

# Press Releases: United States and Argentina Strengthen Partnership on Cyber Policy

Media Note  
Office of the Spokesperson

Washington, DC  
May 24, 2017

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On Tuesday, May 23, the United States and Argentina further deepened their joint commitment to an open, interoperable, reliable, and secure cyberspace during the inaugural meeting of the newly established Cyber Policy Working Group.

The meeting focused on key cybersecurity initiatives including implementing national cyber policy frameworks, protecting networks, developing a cyber workforce, and managing cyber incidents. Officials also discussed policy coordination, information sharing and the protection of critical infrastructure, with an emphasis on public-private cooperation. The dialogue reaffirms our ongoing partnership on cybercrime and cyber defense matters; and facilitates our engagement on cyber issues in relevant international fora.

Mr. Christopher Painter, Coordinator for Cyber Issues, U.S. Department of State, led the U.S. government interagency delegation that included other representatives from the Department of State, as well as representatives from the Department of Homeland Security, the Department of Justice, the National Security Council, the Department of Defense and the National Institute of Standards and Technology.

Mr. Jose Hirschson, Under Secretary for Technology and Cybersecurity, Argentine Ministry of Modernization, led the initiative for the Government of Argentina, in partnership with representatives from the Ministry of Foreign Affairs, Ministry of Security, and Ministry of Defense.

The U.S.-Argentina Cyber Policy Working Group was announced during President Mauricio Macri's April 27, official working visit to Washington. The working group will serve as a policy-level channel for identifying cyber issues of mutual concern and developing new joint initiatives. It will also strengthen and help protect the economic and security interests of both countries.

For updates, follow Coordinator Painter at [@State\\_Cyber](#) on Twitter. Please

send interview requests to [SCCI\\_Press@state.gov](mailto:SCCI_Press@state.gov).

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## **Press Releases: On the Occasion of the State of Eritrea's National Day**

Press Statement  
Rex W. Tillerson

Secretary of State

Washington, DC  
May 24, 2017

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On behalf of the government and the people of the United States, congratulations to the people of Eritrea on the 26th anniversary of your nation on May 24th. As the country celebrates, we share the hopes of the Eritrean people for a free, peaceful, and productive future.

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# Press Releases: Government of Hungary's Legislation Impacting Central European University

Press Statement  
Heather Nauert

Department Spokesperson

Washington, DC  
May 23, 2017

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The United States again urges the Government of Hungary to suspend implementation of its amended higher education law, which places discriminatory, onerous requirements on U.S.-accredited institutions in Hungary and threatens academic freedom and independence.

The Government of Hungary should engage directly with affected institutions to find a resolution that allows them to continue to function freely and provide greater educational opportunity for the citizens of Hungary and the region.

The U.S. Government has no authority or intention to enter into negotiations on the operation of Central European University or other universities in Hungary.

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# Press Releases: Department of State and USAID FY 2018 Budget Request

Press Statement  
Rex W. Tillerson

Secretary of State

Washington, DC  
May 23, 2017

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Today, President Trump requested \$37.6 billion for the Department of State and U.S. Agency for International Development (USAID) budget in Fiscal Year (FY) 2018. This budget request reflects the President's "America First" agenda that prioritizes the well-being of Americans, bolsters U.S. national security, secures our borders, and advances U.S. economic interests.

This budget is responsive to the realities of the world in the 21st century, and ensures that the State Department and USAID can quickly adapt to an ever-changing international environment. Activities and programs supported in this budget will support our effort to defeat ISIS and other terrorist organizations and combat illegal migration and trafficking. This budget will also support our efforts to combat corruption and address threats to good governance, which helps level the playing field for American workers and businesses.

The FY 2018 budget supports the President's commitment to make the U.S. government leaner and more accountable to the American taxpayer, while maximizing our diplomatic and engagement efforts, including with our international partners. As we advance the President's foreign policy priorities, this budget will also help lay the foundation for a new era of global stability and American prosperity.

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# Press Releases: On-the-Record- Briefing: The President's Fiscal Year 2018 Budget Request for the U.S. Department of State and USAID

Special Briefing

Douglas Pitkin, Director, Bureau of Budget and Planning, U.S. Department of State; Hari Sastry, Director, Office of U.S. Foreign Assistance Resources, U.S. Department of State; and Peter A. Wiebler, Acting Director, Office of Budget and Resource Management, U.S. Agency for International Development on the President's Fiscal Year 2018 Budget Request for the U.S. Department of State and USAID

Via Teleconference

May 23, 2017

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**MS NAUERT:** All right. John, thank you, and thank you, everybody, for joining us for this call. Today the President requested \$37.6 billion for the State Department and also USAID in the Budget for Fiscal Year 2018. That budget request reflects the President's America First agenda that prioritizes the well-being of Americans, bolsters U.S. national security, secures our borders, and advances U.S. economic interests.

As Secretary Tillerson said today, the budget is responsive to the realities of the world in the 21st century. It ensures that the State Department and USAID can quickly adapt to an ever-changing international environment. The FY2018 budget supports the President's commitment to make the U.S. Government leaner and more accountable to the American taxpayer while also maximizing our diplomatic and engagement efforts, including with our international partners. As we advance the President's foreign policy priorities, the budget will also help lay the foundation for a new era of global stability and American prosperity.

We ask this call be embargoed until the end of the call, and I'd like to introduce you to our participants here. Today's on-the-record conference call on the President's Budget Request for State and USAID, we have Doug Pitkin, P-i-t-k-i-n, the director of Budget and Planning for the U.S. State Department; Hari Sastry, the director of the Office of U.S. Foreign Assistance Resources at the Department of State – Sastry is S-a-s-t-r-y; and Peter Wiebler, acting director, Office of Budget and Resource Management –

pardon me – USAID, and Wiebler is W-i-e-b-l-e-r.

Gentlemen, thank you so much for joining in today on the call. We'll start with a brief introduction from each of you. You have some comments that you'd like to make, and then we'll take some questions from the press following that. We'll start out right now with Doug Pitkin from the State Department.

Doug, thanks.

**MR PITKIN:** Thank you, Heather, very much. As Heather said, this budget ensures that America continues to be a leader in a changing world, addressing global challenges, while looking to our allies and partners to increase their efforts to create a more stable environment for our national security and economic prosperity.

This request does fit within the proposed adjusted topline levels for defense and non-defense that Director Mulvaney outlined earlier today and is similarly generally consistent with the budget concepts outlined in the March initial budget release. And as a result, this budget requires some tough tradeoffs between competing priorities in both non-defense and also with the State, AID, and International Affairs Budget.

So as a result, as Heather said, the request for State and AID is a topline of \$37.6 billion, of which 25.6 billion is in our enduring core budget and 12 billion remains in OCO, which is Overseas Contingency Operations. At this all-in level, that's about a 32 percent reduction below the FY17 (inaudible) appropriations that Congress completed a few weeks ago. But as a point of just clarification, that did include a supplemental of \$4 million that was enacted by Congress in December. So if you compare it to '16, the reduction is not quite as steep.

Now, this budget does reflect four broad priorities as outlined in the Secretary's letter: defending U.S. national security, asserting U.S. leadership and influence, fostering opportunities for U.S. economic interest and the American people, and ensuring the effectiveness and accountability of all our State and AID programs to the U.S. taxpayer.

It does prioritize resources to counter extremism and terrorism, stabilize conflicts, strengthen our alliances, and address emerging crises. One of the key areas of the budget is \$5.6 billion for State and AID's role in the global coalition to defeat ISIS and other terrorist groups. OCO, as I mentioned, is maintained as a significant portion of our total funding, about 31 percent. So when we talk about some of the comparisons, we'll be comparing OCO to the last two years, we can have a sense for how it is a key part of our budget. So that \$12 billion request includes our key programs for contingency operations in the areas both of ISIS operations as well as other conflict areas.

Very briefly on the diplomatic engagement portion of our budget supports a range of our diplomatic operations and staffing domestically and overseas. The request in FY18 is \$5.2 billion for our programs to secure and protect our embassies and other diplomatic facilities. That also leverages December's

supplemental D-ISIS funding. That's \$4.9 billion in FY18. And then our request for international assessed contributions to the UN and other international organizations and peacekeeping, that's a total request of \$2.2 billion. And during the Q&A we can discuss some of the major tradeoffs within those levels.

**MS NAUERT:** All right, Doug, thank you. Next we'll go to Hari Sastry. And if anyone needs any assistance with spellings, let us know at the end of the call. Hari is the director of the Office of U.S. Foreign Assistance Resources for the State Department.

Hari, thank you.

**MR SASTRY:** Thank you, Heather. As Doug noted, the FY2018 budget requests \$37.6 billion for the State Department and USAID. Of that total, 25.3 billion supports foreign assistance programs. And breaking that up a little bit more, of that – of that total, \$17.3 billion is in base funding and \$7.9 billion is in Overseas Contingency Operations, or OCO funding.

This budget defends U.S. national security by supporting efforts to defeat ISIS and other terrorist organizations. As Doug mentioned, we are providing \$5.6 billion to support the strategy to defeat ISIS, which includes efforts to destroy strongholds in Iraq and Syria, degrade branches and affiliates in different regions, address instability in key partner nations that ISIS seeks to exploit, and ensure ISIS and other terrorist networks do not establish footholds that undermine U.S. interests.

This budget will also allow us to counter Russian aggression and malign influence in Europe, Eurasia, and Central Asia, and bolster U.S. national security and economic interests in the region.

We continue to support our key ally, Israel, with \$3.1 billion for our commitment to that country, and we are investing \$1.1 billion in a comprehensive effort throughout the Western Hemisphere to shut down transnational criminal organizations and illicit pathways to U.S. borders, reducing the flow of both illegal migration and illicit goods that threaten U.S. safety and security. Importantly, U.S. assistance will address the underlying conditions for these threats, including weak governance, insecurity, corruption, poverty, and human rights abuses.

The FY18 budget includes a total of \$7.1 billion in security sector assistance, which will enable our efforts with partner nations to address shared security threats. We will optimize the security assistance by shifting some foreign military assistance from grants to loans, potentially allowing partners to receive more military equipment and training, but on a repayable basis.

Our \$5.3 billion in humanitarian assistance will let us assert U.S. leadership and save lives. We remain a global leader in providing humanitarian assistance worldwide.

We also continue to improve global health with \$6.5 billion to help prevent

the spread of infectious disease and pandemics. My colleague, Peter Wiebler, will go into more detail on – details on humanitarian assistance and global health in just a moment.

This budget fosters economic opportunities for Americans by advancing bilateral relationships and state institutions with the potential to open up new markets for U.S. businesses. Our efforts to help level that playing field for American businesses are through activities that combat corruption, address threats to good governance, and more.

We are also consolidating some accounts to ensure effectiveness of programming. For example, we are requesting all of our economic and development assistance within the new Economic Support and Development Fund account. In addition, we will request all food aid from the International Disaster Assistance account, and all emergency refugee and migration needs will be supported through the Migration and Refugee Assistance account.

This was just a high-level overview of the FY18 foreign assistance budget for the State Department and USAID. The Congressional budget justification is posted online and has detailed information about all the programs and activities funded in FY18. And now I'm going to turn it over to my colleague.

**MS NAUERT:** Peter Wiebler, the acting director of the Office of Budget and Resource Management for USAID. Hi, Peter.

**MR WIEBLER:** Hi, thank you. For more than 50 years, USAID has led our nation's efforts to advance dignity and prosperity around the world, both as an expression of core American values and to help build peaceful, open, and flourishing partners for the United States. With the FY2018 budget request, USAID will continue its efforts to achieve these results, confront threats to national security and global stability, and demonstrate American leadership.

This budget request includes \$15.4 billion in assistance that USAID fully or partially manages. The request streamlines foreign assistance and prioritizes activities that clearly and directly advance U.S. national interests. These include defeating ISIS, countering extremism, and addressing complex crises in the Middle East and Africa caused by extremist groups, including in Iraq and Syria and elsewhere.

Other major lines of USAID funding include \$425 million to protect U.S. strategic interests in Europe, Eurasia, and Central Asia, and \$1.5 billion for USAID health programs around the world. The budget will also provide \$2.5 billion for humanitarian assistance to aid victims of conflict and natural disasters, provide emergency food, and address the underlying causes of food insecurity.

USAID responds to an average of 65 disasters in more than 50 countries each year, but our efforts go far beyond acting after a disaster has struck. The best way to save lives and conserve resources is to partner with other states to increase their resilience to disasters, including famine.

In closing, USAID would not be successful in fulfilling its national security



mission without foundational commitments to results, evaluation, and ensuring effectiveness and accountability to the U.S. taxpayer. We will continue to seek out innovative ways to maximize the impact of every dollar entrusted to USAID in Fiscal Year 2018.

With that, I would close and turn it back over to Heather.

**MS NAUERT:** Okay. If everyone could please address your question to a particular individual – either Doug, Hari, or Peter – and we can best get you the answers. Let's go ahead with our first question, please.

**OPERATOR:** And just a quick reminder, ladies and gentlemen, if you do have a question, please press \*1. And then we'll go to Nick Wadhams with Bloomberg. Please, go ahead.

**QUESTION:** Hi, thanks. I have two questions. I guess the sort of obvious one is it's a bit jarring to hear you guys talk about how the U.S. is going to restore leadership and influence around the world when the budget is being cut by 28 percent. So can you – also, as far as I understand from the justification, bilateral funding will be cut by 40 percent, so to something like 28 countries that did receive bilateral funding will no longer receive it. So can you explain in more detail, setting aside the sort of counter-ISIS national security piece, how cutting the budget by 30 percent restores U.S. leadership and influence rather than diminishes it?

And then the second question is: Congress has already said that this budget is dead on arrival. So what are you going to do if Congress gives you more money than you want? Will you spend it? Will you send the check back to Treasury? What's the plan there? Thank you.

**MR SASTRY:** So I'll take the – this is Hari – I'll take the second part of that first. I think every year when we send a president's budget up to the Hill, I think Congress pretty consistently says, "These are the President's priorities; these are not our priorities." And we look forward to working with Congress throughout the next few months to get to a final budget, to get to a final budget appropriation level at some point, hopefully before the end of the year. As far as how this addresses U.S. leadership, this budget request allows us to support the President's priorities, as we mentioned before, of defending national security, asserting U.S. leadership, fostering economic – U.S. economic interest, and ensuring accountability. So we'll continue to partner with our key allies to protect Americans, American interests, advance key bilateral partnerships, and open new markets.

However, the budget also, as you noted, does acknowledge that our operations must become more efficient and our assistance must become more effective. And so – and our primary mission is going to remain advocating for the national interests of our country. It also recognizes that some of these global challenges cannot be met by U.S. alone, but requires a global effort. So we – in addition to the – in addition to what our – our contribution in humanitarian and in health, in those areas, where we are and will continue to be the global leader, we will be asking others to step up and do more, so we will continue to do – so we will do our fair share. But it is refocusing our

budget to those critical areas.

**MS NAUERT:** Next question, please.

**OPERATOR:** We will go to Yeganeh Torbati with Reuters. Please, go ahead.

**QUESTION:** Thank you. I have a couple questions. Can you give a bit more detail on what the cuts specifically to PEPFAR will be? The budget – part – one of the budget documents says that you’ll want PEPFAR to focus on 12 countries. PEPFAR currently operates in 65 countries. So what’s the line item – like budget cuts – at PEPFAR?

And then in another portion of one of the documents, it – you talk about how you want to have significant reductions in U.S. contributions to international organizations. But you don’t really say what would get cut, other than organizations that, quote, “work against U.S. foreign policy interests.” And then you say that NATO would continue to be fully funded. So what organizations are you referring to? Is that the United Nations? Is it something else? Yeah, that would be great. Thank you.

**MR SASTRY:** So I’ll take the PEPFAR. This is Hari. I will talk the PEPFAR questions first. We are requesting \$5 billion for PEPFAR, which is 20 percent of our entire foreign assistance budget, which is actually a little bit higher than what we’ve seen in the years past, but it is a reduction from the \$6 billion that we received last year. The PEPFAR reduction – the PEPFAR total will still maintain our contribution to the Global Fund at the two to one ratio that we had – that we have committed to previously, so that is about \$1.125 billion of that total. Furthermore, on the bilateral side, this will allow us to maintain all patients who are currently on antiretroviral treatments; they will currently maintain – we will currently maintain those patients on the treatment. In addition, we’ll be able to work toward epidemic control in 12 high-burden countries. So this isn’t reduced – this doesn’t take anybody off the ARTs, but it is making sure we maintain it and then focusing our efforts in the 12 high-burden countries to achieve epidemic control.

**MR PITKIN:** This is Doug Pitkin. I’ll address the question on the contribution to international organizations. The account that funds the UN and other organizations covers the UN regular budget and about 40 other organizations, some UN-affiliated, others such as OAS, the World Health Organization, and NATO. And essentially what the budget reflects is two-fold effort. One is a recognition that the U.S. is often the largest single contributor, by far, to many of these organizations. We contribute 22 percent of the UN’s regular budget. We contribute higher rates to organizations such as the OAS and NATO. And I think there’s a recognition that these rates of assessment are often determined by these organizations, despite the fact that the U.S., in many cases, believes that other nations should be paying a larger, more equitable share consistent with either their economic status or the benefits that they accrue from those organizations. So that’s first, is we’re looking for other nations, particularly in the UN, to pay a larger share of those assessed contributions.

Secondly, there's also the longstanding effort in many of these organizations to become more effective, more accountable. The department, with congressional support, has very strict reporting requirements to report how these organizations are complying with transparency, whistleblowing, and other basic governance structures that we expect here at home. And many of those organizations have a lot to – work to go. And as the President mentioned when he met with UN members a couple weeks ago, he called out the need for greater UN reform to make it more effective. So we're also looking to these organizations to implement reforms, to lower costs, and deliver greater results.

In terms of how we are approaching this, the department is going through a review process to determine how to prioritize the request. It's a 31 percent reduction from the FY17 level. And so we're currently assessing how that reduction would be distributed among the various member-states based upon their strategic benefit, their effectiveness, and the impact of a potential reduction.

**MS NAUERT:** All right. Thank you. Next question, please.

**OPERATOR:** We'll go to the line of Conor Finnegan with ABC News. Please, go ahead.

**QUESTION:** Hey. Thanks for doing this. Two quick questions. Senator Lindsey Graham, who is in charge of the appropriations for State, said, quote, "You have a lot of Benghazi in the making if this thing becomes law." Can you sort of clarify what the funding will be like for Diplomatic Security around the world, for embassy security, and respond to that charge?

And then, as Heather noted, Secretary Tillerson, in his statement, said that the budget is meant to make the U.S. more responsive to the realities of the world. But according to the Secretary, one of those realities is global climate change, and the budget cuts, I believe, all funding for those programs that address climate change. Can you speak to why that is, if it is one of those challenges? Thanks.

**MR PITKIN:** Sure. This is Doug Pitkin. I'll start with the security question then turn it over to Hari on climate change. The administration has appreciated the strong Congressional support for the department security programs over the past several years. They also note with appreciation that they fully funded – in addition to the supplemental, they fully funded the previous standing requests for both our embassy security programs and Diplomatic Security for FY17.

However, in looking at FY18, I think we have to recognize that there are significant funds in the pipeline, partly because of the supplemental that was provided in December. Also, for example, OBO, the Office of Overseas Building Operations, has some 53 projects in the planning process and under construction. And so what we're proposing in FY18 is – essentially is to use some of our current-year money to buy down or apply towards our construction program in FY18. This shows up as a cut or a reduction in the strict budget line as we've presented it, but we will still be able to support \$2.2 billion

in FY18 embassy construction and security upgrades for those posts in the greatest need of such upgrades. And so this, essentially, reflects the fact that we're taking a slight reduction in capital investments because we have a lot of funding that we – has been previously appropriated.

For Diplomatic Security, again, there was a one-time increase in FY17 because of the supplemental, but the request for FY18 is an 11 percent increase for Diplomatic Security operations over FY16, and it reflects the full range of DS operations in Iraq, Afghanistan, in high-threat posts in Africa and the rest of Middle East, as well as new responsibilities they have to ensure that all chief of mission personnel are protected as they move and execute their responsibilities. So we are confident that, particularly for Diplomatic Security, this provides the resources to keep our personnel safe.

**MR SASTRY:** Yes, on the climate question, the – as you had mentioned, the budget does eliminate funding for the Global Climate Change Initiative and funding for the Green Climate Fund. Funding for climate-related programs, however, will continue, to the extent they address our foreign policy/national security objectives, so there is some limited funding available. And I'll also say that our foreign assistance funding is just one tool that we have to address climate-related issues, so we will continue – as the Secretary has said, we will continue to work on this challenge, even if it's not linked to our foreign assistance.

**MS NAUERT:** Okay. Next question, please.

**OPERATOR:** That will be Michele Kelemen with NPR. Please, go ahead.

**QUESTION:** Yeah, hi. I just have a specific question about food assistance. I understand USDA – its food assistance program was cut by 1.7 billion. How much of that ended up somewhere else in other accounts? Can you give me kind of an overall picture of where the food assistance program, Food for Peace, is going?

**MR WIEBLER:** So this is Peter Wiebler from USAID. Thanks for the question. So this request includes \$2.5 billion in international disaster assistance, or what we call IDA, in that account. We – this budget does not request funding in the – for – in Title II specifically, but our \$2.5 billion request for IDA does include \$1.5 billion for the Office of Food for Peace at USAID and 1 billion for the Office of Foreign Disaster Assistance. So food needs will be covered through that overall request, that overall \$2.5 billion request.

**MS NAUERT:** Okay. Thank you. Next question, please.

**OPERATOR:** And we'll go to Josh Lederman with the Associated Press. Please, go ahead.

**QUESTION:** Hey, guys. Thanks a lot for doing this. I just wanted to ask if you could talk a little bit about the overlap between this budget proposal and the ongoing review of restructuring the State Department that's taking place. I mean, obviously, in this budget you have allotted certain amounts of money to different parts of the department, which is the way that budgets tend to

work, but I'm wondering if that then locks you in to the way that the department is currently structured, or if you anticipate taking large chunks of money from the way that it's currently laid out and possibly putting them in other parts of the budget if the Secretary decides to go that direction. For instance, you have, obviously, a lot of money for USAID. There's been deliberations we've all reported about, about moving USAID under the Main State umbrella. So is that – are those kinds of things still possible to do even if Congress decides to grant the funding the way that you've laid it out in your budget request? Thanks.

**MR PITKIN:** This is Doug Pitkin. I'll take the start and let Hari and Peter chime in.

This request was clearly formulated and submitted prior to the completion of the agency reform and reorganization process that OMB has asked all agencies to perform over the next year or so. And as you also probably know, the department has just wrapped up a listening tour or a listening session to get the – our both State and AID employees' input on some of the reform efforts that we can implement to make our overall programs, operations, and personnel structure more efficient and more effective. So that process will continue through the summer into the fall. We'll be working with OMB, of course, on a proposal through the fall process, and then something more formal no later than the release of the President's budget for next year.

So this budget does not assume any particular outcome from that. Any – a number of issues are potentially on the table, but nothing has been pre-decided. Certainly, in some areas of budget, particularly on staff, which we've tried to leave some flexibility to adapt to any type of proposal that might come out of that process, this request does not assume the closure of any particular post or the consolidation or closure of any existing bureau's offices. Those will be steps that we would consider once the department completes its review. Major proposals will probably be incorporated into the next fiscal year budget, but again, the Secretary wants to have the flexibility to manage the department and AID to be as effective as possible.

**MS NAUERT:** Hari, anything? Okay, next question, please.

**OPERATOR:** That will be Dave Clarke with AFP. Please, go ahead.

**QUESTION:** Oh, hi, thanks for doing this. So I've – with my limited amount of time I've spent with the budget, I see that the peacekeeping overseas budget is being slashed quite dramatically by more than half. Now, as we mentioned in the previous question, the UN – the UN budgets are decided by the General Assembly, so if the U.S. contribution is not brought down by your partners, are you willing to defy the UN at the risk of losing some voting rights?

**MR PITKIN:** This is Doug Pitkin. So similar to the assessed contributions for other organizations, the U.S. Government – or the U.S. pays the largest share of international peacekeeping, about 28 percent under the current UN formula, which I think as you know, both Congress and now this administration have expressed strong concern that that rate is excessive in light of the other responsibilities and economic capabilities of other permanent representatives

and other member-states in the UN. I think the next largest bill payer is about 10 and a half percent versus our 28 percent.

So the budget, like the FY17 appropriation, would cap our contribution not to exceed 25 percent. But we also believe that there needs to be a closer review of the size and scope of some of missions, and the – Ambassador Haley's team in New York is doing that now. So I think we look to both have reductions in scope and operational efficiencies in peacekeeping missions. Where can they be reduced? We've addressed some of those potential reductions in the budget, and then call upon other member-states to pay a greater share as we move forward.

**MS NAUERT:** Okay, anybody else? Okay, next question, please.

**OPERATOR:** We'll go to Carol Morello with *The Washington Post*. Please, go ahead.

**QUESTION:** Hello, we really appreciate your taking our questions. I'd like to follow a question that Nick asked at the beginning. Are – is the State Department willing to commit that if Congress authorizes more money than is in the budget request that you'll go ahead and spend it, or is this something you largely intend to stick to pretty much however much money the – that Congress gives you?

And also, I was hoping you could reply to critics who say that this is a time when there is greater need than there has been in decades due to famines and refugees, and this is not the time to be cutting a lot of the foreign aid, that you should be at least maintaining it if not increasing it. And how do you reply to that? Thank you very much.

**MR SASTRY:** So to answer your first question on Congress, we – this is – we are not viewing this as different than any other year. We are working with Congress to get to a final appropriation level, and there will be legal obligations in that bill as far as what we have to spend, what we are allowed to spend, et cetera, and we intend to stick to those.

As far as your second question on foreign aid in general, I think as we mentioned before, this budget still allows the United States to be the leader in humanitarian assistance and global health assistance, and it's really looking to refocus the – refocus our efforts into those areas that are closely aligned with the President's priorities and also asking the rest of the world to step up and do a little bit more than they have in the past.

So we understand that there is – that there are a lot of global challenges, and we actually want to thank the Congress for funding us to address a lot of those challenges in the '17 bill so we will be able to meet a lot of the needs that we see coming out of the four famines, et cetera, with the '17 funds that we have. And in '18 it is trying to refocus our budget onto those highest-priority needs while asking the rest of the world to step forward.

**MS NAUERT:** Okay, thank you. Next question, please.

**OPERATOR:** We'll go to Felicia Schwartz with *The Wall Street Journal*. Please,

go ahead.

**QUESTION:** Hey, thanks for taking my question. You guys have said a few times that the U.S. will be the leader in humanitarian assistance and global health assistance. How does the number outlined in the request for 2018 compare to 2017, and by how much are we a leader, and has that percentage changed with this budget request?

And then in the foreign assistance budget, the IO section is basically zeroed out – UNICEF, OCHA, some other organizations. Is that funding going to come from elsewhere, or are you no longer funding those programs under this budget? Thank you.

**MR SASTRY:** Thanks for the question. So let me take your second one first for IO. The – some organizations that were previously funded under IO will still receive partial funding through different accounts. So for example, the Internet Governance Forum, the UN High Commissioner for Human Rights will – and the Montreal Protocol will all be funded through our ESDF account. And the UN Office for Coordination for Humanitarian Affairs, UNOCHA, will be funded through our MRA account. So those contributions will remain.

As far as your first question on our – was it humanitarian or global health? I'm sorry.

**MS NAUERT:** Felicia?

**QUESTION:** Can you hear me?

**MR SASTRY:** Yeah.

**MR WIEBLER:** Yeah.

**MS NAUERT:** Go right ahead. Could you repeat the second half of your question, please – or the first half of your question, pardon me.

**QUESTION:** Yeah. Yes, yes. You guys – I was curious about both humanitarian assistance and global health because you said we would remain the leader in both of those areas, so I was wondering, how much is the funding in those areas compared to 2017? And is the percentage by how much we are leading or the amount by how much we're leading, has it changed significantly with this budget?

**MR SASTRY:** Thank you. Thanks for repeating that. So for humanitarian assistance, it's a \$2.4 billion reduction, which is about 31 percent, and for global health, it is a \$2.2 billion reduction, which is about 25 percent, and this is compared to 2016. Since we haven't yet allocated 2017, most of our comparisons are to 2016.

If you look at – if you kind of look at the U – if you look at the UN contributions across different donors, the next largest donor was somewhere in the \$2 billion neighborhood, 2-3 billion, so we will still certainly be the leader in that. But how much will really depend on what the other countries are able to put forward in '18, which, of course, we don't know.

**MR WIEBLER:** Can I – if I can just add – this is Peter Wiebler from USAID – just to add some color to what Hari said, even at these levels, the President’s request allows us to remain the leading donor in the health sphere, in HIV/AIDS, malaria, and maternal and child health. And we’ll have a leading role, if not the leading role, in nutrition, tuberculosis, NTDs.

**MS NAUERT:** Thank you. Last question, please.

**OPERATOR:** That will be from the line of Lucia Leal with EFE. Please, go ahead.

**QUESTION:** Hi, thank you for taking my question. I wanted to ask about the Western Hemisphere. There’s a pretty big cut in funds for the region. How do you expect to keep up the efforts to strengthen institution and combat corruption in places like Central America and Mexico?

And I also had a question about the \$1.1 billion dedicated to transnational criminal organizations. Can you clarify if this is more money than was allocated before for these operations? I don’t have anything to compare that to. Thank you.

**MR SASTRY:** Sure. Thanks. So for transnational criminal organizations, actually, the total is \$587 million, and – so that’s globally, and that is compared to \$776 million in 2016. For our Western Hemisphere number, that’s the \$1.1 billion, and that is a reduction. However, it really prioritizes our programs that focus on disrupting the activities of transnational criminal organizations, strengthening border security and combating corruption.

You had mentioned on – a lot of the root causes that we were addressing in previous years. We’re going to continue addressing those root causes as part of our Central America strategy. It will – we – with the last three years’ worth of appropriations from Congress, we received over \$2 billion over the last three years, which we are still – which we are working to spend in a responsible way in those areas, and so this will build on that success.

**MS NAUERT:** All right. Thank you, everybody. Thanks to all the reporters for joining us today. Doug Pitkin, Hari Sastry, and Peter Wiebler, thank you so much. We look forward to talking with you again and thanks, everyone, for joining today. Oh, and the embargo has now been lifted. Thank you.  
(Laughter.)

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