to do business. In today's globalized trading and investment environment, foreign investors should base their decisions not on whether a government agency will cover their risks, but on whether investment makes economic sense on its own merits.

### ADDITIONAL READING

- Bryan Riley, Brett D. Schaefer, and James M. Roberts, "Congress Should Support the Trump Administration's Proposal to Close Down OPIC," Heritage Foundation *Issue Brief* No. 4735, July 14, 2017.
- Bryan Riley and Brett D. Schaefer, "Time to Privatize OPIC," Heritage Foundation *Issue Brief* No. 4224, May 19, 2014.

PROPOSAL	STATUS	EXPLANATION
President's Budget (FY2019)	PARTIALLY INCLUDED	OPIC would be eliminated, but DFI would continue to serve the same role.
House Budget Resolution	NOT ADDRESSED	
Senate Budget Resolution	NOT ADDRESSED	
Republican Study Committee	NOT ADDRESSED	

# Eliminate Funding for the United Nations Population Fund

For years, the U.S. withheld funding for the UNFPA under the Kemp–Kasten Amendment, which prohibits U.S. international aid from supporting coercive abortion procedures or involuntary sterilization.<sup>6</sup> In 2009, President Barack Obama announced that he would allow funding to be reinstituted, and the U.S. has since sent tens of millions of taxpayer dollars to the UNFPA. The most recent allocation was \$68 million in FY 2016.

In a January 23, 2017, Presidential Memorandum, President Donald Trump directed the “Secretary of State to take all necessary actions, to the extent permitted by law, to ensure that U.S. taxpayer dollars do not fund organizations or programs that support or participate in the management of a program of coercive abortion or involuntary sterilization.”<sup>7</sup> In April, the Trump Administration announced that it would withhold \$32.5 million in funding for the UNFPA.<sup>8</sup>

## ADDITIONAL READING

- Brett D. Schaefer, “Congress Should Renew the Report Requirement on U.S. Contributions to the U.N. and Reverse Record-Setting Contributions to the U.N.,” Heritage Foundation *WebMemo* No. 3324, July 22, 2011.
- Olivia Enos, Sarah Torre, and William T. Wilson, “An Economic and Humanitarian Case for Pressing China to Rescind the Two-Child Policy,” Heritage Foundation *Backgrounder* No. 3146, November 18, 2016.

PROPOSAL	STATUS	EXPLANATION
President’s Budget (FY2019)	INCLUDED	No request for International Organizations and Programs account, which funds voluntary contributions to U.N.-affiliated and other international organizations, including UNFPA.
House Budget Resolution	PARTIALLY INCLUDED	Reduces contributions to International Organizations and Programs, including UNFPA.
Senate Budget Resolution	NOT ADDRESSED	
Republican Study Committee	INCLUDED	Recommends eliminating International Organizations and Programs account and objects to UNFPA funding for “family planning and abortion funding abroad.”

## Enforce Cap on United Nations Peacekeeping Assessments

Current U.S. law caps U.S. payments for U.N. peacekeeping at 25 percent of the budget, but the U.N. will assess the U.S. at 28.434 percent in 2018.<sup>10</sup> In the past, appropriations bills allowed payments above the 25 percent cap to avoid arrears. Congress ended this practice for FY 2018 and should continue to enforce the cap and not pay any resulting arrears until the U.N. adopts a scale of assessments that specifies a 25 percent maximum share for any member state.

The Trump Administration has repeatedly stated its desire to reduce the U.S. share of the U.N. peacekeeping budget to 25 percent. President Trump reiterated this objective in his September 2017 speech to the U.N., stating that “[t]he United States bears an unfair cost burden” and “that no nation should have to bear a disproportionate share of the burden, militarily or financially.”<sup>11</sup> Congress enforced the 25 percent cap in FY 2018 and should continue to do so until the U.N. adopts a maximum peacekeeping assessment of 25 percent.

### ADDITIONAL READING

- Brett D. Schaefer, “Diplomatic Effort to Reduce America’s Peacekeeping Dues Must Start Now,” Heritage Foundation *Issue Brief* No. 4781, November 1, 2017.
- Brett D. Schaefer, “The U.S. Should Push for Fundamental Changes to the United Nations Scale of Assessments,” Heritage Foundation *Backgrounder* No. 3023, June 11, 2015.

PROPOSAL	STATUS	EXPLANATION
President’s Budget (FY2019)	INCLUDED	FY 2019 State Department Congressional Budget Justification requests \$1.196 billion for Contributions to International Peacekeeping.
House Budget Resolution	NOT ADDRESSED	
Senate Budget Resolution	NOT ADDRESSED	
Republican Study Committee	INCLUDED	Recommends enforcing 25 percent cap on U.S. assessments.

# Reduce U.S. Funding for the United Nations Relief and Works Agency for Palestine Refugees

The UNRWA was established more than 60 years ago as a temporary initiative to address the needs of Palestinian refugees and facilitate their resettlement or repatriation, but by applying refugee status to the descendants of the original refugees, it has caused the problem to grow larger. This is unique to the UNRWA: The definition of “refugee” employed by the United Nations High Commissioner for Refugees (UNHCR), which addresses every other refugee population for the U.N., is consistent with the 1951 Refugee Convention. To advance the long-term prospects for peace, the U.S. should encourage winding down the UNRWA to end the refugee status of Palestinians and facilitate their integration as citizens of their host states or resettlement in the West Bank and Gaza, where the Palestinian government should be responsible for their needs. The

few remaining first-generation Palestinian refugees and those more recently displaced should be placed under the responsibility of the UNHCR.

The Trump Administration decided to withhold \$65 million of a scheduled \$125 million payment in January 2018 and notified the UNRWA that future funding would depend on the adoption of reforms. Congress should work with the Administration to phase out the UNRWA by supporting a policy of shifting responsibility for recent Palestinian refugees to the UNHCR, shifting UNRWA funding to governments hosting Palestinians to facilitate integration, and demanding that the Palestinians assume responsibility for the services provided by the UNRWA.

## ADDITIONAL READING

- Brett D. Schaefer and James Phillips, “Time to Reconsider U.S. Support of UNRWA,” Heritage Foundation *Backgrounder* No. 2997, March 5, 2015.

PROPOSAL	STATUS	EXPLANATION
President’s Budget (FY2019)	PARTIALLY INCLUDED	FY 2019 State Department Congressional Budget Justification requests \$2.04 billion under MRA-Overseas Contingency Operation for humanitarian needs.
House Budget Resolution	NOT ADDRESSED	
Senate Budget Resolution	NOT ADDRESSED	
Republican Study Committee	NOT ADDRESSED	

# Eliminate Funding for the Global Environment Facility

The GEF manages the Special Climate Change Fund and the Least Developed Countries Fund, with a heavy emphasis on grants and financing for global-warming-adaptation projects. Since its inception by the World Bank and U.N. in 1991, the GEF has been the designated financial mechanism for a number of problematic international agreements, including the U.N. Convention on Biological Diversity, U.N. Framework Convention on Climate Change, Stockholm Convention on Persistent Organic Pollutants, U.N. Convention to Combat Desertification, Minamata Convention on Mercury, and Montreal Protocol on Substances that Deplete the Ozone Layer, as well as a number of international waters

agreements such as the U.N. Convention on the Law of the Sea.<sup>14</sup>

According to a 2014 Transparency International report, the GEF lacks transparency in public access to information, anticorruption measures at the fund-recipient level, accountability at the executive level, and participation of project stakeholders.<sup>15</sup> Instead of using taxpayer dollars to fund energy and international climate-change projects, the U.S. should commit to free-market principles that will provide affordable, reliable energy, not government-selected technologies and energy sources.

## ADDITIONAL READING

- David W. Kreutzer, “A Cure Worse Than the Disease: Global Economic Impact of Global Warming Policy,” Heritage Foundation *Backgrounder* No. 2802, May 28, 2013.
- Nicolas D. Loris, “Economic Freedom, Energy, and Development,” Chapter 5 in Terry Miller and Anthony B. Kim, *2015 Index of Economic Freedom* (Washington: The Heritage Foundation and Dow Jones & Company, Inc., 2015).

PROPOSAL	STATUS	EXPLANATION
President’s Budget (FY2019)	REJECTED	FY 2019 State Department Congressional Budget Justification requests \$68.3 million for GEF.
House Budget Resolution	NOT ADDRESSED	
Senate Budget Resolution	NOT ADDRESSED	
Republican Study Committee	INCLUDED	Recommends ending U.S. funding for Special Climate Change Fund and Least Developed Countries Fund, which are managed by GEF.

## Eliminate the U.S. Trade and Development Agency

The USTDA was created in 1961 to help companies create U.S. jobs through the export of U.S. goods and services for priority development projects in emerging economies. The USTDA asserts that it “links U.S. businesses to export opportunities by funding project planning activities, pilot projects, and reverse trade missions while creating sustainable infrastructure and economic growth in partner countries.”<sup>17</sup> In practice, however, the USTDA has become little more than another source of taxpayer-subsidized crony corporatism.

The USTDA’s activities belong more properly to the private sector. The best way to promote trade and development is to reduce trade barriers. Another way is to reduce the federal budget deficit and thereby reduce federal borrowing from abroad so that more foreign dollars can be spent on U.S. exports instead of federal treasury bonds. A dollar borrowed from abroad by the government is a dollar not available to buy U.S. exports or invest in the private sector of the U.S. economy.<sup>18</sup>

### ADDITIONAL READING

- James M. Roberts and Brett D. Schaefer, “An Overhaul of America’s Foreign Assistance Programs Is Long Overdue,” Heritage Foundation *Backgrounder* No. 3247, September 19, 2017.
- “Eliminate the U.S. Trade and Development Agency,” in Republican Study Committee, *Securing America’s Future Economy: Fiscal Year 2018 Budget*, pp. 150–151.

PROPOSAL	STATUS	EXPLANATION
President’s Budget (FY2019)	INCLUDED	\$12.1 million to conduct an orderly closeout of the agency beginning in FY 2018.
House Budget Resolution	REJECTED	Does not assume closure of USTDA.
Senate Budget Resolution	NOT ADDRESSED	
Republican Study Committee	INCLUDED	Cuts \$60 million and closes down USTDA.



**\$1.2**SAVINGS IN BILLIONS<sup>19</sup>

## Overhaul Foreign Assistance Programs

The broad goals of U.S. assistance programs have long been to assist people in crises, enhance market opportunities for American products and investments by catalyzing economic growth in developing countries, and promote U.S. national security and foreign policy by supporting allies and countering adversaries. These are worthy goals. U.S. foreign assistance needs to update concepts and priorities, eliminate duplication and waste, and address changing circumstances. Fundamental reform has languished far too long. As a result, many U.S. foreign aid programs can no longer help countries in need or serve U.S. interests effectively.

America's fragmented and micromanaged foreign aid programs, split among more than 25 federal agencies, must be refitted to meet 21st-century challenges.

The United States Agency for International Development (USAID) needs to be completely restructured, with its core health and humanitarian missions incorporated into the State Department.

The Millennium Challenge Corporation should take charge of all U.S. development assistance with the goal of graduating all countries from the need for foreign aid.

Properly designed and directed, U.S. foreign aid can support America's national interests by addressing humanitarian crises; promoting policy changes necessary for economic growth led by the private sector, which is the most reliable and sustainable path to development; or advancing U.S. diplomatic and security priorities.

---

### ADDITIONAL READING

- James M. Roberts and Brett D. Schaefer, "An Overhaul of America's Foreign Assistance Programs Is Long Overdue," Heritage Foundation *Background* No. 3247, September 19, 2017.

PRESIDENT

HOUSE

SENATE

RSC

Taking steps to consolidate or eliminate the following programs could result in considerable annual budgetary savings.

Save more than \$1 billion by eliminating Assistance for Europe Eurasia and Central Asia (AEECA), a post-Cold War account that has fulfilled its purpose.

PROPOSAL	STATUS	EXPLANATION
President's Budget (FY2019)	NOT ADDRESSED	
House Budget Resolution	REJECTED	Appropriates \$691.6 million.
Senate Budget Resolution	REJECTED	Appropriates \$750.3 million.
Republican Study Committee	NOT ADDRESSED	

PRESIDENT

HOUSE

SENATE

RSC

Save \$52.5 million by eliminating the African Development Foundation and the Inter-American Foundation.

PROPOSAL	STATUS	EXPLANATION
President's Budget (FY2019)	PARTIALLY INCLUDED	Consolidates into USAID. No dollar amount specified.
House Budget Resolution	PARTIALLY INCLUDED	In FY 2018, \$26.3 million.
Senate Budget Resolution	REJECTED	In FY 2018, \$52.5 million.
Republican Study Committee	INCLUDED	Cuts \$54 million and eliminates these programs.

PRESIDENT

HOUSE

SENATE

RSC

Cut \$60 million from the Department of Labor's International Labor Affairs budget and move its remaining work to the Millennium Challenge Corporation.

PROPOSAL	STATUS	EXPLANATION
President's Budget (FY2019)	NOT ADDRESSED	
House Budget Resolution	NOT ADDRESSED	
Senate Budget Resolution	REJECTED	In FY 2018, \$59.8 million.
Republican Study Committee	INCLUDED	Cuts \$60 million.

PRESIDENT

HOUSE

SENATE

RSC

Move USAID's Development Credit Authority (DCA) to the Millennium Challenge Corporation to save a portion of its \$9 million annual administrative cost.

PROPOSAL	STATUS	EXPLANATION
President's Budget (FY2019)	REJECTED	In FY 2018, \$9.12 million for DCA administrative expenses.
House Budget Resolution	REJECTED	In FY 2018, \$9.12 million for DCA administrative expenses.
Senate Budget Resolution	REJECTED	In FY 2018, up to \$10 million for DCA administrative expenses.
Republican Study Committee	NOT ADDRESSED	

PRESIDENT

HOUSE

SENATE

RSC

Save \$80 million annually by closing the 15 smallest of USAID's 100 overseas missions, administering their existing foreign aid programs from USAID regional offices, and reducing the cost of those programs by 20 percent.<sup>20</sup>

PROPOSAL	STATUS	EXPLANATION
President's Budget (FY2019)	NOT ADDRESSED	
House Budget Resolution	NOT ADDRESSED	
Senate Budget Resolution	NOT ADDRESSED	
Republican Study Committee	NOT ADDRESSED	

## Policy Riders

**Increase oversight of international organizations.** U.N. system revenues from assessed and voluntary contributions increased from \$14.96 billion in 2002 to \$45.72 billion in 2016. The U.S. remains the largest contributor, providing one-fifth of total contributions annually over that period. In 2016, the U.S. provided \$9.72 billion to the U.N. system according to the U.N. Chief Executives Board. The Department of State Authorities Act, Fiscal Year 2017 (S.1635), enacted in 2016, requires the Office of Management and Budget to submit an annual report to Congress on U.S. contributions to the U.N. system, but that report does not address the question of whether the U.S. is receiving good value for those contributions. The U.S. should conduct a cost-benefit analysis of U.S. participation in all international organizations and establish a dedicated unit for international-organization issues in the Office of Inspector General for the Department of State.<sup>21</sup> In the FY 2019 budget, the Trump Administration announced that “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.”

**Do not fund activities related to unratified treaties.** If a treaty has not received the advice and consent of the Senate and has not been properly implemented in U.S. law, the U.S. should not fund any of its activities, either in the U.S. or elsewhere. Treaties are compacts between the nations that are party to them and should therefore be funded by the nations that have legally accepted their obligations. The only exception to this principle is that the U.S. should be able to pay the costs of its own diplomatic delegations that attend meetings related to treaties the U.S. is negotiating or related to treaties to which the U.S. is not party. This exception, however, does not allow for the funding of treaty bodies or any delegation other than that of the United States.

## ENDNOTES

1. Savings of \$79.8 million in FY 2019 are based on regular resource contributions by the United States as reported in U.N. Development Programme, “Our Funding: Regular Resource Contributions for 2017 as of January 2018,” <http://www.undp.org/content/undp/en/home/funding/core-donors.html> (accessed May 16, 2018). Heritage experts assume that spending holds steady in FY 2018 and 2019.
2. George Russell, “UN’s \$5.7B Anti-Poverty Agency Doesn’t Do Much to Reduce Poverty, According to Its Own Assessment,” Fox News, January 14, 2013, <http://www.foxnews.com/world/2013/01/14/uns-55b-anti-poverty-agency-doesnt-do-much-to-reduce-poverty-according-to-its/> (accessed April 3, 2018).
3. Brett Schaefer, “Why Does UNDP Continue to Aid Repressive Regimes?” The Daily Signal, August 27, 2010, <http://dailysignal.com/2010/08/27/why-does-undp-continue-to-aid-repressive-regimes/>.
4. Savings of –\$171 million (an increase in spending of \$171 million) for FY 2019 are based on the CBO’s most recent April 2018 baseline spending projections. The higher spending includes \$323 million in discretionary revenue losses, partially offset by \$152 million in mandatory spending savings, for a total spending *increase* of \$171 million in FY 2019.
5. Estimated savings of \$32.5 million for FY 2019 are based on the FY 2018 appropriated level as specified in the Consolidated Appropriations Act, 2018, Public Law 115-141, 115th Cong., <https://www.congress.gov/115/bills/hr1625/BILLS-115hr1625enr.pdf> (accessed May 15, 2018). Heritage experts assume that FY 2018 spending remains constant in FY 2019.
6. Daniel Briggs, “The Kemp–Kasten Provision and UNFPA Funding,” Americans United for Life, April 23, 2010, <http://www.aul.org/2010/04/the-kemp-kasten-provision-and-unfpa-funding/> (accessed January 26, 2016). “The United Nations Fund for Population Activities was established as a trust fund in 1967 and began operations in 1969. In 1987, it was officially renamed the United Nations Population Fund, reflecting its lead role in the United Nations system in the area of population. The original abbreviation, UNFPA, was retained.” United Nations Population Fund, “Frequently Asked Questions: What Does UNFPA Stand For?” last updated January 2018, <https://www.unfpa.org/frequently-asked-questions#acronym> (accessed May 16, 2018).
7. Donald J. Trump, “Presidential Memorandum Regarding the Mexico City Policy,” The White House, January 23, 2017, <https://www.whitehouse.gov/presidential-actions/presidential-memorandum-regarding-mexico-city-policy/> (accessed April 3, 2018).
8. Nurith Aizenman, “Citing Abortions in China, Trump Cuts Funds for U.N. Family Planning Agency,” NPR, April 4, 2017, <https://www.npr.org/sections/goatsandsoda/2017/04/04/522040557/citing-abortions-in-china-trump-cuts-funds-for-u-n-family-planning-agency> (accessed April 3, 2018).
9. Estimated savings of \$234 million for FY 2019 are based on reducing the U.S. share of funding from 28.4344 percent to 25 percent. The approved U.N. Peacekeeping budget was \$6.803 billion for July 1, 2017, to June 30, 2018, as found in United Nations General Assembly, “Approved Resources for Peacekeeping Operations for the Period from 1 July 2017 to 30 June 2018,” A/C.5/71/24, 71st Sess., June 30, 2017, <http://undocs.org/a/c.5/71/24> (accessed May 16, 2018). Heritage experts assume that this spending level holds steady through FY 2019. The projected shares come from Report of the Secretary-General, “Implementation of General Assembly Resolutions 55/235 and 55/236,” A/70/331/Add.1, 70th Sess., December 28, 2015, [http://www.un.org/en/ga/search/view\\_doc.asp?symbol=A/70/331/Add.1](http://www.un.org/en/ga/search/view_doc.asp?symbol=A/70/331/Add.1) (accessed May 16, 2018). Reducing the U.S. share from 28.4344 percent (as projected for 2018 and assumed for FY 2019) to 25 percent saves \$234 million in FY 2019.
10. The U.S. peacekeeping assessment is established in three-year sets, the most recent being for 2016–2018. The specific assessment can fluctuate from year to year within each three-year scale and also when new scales are adopted using updated economic data. In addition, the U.N. peacekeeping budget can change significantly as new missions are established or existing missions are expanded, contracted, or closed.
11. Donald J. Trump, “Remarks by President Trump to the 72nd Session of the United Nations General Assembly,” The White House, September 19, 2017, <https://www.whitehouse.gov/briefings-statements/remarks-president-trump-72nd-session-united-nations-general-assembly/> (accessed April 5, 2018).
12. Estimated savings of \$182 million for FY 2019 are based on 50 percent of the reported 2017 contribution of \$364.3 million as listed in United Nations Relief and Works Agency for Palestine Refugees, “2017 Pledges to UNRWA’s Programmes (Cash and In-kind)—Overall Donor Rankings as [of] December 31, 2017,” [https://www.unrwa.org/sites/default/files/overalldonor\\_ranking.pdf](https://www.unrwa.org/sites/default/files/overalldonor_ranking.pdf) (accessed May 16, 2018). Heritage experts assume that FY 2017 donations remain constant through FY 2019. Savings are based on reducing spending by 50 percent in FY 2019 to draw down the agency’s funding.
13. Estimated savings of \$140 million for FY 2019 are based on the FY 2018 appropriated level as specified in the Consolidated Appropriations Act, 2018. Heritage experts assume that FY 2018 spending remains constant in FY 2019.
14. See, for example, Global Environment Facility, “About Us,” <https://www.thegef.org/about-us> (accessed May 16, 2018), and Global Environment Facility, “Conventions,” <https://www.thegef.org/partners/conventions> (accessed May 16, 2018).
15. Lisa Elges and Claire Martin, *Protecting Climate Finance: An Anti-Corruption Assessment of the Adaptation Fund*. Transparency International, 2014, [https://www.transparency.org/whatwedo/publication/protecting\\_climate\\_finance\\_adaptation\\_fund](https://www.transparency.org/whatwedo/publication/protecting_climate_finance_adaptation_fund) (accessed April 3, 2018).
16. Estimated savings of \$79.5 million for FY 2019 are based on the FY 2018 appropriated level as specified in the Consolidated Appropriations Act, 2018. Heritage experts assume that FY 2018 spending remains constant in FY 2019.
17. U.S. Trade and Development Agency, “Our Mission,” <http://www.ustda.gov/about/mission> (accessed January 12, 2016).
18. Bryan Riley and Anthony B. Kim, “Freedom to Trade: A Guide for Lawmakers,” Heritage Foundation *Background* No. 3064, October 20, 2015, <http://thf-reports.s3.amazonaws.com/2015/BG3064.pdf>.

19. Estimated savings of \$1.195 billion for FY 2019 are based on proposed reforms reported in James Roberts and Brett Schaefer, “An Overhaul of America’s Foreign Assistance Programs Is Long Overdue,” Heritage Foundation *Backgrounder* No. 3247, September 19, 2017. Although a comprehensive overhaul would generate substantial savings, we include only a portion of those savings that can easily be estimated. Estimated savings for FY 2019 include \$995 million from eliminating Assistance for Europe, Eurasia and Central Asia based on the CBO’s most recent April 2018 baseline spending projections; \$55 million for eliminating the African Development Foundation (\$31 million) and Inter-American Foundation (\$24 million) based on the CBO’s most recent April 2018 baseline spending projections; \$60 million from reducing the Department of Labor’s International Labor Affairs budget and moving its remaining work to the Millennium Challenge Corporation; \$4.5 million in administrative savings from moving USAID’s Development Credit Authority to the Millennium Challenge Corporation based on its current \$9 million administrative budget as reported in U.S. Department of State, *Congressional Budget Justification: Department of State, Foreign Operations, and Related Programs, Fiscal Year 2018*, <https://www.state.gov/documents/organization/271013.pdf> (accessed May 16, 2018); and \$80 million from closing the 15 smallest of USAID’s 100 overseas missions, administering their existing foreign aid programs from USAID regional offices, and reducing the cost of those programs by 20 percent as reported in *ibid*. Heritage experts assume that FY 2018 spending remains constant in FY 2019.
20. The estimate of \$80 million in annual savings was calculated by summing the annual operating expenses (Objective 6) for each of the smallest 15 USAID missions, ranked according to overall budget amount requested for each USAID mission, and adding a total of 20 percent of the grants and other assistance requested for the smallest 15 missions, which can be cut when those programs are administered more efficiently from a regional location.
21. Brett D. Schaefer, “U.S. Should Demand Increased Transparency and Accountability as U.N. Revenues Rise,” Heritage Foundation *Issue Brief* No. 4154, February 26, 2014, <https://www.heritage.org/report/us-should-demand-increased-transparency-and-accountability-un-revenues-rise>.