

## Message from the Secretary of the Treasury

Dear Member:

On behalf of President Biden, it is my pleasure to submit the Congressional Budget Justification for the Department of the Treasury's International Programs for Fiscal Year 2024. The Administration requests \$4.073 billion for Treasury International Programs. Fully funding this request will enable Treasury to drive a strong U.S.-led international finance system that can take decisive action on many of the global challenges that the world faces, including restoring global economic growth to pre-pandemic levels. Developing countries are still struggling to recover from the impacts of the COVID-19 pandemic, with many of them facing economic, energy security, and food security shocks emanating from Russia's renewed invasion of Ukraine.

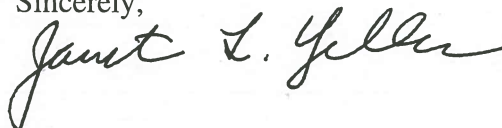
The budget provides \$2.293 billion for the multilateral development banks, which play key roles in promoting sustainable and inclusive economic growth, reducing poverty, and providing critical support to countries recovering from disaster and conflict, among other global challenges. Treasury also seeks support for the broader international finance system and requests \$1.46 billion for specific multilateral funds and institutions that help deliver on core Administration priorities, particularly with respect to promoting quality infrastructure, enhancing energy security and innovation, and building resilience to environmental risks including natural disasters and climate change. As disruptions in food supply chains and debt crises can have significant spillover effects on the United States, the budget requests \$121.8 million for food security programs and \$67 million for debt restructuring programs.

The budget requests \$45 million for Treasury's Office of Technical Assistance, which provides technical assistance that supports our national security agenda by combating terrorist financing and financial crimes, helping countries fund and sustain their own development through improved domestic resource mobilization and debt management, promoting financial stability, and creating the conditions for private sector-led economic growth.

Experience during the COVID-19 pandemic has made clear that global challenges which transcend national borders and affect the American people can occur rapidly and call for a swift, effective, and coordinated international response. With that consideration, Treasury requests \$50 million in additional resources to support U.S. leadership in new initiatives in the international finance system that address new and emergent priority needs.

Treasury is leading global efforts to restore economic growth, reduce poverty, promote environmental sustainability and resilience, invest in quality infrastructure, reduce hunger, and create quality jobs at home and abroad. Fulfillment of this request is a powerful and efficient means to sustain U.S. global leadership and deliver on this ambitious economic agenda.

Sincerely,



Janet L. Yellen

## **FY 2024 Executive Summary**

The Administration's FY 2024 Budget (the Budget) requests \$4.037 billion for the Treasury Department's International Programs. This request is a critical component of the Biden-Harris Administration's approach for restoring American global standing and leadership. Working with our allies and through multilateral institutions, including the international financial institutions, will help the United States confront many of the global challenges that the world faces. Our priorities include increasing global economic growth, reducing poverty, preventing debt crises, modernizing health systems, enhancing food and energy security, building resilience to environmental challenges including natural disasters and climate change, championing quality and sustainable infrastructure, and supporting vulnerable populations recovering from disaster and conflict.

If these priorities are not addressed, there can be significant spillover effects on the United States. This reinforces the need for a strong U.S.-led international finance system that can take decisive action to provide financing, policy and technical support for quality infrastructure investment, climate adaptation and resilience, energy innovation and diversification, and public health. This is essential to delivering on the goals of the Partnership for Global Infrastructure and Investment (PGII). Treasury's International Programs also seek to contribute to enhancing equity and fostering the inclusion of disadvantaged and marginalized people in developing countries, including women and youth who have not adequately shared the benefits of development. This is the right approach, and it is vital to political and economic stability.

The institutions and programs supported by this request produce impacts across all of these areas and are cost-effective means for the United States to advance its geostrategic interests. The International Monetary Fund (IMF) supports international macroeconomic and financial stability, including in low-income countries. Through policy advice and technical assistance, the IMF works to prevent economic and financial crises abroad. IMF financing to countries in crisis is vital to minimize the severity and duration as well as the likelihood of potential negative spillovers to the United States. The World Bank, regional development banks, multilateral funds, and Treasury's bilateral technical assistance program support sustainable economic development, food and energy security, and social inclusion, helping developing countries attract and sustain private investment for quality infrastructure that will increase prosperity. With U.S. leadership, these institutions and programs reflect and promote American values related to good governance, transparency, and sound debt management.

Supporting economic prosperity overseas also benefits American companies by expanding markets for U.S. exports and leveling the playing field through increased transparency and competition, which creates American jobs and bolsters the U.S. economy. Also, many of these international institutions frequently partner with American companies in their programs, whether through consulting or project design and execution. We are encouraging these international institutions to explore more opportunities to engage the private sector in their work, to help expand the pipeline of quality development projects and the multiplier effect of low-cost, sustainable public finance.

More broadly, Treasury is advocating for the evolution of the multilateral development bank (MDB) system, to modernize and expand its work so that it can better address global challenges while also enhancing delivery on poverty alleviation and sustainable and inclusive growth. This requires meeting our foundational commitments to the MDBs and guiding them to refresh their operational models and incentive structures and to fully stretch their available resources, including through new financing mechanisms that would result in a greater amount of development finance.

Treasury also seeks to invest in the broader international finance system and the specific multilateral funds and institutions that help deliver on core Administration priorities, particularly with respect to infrastructure, environment and energy, and food security. Investments in the programs and funds related to these priorities will offer emerging and developing countries a quality and sustainable alternative to drive infrastructure development, including energy, needed to boost productivity, growth, jobs, and the delivery of basic services. Further, food security is intricately linked to national security and is crucial to having a healthy population and productive workforce. These programs and funds will help catalyze private finance and lay the foundation for sustainable, inclusive, and resilient growth and development.

U.S. contributions to these programs help to safeguard and improve the wellbeing of the American people. For example, U.S. contributions to energy and clean technology funds enhance our energy security by supporting international efforts to diversify energy systems, reduce dependence on Russian producers, and reduce long-term energy price volatility. They also have significant catalytic impact with large co-financing from private investors, and as the markets in these developing countries grow, so will the demand for U.S. technologies in this space, bringing benefits back to the U.S. economy. U.S. contributions to agricultural funds not only promote global food security but also sustain the supply of food and natural resources from overseas on which Americans depend. U.S. contributions to environment funds enhance global resilience and mitigate the effects of climate change, conserve biodiversity and critical ecosystems, and reduce harmful chemicals in our air and water.

Treasury's Office of Technical Assistance provides finance ministries, central banks, and other government agencies in developing and transitional countries with specialized expertise, including through the deployment of expert advisors, to enhance domestic revenue mobilization, improve financial regulation, and combat financial crimes. In so doing, it helps create conditions for private sector-led growth, including increased private sector investment in infrastructure.

Treasury is also a critical participant in multilateral initiatives to help address debt vulnerabilities around the world. Risks of debt distress have increased across low- and middle-income countries due to the impact of the ongoing pandemic, Russia's war against Ukraine, and global financial tightening. These ongoing uncertainties and challenges could lead to more countries facing unsustainable debt burdens over the next year or so. The United States, through our membership in the Paris Club, conducts debt restructurings through a multilateral and coordinated process for the benefit of taxpayers. As members of the G20, we also have a commitment to work with countries under the Common Framework for debt treatments, a multilateral framework that brings China to the table for the first time.

## Multilateral Development Banks

The Budget requests \$2.293 billion for the multilateral development banks (MDBs). These institutions play key roles in the effort to reduce poverty, increase economic growth, foster economic and social inclusion, build resilience, and develop sustainable infrastructure. Annually, the MDBs invest approximately \$35 billion in quality infrastructure and support developing countries in mobilizing billions more in private capital. They played a leading role in the global response to the COVID-19 pandemic, marshalling resources and experts quickly to help developing countries address the health and economic impacts of the pandemic. They also assist developing countries in responding to the devastating effects of Russia's brutal war on Ukraine, by providing critical finance to sustain agriculture production and manage the impact of sudden spikes in energy and food prices on the poor. Additionally, they provide an alternative to low quality financing from malignant actors. These efforts by the MDBs help to advance U.S. foreign policy objectives of sustaining peace and stability, promoting security, and protecting the global environment.

Financing through multilateral institutions brings significant advantages to the United States and is an effective way to stretch limited development dollars. Specifically, U.S. taxpayer contributions to the MDBs catalyze contributions from other shareholders, the MDBs' internally-generated resources, and funding from capital markets to significantly increase the assistance levels that the MDBs provide. MDBs offer a wide range of instruments, including grants, loans, guarantees, equity, insurance, and knowledge products. This array of instruments can help de-risk and incentivize private sector investments that support U.S. development priorities in emerging markets. The Administration requests increased support for the MDBs so that the United States can continue to assert its leadership in these institutions. To help meet today's greatest cross-border challenges, like pandemics, fragility and conflict, and environmental risks, the United States with its allies have begun efforts to evolve the MDBs to respond to these challenges with sufficient speed and scale, starting with the World Bank. In February 2023, the World Bank initiated a process to select a new President that is set to conclude in late April, and with new leadership comes an opportunity to shape the institution.

Treasury's requests for the MDBs include:

*International Bank for Reconstruction and Development (IBRD)*: \$233.3 million, including \$206.5 million for the fifth of six installments to subscribe to the U.S. share of the paid-in portion of the IBRD 2018 general and selective capital increases and \$26.8 million for the subsidy cost for IBRD loan guarantees which, with a leverage rate of approximately 1:75, will enable \$2 billion in new lending to support innovation and diversification in the energy sector of emerging markets in South and Southeast Asia, notably Indonesia. The Budget also requests a program limitation to allow the United States to subscribe to up to \$1.421 billion in callable capital.

*International Development Association (IDA)*: \$1.479 billion in support of IDA programs over the twentieth replenishment period (July 1, 2022 – June 30, 2025), including support for a second payment to the twentieth replenishment (IDA-20) and of which \$49 million is to reduce unmet commitments to previous replenishments. The Administration also proposes legislative language

to exempt securities issued by IDA from regulation by the Securities and Exchange Commission. This request is included in the General Provisions found in the Department of State and Other International Programs chapter of the FY 2024 President's Budget Appendix.

*African Development Bank (AfDB)*: \$54.6 million for the fourth of eight installments to subscribe to the U.S. share of the paid-in portion of the seventh general capital increase. The Budget also requests a program limitation to allow the United States to subscribe to up to \$856,174,624 in callable capital.

*African Development Fund (AfDF)*: \$224 million in support of AfDF programs over the sixteenth replenishment period (AfDF-16; 2023–2025), including towards a first installment to AfDF-16, and of which \$27 million is to reduce unmet commitments to previous replenishments. The Administration also requests authorization to subscribe to the AfDF-16 replenishment in the amount of \$591 million.

*Asian Development Bank (AsDB)*: \$119.4 million in support of two new AsDB initiatives: \$84 million for the subsidy cost of \$1 billion of loan guarantees to support the Innovative Finance Facility for Climate in Asia and the Pacific, and \$35 million for the Energy Transition Mechanism Partnership Trust Fund.

*Asian Development Fund (AsDF)*: \$107.2 million in support of AsDF programs over the twelfth replenishment period (also known as AsDF-13, covering the period 2021–2024), including for payments towards U.S. pledges for the twelfth replenishment, and of which \$20 million is to reduce unmet commitments to AsDF replenishments.

*Inter-American Investment Corporation (IIC, also referred to as IDB Invest)*: \$75 million for an initial subscription to a capital increase in the IIC, provided that the Inter-American Development Bank Group has made satisfactory progress toward reforms which include increasing the Group's responsiveness to the development needs of Latin America and the Caribbean and promoting more effective and efficient use of the Group's financial resources. The Administration also requests authorization to subscribe to a capital increase of up to 58,942 additional shares in the IIC.

### **International Monetary Fund (IMF) Facilities and Trust Funds**

The Budget requests authorization to enable the United States to lend up to \$21 billion in resources from Treasury's Exchange Stabilization Fund to the Resilience and Sustainability Trust (RST), and to the Poverty Reduction and Growth Trust (PRGT), the IMF's concessional lending facility for low-income countries. The specific division of lending between the RST and PRGT is yet to be determined. Treasury also requests a five-year extension of authorization for the United States to participate in the IMF New Arrangements to Borrow, to end on December 31, 2030.

### **Quality Infrastructure**

*Global Infrastructure Facility (GIF)*: The Budget requests \$40 million for a first-time contribution to the GIF, a World Bank financial intermediary fund that provides funding and technical assistance to design and structure high-quality infrastructure projects to attract and enable MDB and private sector co-financing.

## **Energy and Environment**

*Clean Technology Fund (CTF)*: The Budget requests \$425 million for a contribution to the CTF to support developing countries' adoption of clean technologies in energy and transportation. The CTF complements the United States' bilateral efforts to promote a just energy transition and deployment of clean technology in targeted countries. Using \$425 million for subsidy costs would enable a concessional loan to the CTF with an estimated value of \$1.23 billion.

*Green Climate Fund (GCF)*: The Budget requests \$1.6 billion for the GCF, of which \$800 million is through the Department of the Treasury and \$800 million is through the Department of State. Established in 2010, the GCF seeks to foster climate-resilient development and zero-emission investment by funding activities across a variety of sectors, including transport; water and other infrastructure; energy generation and efficiency; and land use, including agriculture and forestry. It uses a range of financial instruments to support high impact projects and programs, mobilize private sector capital, and foster stronger policy environments that better address the challenges of a changing climate.

*Global Environment Facility (GEF)*: The Budget requests \$168.7 million, of which \$150.2 million is to cover the second installment of our pledge to the GEF's eighth replenishment (GEF-8) and \$18.5 million is for unmet commitments. The GEF is a multilateral trust fund that provides mainly grant-based funding to assist developing and transitional countries in addressing global environmental challenges in five focal areas: (1) biodiversity; (2) chemicals and waste; (3) climate change; (4) land degradation (primarily deforestation and desertification); and (5) international waters. The GEF is a global leader in promoting the conservation of terrestrial and marine habitats.

*Resilient Development Trust Funds*: The Budget requests \$27 million for contributions to MDB trust funds that are focused on building resilience to natural disasters and extreme weather in the most vulnerable developing countries, such as those in the South Pacific and sub-Saharan Africa.

## **Food Security**

*International Fund for Agricultural Development (IFAD)*: The Budget requests \$81.8 million to support IFAD programming during its twelfth replenishment period (2022–2024), including for the last of three installment payments to the twelfth replenishment, a \$35 million contribution to IFAD's Enhanced Adaptation for Smallholder Agriculture Programme (ASAP+), and a \$3.8 million payment to eliminate unmet commitments to prior IFAD replenishments.

*Global Agriculture and Food Security Program (GAFSP)*: The Budget requests \$40 million for the Global Agriculture and Food Security Program (GAFSP), a multi-donor trust fund dedicated to improving food and nutrition security worldwide.

## **Technical Assistance – Office of Technical Assistance**

The Budget requests \$45 million for Treasury’s Office of Technical Assistance (OTA). Funding will help ensure that OTA is able to respond quickly and sustainably to growing demand for technical assistance from developing and transitional countries in areas that are priorities for the United States. Such areas include supporting our national security agenda by combating terrorist financing and financial crimes, helping countries fund and sustain their own development through improved domestic resource mobilization and debt management, promoting financial stability, and creating the conditions for private sector-led economic growth, including through increased investment in critical infrastructure and climate-related or environmental projects.

## **Debt Restructuring and Relief**

The Budget requests \$67 million for bilateral debt restructuring and relief programs. This funding would support the following initiatives:

*G20 Common Framework for Debt Treatments beyond the Debt Service Suspension Initiative (the Common Framework), and Paris Club debt restructuring:* The Budget requests \$52 million for the United States’ participation in debt restructuring and relief programs through multilateral initiatives including the Paris Club and G20. Since the COVID-19 pandemic, the United States has been participating in a G20 initiative—the Common Framework, which helps low-income countries restructure their debts through a multilateral framework, and where non-Paris Club creditors – including China – must provide comparable treatment. Given the rising debt burdens of many low-income countries, U.S. participation in the Common Framework and the Paris Club is critical, as these programs proactively work toward longer-term sustainability for low-income countries and aim to avoid prolonged and costly debt crises overseas which can have ramifications on the U.S. economy.

*Tropical Forest and Coral Reef Conservation Act (TFCCA):* The Budget requests \$15 million for the TFCCA, which enables eligible developing countries with certain concessional debt owed to the United States to redirect some of those payments to support conservation of their tropical forests and/or coral reefs. Protecting biodiversity and combating climate change are central to U.S. national economic and security interests. Conservation of tropical forests and coral reefs is critical to mitigating the impact of climate change, providing clean water, and supporting sustainable jobs in developing countries.

## **Treasury International Assistance Programs**

The Budget requests \$50 million in additional resources to meet new and emergent needs through international financial institutions, other international organizations, and/or financial intermediary funds and trust funds administered by these institutions. Requested resources will be used to support U.S. priorities in promoting global macroeconomic and financial stability and international development, and to advance U.S. strategic priorities and leadership, including countering the influence of malignant actors. Funding provided through this account would enable U.S. Treasury to be responsive to emergent issues and to address those needs in a timely manner.

## Summary Tables

**Table 1: Treasury International Programs – Summary of Previous Appropriations and FY 2024 Request**  
(in \$ thousands)

	FY 2022 Enacted <sup>1</sup>	FY 2023 Enacted	FY 2024 Request	FY 2022 Enacted to FY 2024		FY 2023 Enacted to FY 2024	
				\$ Change	% Change	\$ Change	% Change
<b>Multilateral Development Banks</b>	<b>1,527,172</b>	<b>1,906,315</b>	<b>2,292,825</b>	<b>765,653</b>	<b>50.1%</b>	<b>386,510</b>	<b>20.3%</b>
International Bank for Reconstruction and Development (IBRD)	206,500	206,500	233,322	26,822	13%	26,822	13%
International Development Association (IDA)	1,001,400	1,430,256	1,479,256	477,856	47.7%	49,000	3.4%
African Development Bank (AfDB)	54,649	54,649	54,649	0	0%	0	0%
African Development Fund (AfDF)	211,300	171,300	224,000	12,700	6%	52,700	30.8%
Asian Development Fund (AsDF)	53,323	43,610	107,220	53,897	101.1%	63,610	145.9%
Asian Development Bank (AsDB) Programs	-	-	119,378	119,378	-	119,378	-
Inter-American Investment Corporation (IIC, or IDB Invest)	-	-	75,000	75,000	-	75,000	-
<b>IMF Facilities and Trust Funds</b>	<b>102,000</b>	<b>20,000</b>	<b>-</b>	<b>-102,000</b>	<b>-100%</b>	<b>-20,000</b>	<b>-100%</b>
<b>Quality Infrastructure</b>	<b>-</b>	<b>-</b>	<b>40,000</b>	<b>40,000</b>	<b>-</b>	<b>40,000</b>	<b>-</b>
Global Infrastructure Facility (GIF)	-	-	40,000	40,000	-	40,000	-
<b>Energy and Environment</b>	<b>274,288</b>	<b>275,200</b>	<b>1,420,700</b>	<b>1,146,412</b>	<b>418%</b>	<b>1,145,500</b>	<b>416.2%</b>
Clean Technology Fund (CTF)	125,000	125,000	425,000	300,000	240%	300,000	240%
Green Climate Fund (GCF)	0	0	800,000	800,000	-	800,000	-
Global Environment Facility (GEF)	149,288	150,200	168,700	19,412	13%	18,500	12.3%
Resilient Development Trust Funds	-	-	27,000	27,000	-	27,000	-
<b>Food Security</b>	<b>48,000</b>	<b>53,000</b>	<b>121,833</b>	<b>73,833</b>	<b>153.8%</b>	<b>68,833</b>	<b>129.9%</b>
International Fund for Agricultural Development (IFAD)	43,000	43,000	81,833	38,833	90.3%	38,833	90.3%
Global Agriculture and Food Security Program (GAFSP)	5,000	10,000	40,000	35,000	700%	30,000	300%
<b>Office of Technical Assistance (OTA)</b>	<b>38,000</b>	<b>38,000</b>	<b>45,000</b>	<b>7,000</b>	<b>18.4%</b>	<b>7,000</b>	<b>18.4%</b>
<b>Debt Restructuring</b>	<b>67,000</b>	<b>72,000</b>	<b>67,000</b>	<b>0</b>	<b>0</b>	<b>-5,000</b>	<b>-6.9%</b>
G-20 Common Framework for Debt Treatments, and Paris Club	52,000	52,000	52,000	0	0	0	0
Tropical Forest and Coral Reef Conservation Act (TFCCA)	15,000	20,000	15,000	0	0	-5,000	-25%
<b>Treasury International Assistance Programs</b>	<b>-</b>	<b>-</b>	<b>50,000</b>	<b>50,000</b>	<b>-</b>	<b>50,000</b>	<b>-</b>
<b>TOTAL</b>	<b>2,056,460</b>	<b>2,364,515</b>	<b>4,037,358</b>	<b>1,980,898</b>	<b>96.3%</b>	<b>1,672,843</b>	<b>70.7%</b>

1. Table does not include \$150 million in funding provided to GAFSP or \$500 million to the European Bank for Reconstruction and Development under the Additional Ukraine Supplemental Appropriations Act, 2022 (P.L. 117-128), or \$300 million to IDA funded with American Rescue Plan Act (P.L. 117-2) resources transferred from the Department of State.



**Table 2: Unmet Commitments at International Financial Institutions**  
**FY 2018 – FY 2024**  
(in \$ thousands)

<b>Institution</b>	<b>FY 2018 Enacted</b>	<b>FY 2019 Enacted</b>	<b>FY 2020 Enacted</b>	<b>FY 2021 Enacted</b>	<b>FY 2022 Enacted</b>	<b>FY 2023 Estimate<sup>1</sup></b>	<b>FY 2024 Projected<sup>2</sup></b>
<b>IDA Pledges</b>	485,264	485,264	485,264	426,574	337,318	337,318	288,318
<b>IDA MDRI</b>	822,665	1,006,855	1,236,345	1,503,865	1,801,195	2,115,145	2,438,695
<b>AfDF Pledges</b>	154,191	154,191	154,191	154,191	114,191	114,191	87,191
<b>AfDF MDRI</b>	134,377	157,904	172,014	196,711	225,879	262,343	292,963
<b>AsDF</b>	283,943	283,943	283,904	283,904	274,191	274,191	254,191
<b>GEF</b>	134,963	131,951	110,843	102,391	88,006	88,006	69,506
<b>IFAD</b>	3,833	3,833	3,833	3,833	3,833	3,833	0
<b>MIF/ IDB Lab</b>	25,710	25,710	25,710	25,710	25,710	25,710	25,710
<b>MIGA</b>	6,867	6,867	6,867	6,867	6,867	6,867	6,867
<b>TOTAL</b>	<b>2,051,813</b>	<b>2,256,517</b>	<b>2,478,970</b>	<b>2,704,045</b>	<b>2,877,189</b>	<b>3,227,603</b>	<b>3,463,440</b>
<b>Total MDRI</b>	<b>957,042</b>	<b>1,164,759</b>	<b>1,408,359</b>	<b>1,700,576</b>	<b>2,027,074</b>	<b>2,377,488</b>	<b>2,731,658</b>
<b>Total ex-MDRI</b>	<b>1,094,770</b>	<b>1,091,758</b>	<b>1,070,611</b>	<b>1,003,469</b>	<b>850,115</b>	<b>850,115</b>	<b>731,782</b>

1. This does not reflect the allocation of any early encashment credits that the United States might receive due to payments made in FY 2023.
2. This column lists the projected levels of unmet commitments if Congress appropriates the amounts requested in the FY 2024 President's Budget.