U.S. DEPARTMENT OF THE TREASURY

INTERNATIONAL PROGRAMS CONGRESSIONAL BUDGET JUSTIFICATION AND ANNUAL PERFORMANCE REPORT AND PLAN

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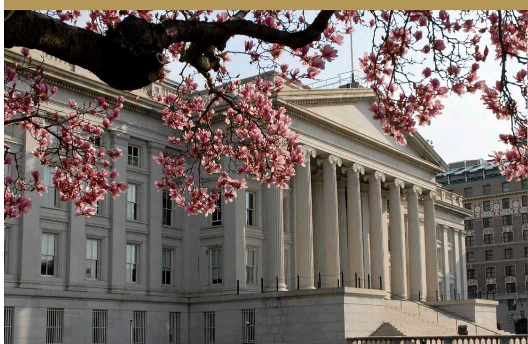
FY 2024



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

Janet L. Yellen

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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 liked 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, though 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[1]	FY 2023 Enacted	FY 2024 Request	FY 2022 Enacted to FY 2024		FY 2023 Enacted to FY 2024	
				$ Change	% Change	$ Change	% Change
Multilateral Development Banks	**1,527,172**	**1,906,315**	**2,292,825**	**765,653**	**50.1%**	**386,510**	**20.3%**
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	-
IMF Facilities and Trust Funds	**102,000**	**20,000**	**-**	**-102,000**	**-100%**	**-20,000**	**-100%**
Quality Infrastructure	**-**	**-**	**40,000**	**40,000**	**-**	**40,000**	**-**
Global Infrastructure Facility (GIF)	-	-	40,000	40,000	-	40,000	-
Energy and Environment	**274,288**	**275,200**	**1,420,700**	**1,146,412**	**418%**	**1,145,500**	**416.2%**
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	-
Food Security	**48,000**	**53,000**	**121,833**	**73,833**	**153.8%**	**68,833**	**129.9%**
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%
Office of Technical Assistance (OTA)	**38,000**	**38,000**	**45,000**	**7,000**	**18.4%**	**7,000**	**18.4%**
Debt Restructuring	**67,000**	**72,000**	**67,000**	**0**	**0**	**-5,000**	**-6.9%**
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%
Treasury International Assistance Programs	**-**	**-**	**50,000**	**50,000**	**-**	**50,000**	**-**
TOTAL	**2,056,460**	**2,364,515**	**4,037,358**	**1,980,898**	**96.3%**	**1,672,843**	**70.7%**

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)

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

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.

Multilateral Development Banks

In 2022, the Multilateral Development Banks (MDBs) of which the United States is a member provided approximately $154 billion in funding to developing countries. They supported broad-based, sustainable development through investments across a range of sectors, including infrastructure, health, energy, natural resource management, agriculture, and education. MDB concessional loans and grants are an important and reliable source of financing for the development needs of the poorest and most fragile countries, particularly those affected by conflict and disaster. By providing financial support and technical assistance for such countries, MDB assistance helps to prevent and alleviate economic and humanitarian crises overseas, which in turn safeguards the U.S. economy and national security from potential spillovers.

Last year, the United States helped to launch an effort to evolve and invigorate the MDBs, to better address the most complex transboundary challenges facing the world today, such as pandemics, economic and political fragility, energy insecurity, and environmental challenges. In its preliminary phase, the MDB evolution process has focused on reforms at the World Bank to evolve its mission and vision, incentive structures, operational model, and financial resource management, while also maintaining focus on poverty reduction and achieving the Sustainable Development Goals.

This includes a recognition that the MDBs are among the leading catalysts of infrastructure finance globally. These are critical institutions to deliver on the G7's Partnership for Global Infrastructure and Investment, which seeks to deliver game-changing projects to close the infrastructure gap in developing countries, strengthen the global economy and supply chains, and advance global security. Collectively, the MDBs of which the United States is a member approved over $46 billion in infrastructure finance in 2021, which amounts to about a third of their total financing approvals that year. Treasury is pressing the MDBs to undertake further measures to enhance their private capital mobilization, particularly in infrastructure finance.

Fragility is another area of focus. Since Russia's invasion of Ukraine last year, the World Bank Group and the European Bank for Reconstruction and Development have programmed billions of dollars in assistance to Ukraine. These institutions have provided significant support to the immediate crisis response in Ukraine, including food security, through support for vital infrastructure in transport and logistics as well as direct finance to farmers and producers; energy security needs; and support for vulnerable populations and internally displaced persons.

The U.S. government will continue to be a strong proponent of MDB efforts to support vulnerable groups who have been marginalized based on factors such as race, ethnicity or indigenous identity, gender or sexual orientation, and disability. The MDBs have been strong partners in supporting economic development that promotes gender equality and greater inclusion of disadvantaged or marginalized groups, including through the identification, creation, and protection of economic opportunities for all.

World Bank Group

The World Bank Group (WBG) comprises the International Development Association (IDA), the International Bank for Reconstruction and Development (IBRD), the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA), and the International Centre for Settlement of Investment Disputes (ICSID). The Budget is seeking funding for the fifth payment for the IBRD general and selective capital increases, agreed in 2018. It is also requesting resources for the IDA twentieth replenishment (IDA-20).

During the World Bank's 2022 Fiscal Year (WB FY 2022; July 1, 2021 to June 30, 2022), the WBG committed over $97 billion in assistance to developing countries. The WBG has been a global leader in assisting developing countries to overcome the health and economic impacts of the COVID-19 pandemic. The WBG also provided over $23 billion for infrastructure investment in developing countries during WB FY 2022, an increase of 50 percent from the prior fiscal year. The WBG has also been successful in catalyzing private sector finance; over the three years from 2017 to 2020, it helped to mobilize $100 billion in private sector funds to developing countries.

International Bank for Reconstruction and Development

	FY 2022 Enacted	FY 2023 Enacted	FY 2024 Request
IBRD GCI and SCI	206,500,000	206,500,000	206,500,000
Loan Guarantees	--	--	26,821,871
TOTAL	**206,500,000**	**206,500,000**	**233,321,871**

Treasury requests approximately $233.3 million for the IBRD. This includes $206.5 million for the fifth of six installments for the IBRD general (GCI) and selective (SCI) capital increases agreed by the Board in 2018. If not appropriated, the United States will not be able to subscribe to the full amount of shares to which it is entitled, which would result in a loss of U.S. shareholding and voting power. This would undermine U.S. leadership in the institution and globally at critical time, considering Russia's war on Ukraine and other geostrategic interests, the COVID-19 pandemic, and other transboundary challenges facing the world today, including in energy security. With that consideration, the FY 2024 request also includes approximately $26.8 million for loan guarantees that would enable $2 billion in IBRD lending to support energy innovation and diversification in emerging markets.

Program Description

The IBRD is the arm of the WBG that provides financing to creditworthy middle-income countries to promote broad economic growth and reduce poverty. These countries—home to over 75 percent of the world's population and over 60 percent of its poor—utilize a combination of the IBRD's financial resources and strategic advice to meet many development needs.

The work of the IBRD is essential for the World Bank to achieve its Twin Goals by 2030: (1) to decrease extreme poverty to no more than three percent globally; and (2) to promote shared prosperity by fostering income growth among the poorest 40 percent. IBRD projects span a range of sectors, including agriculture, sustainable infrastructure, climate, environment, health and nutrition, education, and governance. The IBRD also supports long-term human and social development needs that private lenders are often unwilling to finance. During WB FY 2022, the IBRD committed $33 billion in loans and technical assistance for developing countries, including more than $8 billion in infrastructure finance, as well as increased lending to help borrower countries respond to the fallout from Russia's invasion of Ukraine and the continuing health and economic impacts of the COVID-19 pandemic.

The IBRD raises resources similarly to a conventional bank by issuing debt and on-lending to borrowers at market-linked rates. This model enables the IBRD to provide substantially more financing than if donor countries were to directly provide grant development assistance.

The loan guarantees in the Budget represent an approach to augmenting IBRD financing using a tool that other World Bank shareholders have successfully piloted. Guarantees of MDB lending are a capital-efficient way to increase financing due to the extremely low default risk of MDB loans to sovereigns. The guarantees will enable additional lending for emerging markets in South and Southeast Asia, notably Indonesia, which would otherwise be limited as the level of outstanding IBRD loans to these countries approaches the IBRD's limit for exposures to a single country.

How Support for the IBRD Promotes U.S. Interests

The United States is and will continue to be the largest shareholder in the IBRD after all countries subscribe to their shares under the 2018 capital increase, with a 15.9 percent share of total voting power. The country with the next largest shareholding is Japan, whose share will be 6.8 percent, followed by China, with a 5.5 percent share. The United States is the only country with veto power over amendments to the IBRD Articles of Agreement.

As the world's preeminent development bank, the IBRD is uniquely positioned to address development challenges in specific countries, as well as key global concerns which impact U.S. national interests, including the health and economic wellbeing of American citizens. The IBRD provides developing countries with a robust, high-quality alternative to non-transparent, and potentially coercive, lending from China and other actors.

- The IBRD supports economic growth and stability in strategically important countries, such as Ukraine, Jordan, Iraq, Indonesia, Egypt, El Salvador, Guatemala, and Colombia, by providing stable, financially sustainable funding to support their development needs.
- The IBRD is an important vehicle for supporting U.S. foreign policy priorities, such as restoring pre-pandemic growth and progress on poverty reduction, supporting investment in quality infrastructure and sustainable energy, promoting gender equality and inclusion, enabling youth education and job training, building resilience, and reducing violent extremism.

- The IBRD works with borrower countries to pursue sustainable economic reforms that expand private sector investment and job creation, energy sector innovation, and vital public services in health, education, and sanitation.
- By leveraging international bond markets and the funds of other shareholders, the IBRD allows the United States to support achievement of the Sustainable Development Goals with a multiplier effect that would not be possible on a bilateral basis.
- IBRD investment promotes transparency and high-level technical, procurement, debt sustainability, social, environmental and governance standards.

Meeting U.S. Commitments to the IBRD

In the context of negotiations on the 2018 capital increase, IBRD Management committed to a series of reforms to further improve the efficiency and effectiveness of the institution. These reforms align with U.S. national security and economic priorities and are making the World Bank more financially disciplined, focusing its operations on poorer countries with less access to other sources of finance, and doing so more efficiently and cost-effectively.

Without continuing to provide funds for the U.S. portion of the GCI and SCI, the United States will risk losing IBRD shareholding, which determines voting power. Failing to meet our commitments and losing shareholding would weaken U.S. leadership and influence at the World Bank, including, potentially, a loss of U.S. veto power over amendments to the Articles of Agreement. It would also severely undermine progress on the package of reforms that the United States was instrumental in securing as part of the 2018 capital increase and call into question the strength of the U.S. commitment to leadership in the multilateral system.

Achieving and Measuring Results

Over the WB FY 2019-2022 period, the World Bank Group, including the IBRD, achieved the following:

- Provided 48 million people with access to clean water and 190 million people with improved sanitation services;
- Provided over 500 million people with essential health and nutrition services;
- Completed 108 large-scale learning assessments for primary and secondary school systems to improve learning outcomes;
- Helped 98 countries institutionalize disaster risk reduction in national plans;
- Created new or improved electricity services to 57 million people; and
- Enhanced access to transportation services for 96 million people.

New lending enabled by U.S. guarantees will be directed according to a memorandum of understanding between the United States and the IBRD that will dictate sectoral and thematic priorities focused on the IBRD's and the relevant country's energy transition efforts. Projects supported by the guarantees will be subject to the same standards, approval process, and reporting requirements as any IBRD project.

Project Examples

Ukraine: Exceptional Support to Address War Impacts. In April 2022, the World Bank Board of Executive Directors approved $1 billion in financing to Ukraine to support civil service capacity in sustaining core government functions at the national and regional levels. The World Bank has also set up a multi-donor trust fund to facilitate channeling grant resources from the United States and others to Ukraine, which is helping the Ukrainian government provide critical services to its people, including wages for hospital workers, pensions for the elderly, and social programs for the vulnerable.

Türkiye: Earthquake, Floods, and Wildfires Emergency Reconstruction Project. In June 2022, the World Bank approved a $449 million loan to support municipalities affected by earthquakes, floods, and wildfires in 2020 and 2021 to undertake urgent repairs, structural strengthening, and reconstruction of damaged municipal-owned infrastructure, while also putting into place measures aimed at increasing disaster preparedness and climate adaption. The project aims to respond to the immediate and most critical reconstruction and rehabilitation needs from recent wildfires, floods and earthquakes as well as proactively supporting urgent measures required to build resilience to disaster and climate risks, which are growing in frequency and intensity. The Bank estimates the project will benefit more than 17 million people with improved municipal disaster and emergency response capacity.

International Development Association

FY 2022 Enacted	FY 2023 Enacted	FY 2024 Request
1,001,400,000	1,430,256,000	1,479,256,000

The Budget requests approximately $1.48 billion in support of IDA programs over IDA's twentieth replenishment period (IDA-20, which spans from July 1, 2022–June 30, 2025), of which $49 million will reduce U.S. unmet commitments.

Program Description

IDA is the arm of the WBG that makes grants and concessional loans to the world's 74 poorest and most vulnerable countries, of which 32 are considered fragile and conflict-affected states. It is the largest source of development finance to these countries and operates across a range of sectors, including health, education, clean water and sanitation, environment and energy, governance, infrastructure, as well as business climate and job training. During WB FY 2022, IDA committed approximately $37.7 billion in development finance. The Sub-Saharan African region received the largest portion of IDA's new commitments in 2022 at $27 billion (72 percent), followed by the South Asia region at $4 billion (11 percent).

IDA has been the leading provider of assistance to the world's poorest and most fragile countries to help them overcome the health and economic impacts of the COVID-19 pandemic. Between

April 2020 and March 2022, IDA provided more than $74 billion to help the poorest countries fight the health, social, and economic impacts of the COVID-19 pandemic.

During IDA-20, IDA is deepening its support to drive a resilient recovery for the poorest countries, with an overarching theme of "Building Back Better from the Crisis: Towards a Green, Resilient, and Inclusive Future." IDA is working to strengthen health systems, including on pandemic preparedness and COVID-19 vaccine acquisition and rollout, through additional funding and existing country allocations. IDA is a leading financier of sustainable infrastructure in the poorest countries, with $12.5 billion in new commitments in energy, transport, water and sanitation, and information and communication technology in its 2022 fiscal year.

IDA-20 also includes key commitments to address human capital development, the care economy, food security, and fragility, conflict, and violence. IDA has committed to work on strengthening inclusion for marginalized groups, including LGBTQI+ persons. IDA will also continue work on enhancing quality job creation and private sector growth, improving debt sustainability and debt transparency, combatting illicit financial flows, and improving domestic resource mobilization.

How Support for IDA Promotes U.S. Interests

The economic development of the world's poorest countries is an important pillar of U.S. foreign policy, economic prosperity, and national security, especially given the rise of extremism. IDA supports U.S. economic and national security interests by:

- **Reinforcing U.S. and international political and security objectives** through promotion of sustainable and inclusive economic growth, job creation, and the provision of social services in fragile and conflict-affected countries.
- **Advancing reforms that promote private investment** in key environmental and development priorities, creating jobs, and fostering market-led economic growth in developing countries, thereby expanding markets for U.S. exports.
- **Responding to and limiting the spread of global crises**, for example, by providing support to countries to respond to health emergencies like COVID-19 and to food security emergencies, including famine.
- **Supporting developing country efforts** to adapt to environmental challenges including natural disasters and the impacts of climate change, build resilience, and promote sustainable and clean energy.

Meeting U.S. Commitments to IDA

In December 2021, the United States pledged $3.5 billion over three years towards the IDA-20 replenishment.[1] In a reassertion of U.S. leadership, the United States emerged as the largest donor to IDA-20, for the first time since IDA-16 (WB FY 2012-2014), and thus the IDA-20

[1] Due to the one-year acceleration of IDA-20, the U.S. payment to IDA in FY 2023 will support payments against pledges to both IDA-19 and IDA-20, with payments toward the IDA-20 pledge backloaded in FY 2024 and FY 2025. The Administration's plan is for the United States to meet the IDA-20 pledge through the following three payments: $639,600,000 in FY 2023 and $1,430,200,000 each year in FY 2024 and FY 2025.

pledge restored the United States' leadership position in IDA, which had been lost as the result of the declining trend in U.S. IDA pledges since 2017.

IDA is cost-effective: every $1 contribution from the United States to IDA-20 catalyzes approximately $27 in additional resources, including contributions from other donors, internally generated resources (e.g., reflows from previous loans), and market financing.

As of March 2023, U.S. unmet commitments to IDA replenishments and IDA's Multilateral Debt Relief Initiative (MDRI) amount to approximately $2.4 billion, of which $337 million is for IDA replenishments and $2.1 billion is for IDA MDRI. U.S. unmet commitments to IDA and MDRI have reduced IDA's ability to provide loans and grants and have also damaged U.S. credibility.

Launched in 2006 at the urging of the United States, MDRI provides for 100 percent cancellation of eligible debt to IDA and the AfDF for countries that completed the conditions for debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative. MDRI has allowed scarce resources in low-income countries to be reallocated for poverty-reducing expenditures in areas such as health and education. To prevent a depletion of IDA and AfDF resources from debt relief, the United States and other donors committed to compensate IDA and AfDF for the cancelled debt on a dollar-for-dollar basis. The United States has annual payments to IDA MDRI due through 2044. The U.S. share of MDRI commitments during IDA-20 is $649.97 million, which will come due to the United States in FY 2024 and FY 2025. U.S. unmet commitments to IDA-MDRI increase unless Congress appropriates resources to cover amounts that come due annually.

Achieving and Measuring Results

During the two years of IDA-19 (WB FY 2021-2022), IDA reported that it achieved the following:

- Provided over 210 million people with essential health and nutrition services, including the immunization of over 76 million children;
- Supported installation of 4 gigawatts of renewable energy generation capacity;
- Expanded social safety net programs to over 170 million people;
- Provided access to better water services for nearly 16 million people, improved sanitation services for over 10 million people, and improved urban living conditions for over 20 million people;
- Supported construction or rehabilitation of more than 800,000 hectares of irrigation and drainage services;
- Supported the creation of jobs for 26.5 million people through job-focused interventions.

Project Examples

Mali: Creating Markets for Smallholder Farmers. In 2016, the World Bank financed a project consisting of a $50 million IDA credit (along with a 1.5 million euro IFC investment) to boost the agriculture sector in Mali, with a focus on mango farmers and beef producers. The project helped independent small holder farmers adopt modern practices and technologies, and expand market opportunities for beef producers by facilitating alliances with buyers and related industries. By 2022, despite political instability in the country, the project had helped farmers improve productivity and mango quality and expand their access to markets, increasing mango exports to international markets by over 30 percent (that is, 37,420 tons as of 2022). It also helped connect production areas to markets by rehabilitating 186 miles of rural roads, directly benefitting 70 villages by connecting them to larger markets. And finally, it provided matching grants to finance the construction of beef production infrastructure, such as animal housing and water points, the purchase of livestock and animal feed, as well as access to veterinary services.

Yemen: Improving Access to Affordable and Sustainable Energy. In 2018, the World Bank approved a $50 million project focused on improving access to electricity in rural and peri-urban areas. The project engaged regulated microfinance institutions to help add small-scale energy products to their portfolios and created financing windows for high-quality, small-scale solar solutions. It also provided technical assistance, capacity building, and other market-strengthening measures to make the solar market in Yemen more inclusive and sustainable. During the COVID-19 pandemic, the project provided solar suppliers and installers with grant-financed solar energy systems for COVID-19 isolation units. By June 2022, the project had helped 517 critical facilities (234 schools, 220 health centers, 23 COVID-19 isolation units, 40 water wells) to receive solar systems, and had enabled more than 3.2 million people – 51 percent of whom are female – to receive services provided from those facilities.

African Development Bank Group

The African Development Bank Group (AfDB Group) comprises the African Development Bank (AfDB) and the African Development Fund (AfDF). As a leading multilateral financing institution in Africa, it provides countries in Africa a strong voice and ownership over development decisions and issues on the continent. The Budget is seeking funding for the fourth of eight payments for the AfDB's Seventh General Capital Increase (GCI-VII) and for the first payment under the AfDF's sixteenth replenishment period (AfDF-16). As of end-2022, and since April 2020, the AfDB Group has provided approximately $4.1 billion in support to help countries address the health and economic impacts of COVID-19. In 2022, the largest sectors for AfDB Group investments were infrastructure (34 percent) and agriculture (22 percent).

African Development Bank

FY 2022 Enacted	FY 2023 Enacted	FY 2024 Request
54,648,752	54,648,752	54,648,752

Treasury requests approximately $54.6 million towards the fourth of eight installments under the AfDB's GCI-VII. U.S. leadership was instrumental in achieving a wide-reaching plan to strengthen the AfDB's financial sustainability, operational quality, and institutional integrity. Failure to subscribe in full would weaken our voice on the AfDB Board and therefore our ability to oversee implementation of these reforms. Furthermore, prompt provision of capital will enhance the AfDB's lending capacity to continue its support to African countries as they confront the food and energy spillovers from Russia's war on Ukraine, adverse weather conditions across much of the continent, and try to recover from the COVID-19 pandemic. A strong, prosperous Africa is essential to addressing today's global challenges, and the Administration has signaled its commitment to Africa, including through initiatives such as Prosper Africa. Maintaining U.S. leadership at the AfDB will facilitate strong U.S. partnerships with the AfDB, as has been the case with Power Africa. The AfDB will also play an important role as a responsible financial partner for African economies as they seek to maintain or restore debt sustainability and reduce their dependence on less transparent or higher-priced financing sources.

Program Description

The AfDB provides public sector financing at market-linked rates to 20 member countries, and provides loans, equity investments, lines of credit, and guarantees to the private sector in all 54 African member countries. The AfDB approved approximately $4.98 billion in financing in 2022.

The AfDB is financed by capital contributions from shareholders, borrowing from international capital markets, and retained earnings. Shareholders approved GCI-VII in 2019 to allow the AfDB to expand its support to African countries and the private sector in the face of continued significant development needs on the continent.

AfDB Management has made progress implementing a package of reform commitments agreed under GCI-VII. Most notably, the AfDB improved the institution's financial sustainability by approving new loan pricing and cost containment frameworks, and demonstrated increased budget discipline. AfDB Management continues to work on greater operational selectivity, clarifying organizational structure and responsibilities, updating environmental and social safeguards policies, implementing a quality assurance plan to improve project quality, and strengthening the AfDB's approach to governance, anti-corruption, and internal controls.

The United States is the largest non-regional shareholder at the AfDB, with 6.4 percent of total shareholding, and the third-largest shareholder overall, after Nigeria and Egypt.

How Support for the AfDB Promotes U.S. Interests

AfDB financing supports U.S. economic development, national security, and foreign policy objectives in Africa in the following ways:

- **Supports U.S. Interests in North Africa:** In 2022, the AfDB provided approximately $960 million in financing to Tunisia, Morocco, and Egypt, all of which are important U.S. strategic partners. Typically, AfDB financing to these countries supports governance and business-climate reforms, infrastructure development, and job creation. In 2022, the focus was on food security and job creation.
- **Creates Opportunities for U.S. Businesses**: The AfDB has a $13 billion portfolio of regional integration projects and is accelerating its partnership with the African Continental Free Trade Area, which could represent one of the world's largest free trade areas. It increasingly plays a critical role in developing and opening African markets for U.S. exporters and investors, in line with the Prosper Africa initiative. AfDB financing develops physical and telecommunications infrastructure that boosts trade, leverages business climate reforms, supports local SMEs, contributes to the growth of an African middle class of consumers, and promotes regional integration supporting the African Continental Free Trade Agreement. It also supports improvements in countries' policy environments to drive private sector investment and growth, and it promotes rules and policies around lending that are conducive to U.S. interests.
- **Finances Environmental Resilience and Sustainable Energy for Africa:** In recognition that Africa is one of the regions most vulnerable to natural disasters and environmental challenges including those caused by climate change, the AfDB has adopted ambitious targets to support countries' development in sustainable energy, integrated water resources management, and resilient agriculture.
- **Infrastructure Investment:** Improved infrastructure is critical to Africa's growth and prosperity, including power to run health clinics, roads to transport agricultural products to market, and ports to facilitate trade and connectivity. The AfDB's investment in African infrastructure, including through collaboration with Power Africa, helps support an environment for increased U.S. investment and trade. In 2022, the AfDB approved $914 million in infrastructure investment.
- **Combats Illicit Finance.** The AfDB is working closely with the United States and African countries to identify and implement specific actions to improve transparency,

combat corruption and criminal activity, and increase government accountability in Africa.

Meeting U.S. Commitments to the AfDB

Failure to meet commitments to GCI-VII would result in further dilution of U.S. shareholding and could risk our single-country seat on the Executive Board, where the United States is the only shareholder to have its own seat. It would significantly weaken U.S. credibility and influence at the AfDB and impair our ability to advance important U.S. strategic priorities in Africa, whose geopolitical importance will only grow, given its young and rapidly growing population and the need to support the sustainable, inclusive, and transparent management of its vast natural resources.

Achieving and Measuring Results

In 2021, the AfDB reports that it:

- Supported agricultural sector investments that improved the livelihoods of 6.3 million farmers;
- Improved agricultural water management on 16,500 hectares of agricultural land;
- Built or re-constructed 1,300 kilometers of feeder roads to bring agricultural goods to market; and
- Provided 8.3 million people with improved access to improved water and sanitation.

The AfDB maintains a Results Measurement Framework to track and hold the AfDB Group accountable for its performance on 105 quantitative indicators, organized in four interconnected levels: (1) development progress in Africa; (2) the AfDB Group's contribution to development in Africa; (3) the quality of the AfDB Group's development operations; and (4) the AfDB Group's organizational efficiency.

Project Examples

Senegal: Transport Sector Support Project - Rehabilitation of the Dinguiraye-Nioro-Keur Ayib Road. The AfDB approved $34 million in 2014, and the project was completed in 2020. The project rehabilitated 55 kilometers of the Dakar to Lagos Trans-African Highway, as well as 6 kilometers of urban roads, and 75 kilometers of agricultural feeder roads in a primary groundnut-producing area. The project also provided additional basic services infrastructure to local populations in the form of 4 health centers built or rehabilitated, 12 classrooms built or rehabilitated, 3 market shelters built, and 4 bus stations rehabilitated.

Morocco: Inclusive and Sustainable Development Support Program for Agricultural Sectors. The AfDB approved $208 million in 2018, and the project was completed in 2020. This budget support program helped the authorities with the formulation and implementation of inter-sector strategic reforms to strengthen the social and environmental dimensions of the Green Morocco Plan and to promote inclusion, sustainability, and competitiveness in Morocco's agricultural sector. The program helped to boost agricultural sector competitiveness to ensure inclusive and sustainable economic growth or rural women and youth through the promotion of value chains, job creation, improvement of the business climate and sustainable natural resource management. The budget support also helped facilitate the passage of numerous laws to update the agricultural sector in Morocco, including the management of fertilizers and pesticides. The project also created a "training of trainers" center, a regional agricultural incubator, and created a Jobs-Skills framework and Jobs-Trades inventory to help match employers and employees.

African Development Fund

FY 2022 Enacted	FY 2023 Enacted	FY 2024 Request
211,300,000	171,300,000	224,000,000

Treasury requests $224 million in support of AfDF programs over the AfDF-16 replenishment period (FY 2023 – FY 2025), including towards a first payment to AfDF-16 of $197 million and $27 million to reduce unmet commitments to prior replenishments.

Program Description

The AfDF provides grants and highly concessional loans to the 37 poorest countries in Africa, of which half are fragile and conflict-affected states. AfDF approvals, including approvals to AfDF countries through the Transition Support Facility (the AfDF's window for fragile and conflict-affected states), totaled approximately $2.44 billion in 2022.

During the AfDF-16 replenishment negotiations, the United States achieved the following reform commitments that will increase AfDF's efficiency and its ability to achieve impact:

- In coordination with the IMF and World Bank, AfDB management is instituting a dynamic application of country debt sustainability analysis and will implement stronger allocation incentives around debt sustainability and transparency and the provision of grants.
- Management presented a strong case for greater project selectivity to maximize effectiveness, with a two-pillar approach that will mostly fund infrastructure projects and capacity development to improve debt sustainability management and increase the sustainability and effectiveness of infrastructure projects.
- AfDF-16 added new policy commitments relating to food security, screening all projects for adaptation, private sector enabling environments, and a greater operational commitment related to sexual exploitation, abuse, and harassment, as well as stronger commitments on debt sustainability and transparency.
- AfDF will continue applying its fragility diagnostic tools in all AfDF countries and refining its approach to operations in fragile countries to better address the drivers of fragility.

The AfDF is financed by donor countries, including the United States, and requires new donor resources every three years. In December 2022, The United States joined other donors to conclude negotiations on the AfDF-16 replenishment, which totaled $ 8.5 billion. The United States pledged $567.9 million to AfDF-16, to be paid over three years. The U.S. pledge to AfDF-16 is 15 percent higher than our AfDF-15 replenishment pledge to provide increased, urgently needed support to the poorest and most vulnerable countries in Africa and reassert U.S. leadership in supporting Africa as it confronts multiple longstanding and new development challenges. The United States is the third largest donor to the AfDF-16 replenishment, after Germany and France. On a cumulative, historic basis, the United States is the third largest donor to AfDF, with a 5.4 percent voting share, just behind Japan and Germany.

Every $1 in U.S. contributions to AfDF-16 will catalyze nearly $16 in contributions from other donors and internally generated resources.

How Support for the AfDF Promotes U.S. Interests

AfDF assistance helps achieve U.S. national security and foreign policy objectives in Africa.

- **Reduces Instability in Fragile States:** Nineteen of the AfDF's 37 recipient countries are fragile and conflict-affected states, including countries such as Mali, Chad, and Niger that are on the front lines of the fight against terrorism in Sub-Saharan Africa. Over the 2023-2025 period, more than 60 percent of the AfDF's financing will be used to combat instability in fragile and conflict affected states, including through projects to strengthen governance and anti-corruption.
- **Addresses Economic and Social Impacts of Health and Humanitarian Crises:** Since the start of the pandemic, the AfDF has approved approximately $1.5 billion in loans and grants to help the poorest countries in Africa address the health and economic impacts of the COVID-19 pandemic. AfDF financing also seeks to address the root causes of humanitarian crises in and migration flows from Africa's poorest countries. The AfDF helps reduce fragility, builds infrastructure, and supports private sector-led growth, economic diversification, and job creation. AfDF is building up long-term food security through investments in resilient agriculture and infrastructure to support agricultural production and marketing.
- **Complements U.S. Bilateral Support to Africa:** The AfDF's work to enhance economic growth and improve stability and governance helps support U.S. objectives of increasing trade and investment with African partners, including through collaboration with Power Africa and Prosper Africa.
- **Infrastructure Investment:** Improved infrastructure is critical to Africa's growth and prosperity, including power to run health clinics, roads to transport agricultural products to market, or ports to facilitate trade. The AfDF's support for African infrastructure, including through collaboration with Power Africa, helps support an environment for increased U.S. investment and trade. In 2021, the AfDF approved $1 billion in infrastructure finance, and this level will grow in coming years as AfDF shifts away from emergency support to address the effects of the COVID-19 pandemic.

Meeting U.S. Commitments to the AfDF

As of March 2023, U.S. unmet commitments to AfDF replenishments and MDRI at the AfDF amount to approximately $376 million, of which $114 million is for AfDF replenishment pledges and $262 million is for AfDF-MDRI. These unmet commitments have decreased the financial capacity of the AfDF and have undermined U.S. credibility and leadership at a time when the AfDB Group is undertaking many critical reforms on which the United States is a leading voice and AfDF countries are confronting a vast array of compounding external shocks.

MDRI provides for 100 percent cancellation of eligible debt to the AfDF and IDA for countries that completed the conditions for debt relief under the HIPC Initiative. MDRI has allowed low-income countries to reallocate scarce resources for poverty-reducing expenditures in areas such as health and education. To prevent a depletion of AfDF resources, donors committed to compensate AfDF for the cancelled debt on a dollar-for-dollar basis. The United States has annual payments to AfDF MDRI through 2054. The U.S. share of the commitments to support AfDF-MDRI during the AfDF-16 period is $92.6 million, which will come due to the United States during the FY 2023-FY 2025 period. Of this, $31.4 million is due in January 2024. U.S. unmet commitments to AfDF-MDRI increase unless Congress appropriates resources to cover amounts that come due annually.

Achieving and Measuring Results

In 2021, the AfDB reported that programs in AfDF countries:

- Built or rehabilitated 175 kilometers of power distribution lines and installed 101 megawatts of new installed capacity, enabling 260,000 people to access power systems;
- Helped 6.5 million people access new or improved water supply and sanitation, about half of whom were women; and
- Supported improvements in agricultural productivity benefiting 16.4 million people, about half of whom are women.

AfDF-16 includes a set of 33 commitments for the AfDF to achieve over 2023-2025, which cover the AfDF’s development work as well as its institutional efficiency and effectiveness, as well as commitments around food security, debt sustainability and transparency, private sector enabling environments, screening all projects for adaptation, and a more ambitious operational commitment related to preventing sexual exploitation, abuse, and harassment. Each commitment includes at least one measurable indicator.

Project Examples

Chad: Kyabé-Singako Road Surfacing Project. The AfDF approved $18.2 million in 2014 for a portion of the cost to pave the 72 km section of the road from Kyabe to Singako, and had a planned completion date of December 2022. This was a missing link in the Ndjamena-Moundou-Sarh-Kyabé-Am Timan corridor, and connects the southwest through the rich farmlands of Moyen Chari and Salamat Regions of southern Chad. The project will reduce poverty by decreasing transport costs in this agro-pastoral region and improve the living conditions of its people through increased access to health and educational facilities and to the country's largest cities.

Gambia: Agriculture Value Chains Development Project (AVCDP). The AfDF approved $8.4 million in 2016, and the project was completed in 2021. The project improved nutritional security and increased income for agricultural producers, benefitting 8,300 households directly and an additional 4,000 households indirectly. The project increased production of rice through provision of 5 paddy drying floors and 3 paddy storage warehouses. The project provided fencing and shelter for 60 sheep pens and 35 poultry pens, along with "start-up kits" including feed and veterinary medicines. Agro-SMEs provided employment to 9,200 people as a result of the project.

Asian Development Bank

The Asian Development Bank comprises the Ordinary Capital Resources of the Asian Development Bank (AsDB) and the Asian Development Fund (AsDF). As a leading multilateral financing institution in Asia, it provides countries in the Asia-Pacific region a strong voice and ownership over development decisions and issues in the region. As there are no outstanding U.S. capital commitments for the Ordinary Capital Resources of the AsDB, the Budget is seeking funding for the AsDF and two new AsDB initiatives. The AsDB has been a leading financier of the effort to combat the COVID-19 pandemic and address its health and economic impacts. Since the start of the pandemic, the AsDB has provided a total of approximately $40.2 billion in financing and has mobilized an additional $27.7 billion in co-financing to respond to the pandemic. AsDB is also a significant financier of infrastructure, which tends to account for about one-third of its total annual commitments.

Asian Development Fund

FY 2022 Enacted	FY 2023 Enacted	FY 2024 Request
53,323,000	43,610,000	107,220,000

The Budget requests approximately $107.2 million to support AsDF programs over the twelfth replenishment period (AsDF-13; 2021–2024), including $87.2 million towards the U.S. pledge for the AsDF-13 replenishment, and $20 million to reduce unmet commitments to prior replenishments.

Program Description

The AsDF is a grant-only fund that supports the poorest and most vulnerable countries in Asia and the Pacific, including Small Island Developing States (SIDS). AsDF grants help recipient countries reduce poverty, support economic growth, mitigate and respond to disaster risks, boost regional integration, and address the unique challenges confronting fragile and conflict-affected states and SIDS. In typical years, 40 to 50 percent of AsDF support focuses on infrastructure projects in the energy, water, and transportation sectors. U.S. contributions to the AsDF also support the AsDB's Technical Assistance Special Fund (TASF), which has supported COVID-19 related technical assistance grants for the poorest countries. In 2022, AsDF approvals totaled $937 million.

Various factors determine AsDF resource allocation, including country performance, debt sustainability, economic vulnerability premia for SIDS, and a special allocation for Afghanistan for humanitarian needs. Additional thematic pools are set aside to incentivize projects that support the following strategic areas: (i) fostering regional cooperation and integration (RCI), including the provision of regional public goods (RPGs); (ii) supporting disaster risk reduction and climate adaptation; and (iii) achieving Sustainable Development Goal 5's transformative gender agenda. Fourteen countries are eligible to receive AsDF grant assistance.

In September 2021, the United States pledged $174.44 million for the AsDF-13 replenishment period (2021-2024), to be paid over four years. This is an eight percent decrease from the previous replenishment, matching the overall decline in donor contributions required due to growth of contributions from internally generated resources and changes in country eligibility for AsDF grants. This decrease provides $15 million in savings while allowing the United States to remain the third-largest donor, after Japan and Australia. During the replenishment negotiations for the AsDF-13 period, the United States achieved important policy commitments, including increasing support to Pacific SIDS, a comprehensive package for strengthening public debt sustainability, and a focus on quality infrastructure investment.

How Support for the AsDF Promotes U.S. Interests

AsDF assistance helps achieve U.S. national security, environmental goals, economic, and foreign policy objectives in Asia and the Pacific.

- **COVID-19 Response:** Since the start of the COVID-19 pandemic, the AsDF has been a significant part of the AsDB's comprehensive response to the COVID-19 pandemic, providing support for strengthening health systems and vaccine procurement, and helping vulnerable countries counter macroeconomic impacts and sustain social safety net spending.
- **Providing a Superior Source of Development Financing for Small Island Developing States:** The AsDF-13 replenishment includes an economic vulnerability premium to increase financing for AsDF-eligible SIDS. Given development needs and capacity constraints, small states, especially Pacific Island states, are particularly vulnerable to unfavorable and non-transparent lending which does not contribute meaningfully to development. The premium benefits the small and vulnerable island countries and is combined with greater focus on promoting debt sustainability and transparency, including applying IDA's Sustainable Development Finance Policy (SDFP).
- **Disaster Resilience and Adaptation in Asia and the Pacific:** During the AsDF-13 period, AsDF will provide up to $277 million in grants for disaster risk reduction and climate adaptation and up to $255 million to facilitate faster pandemic and disaster response and provide support for humanitarian relief for AsDF countries in the wake of crises in the region.
- **Support for the Afghan People:** AsDF will continue to provide grants to address the humanitarian needs of the Afghan people through non-government organizations, while preventing the flow of funds to the Taliban. Such efforts include addressing the food, health, and education needs of the Afghan people, with special emphasis on access for women and girls.

Meeting U.S. Commitments to the AsDF

The United States has approximately $317.8 million in unmet commitments to the AsDF, which adversely affects the AsDF's financing capacity and U.S. leadership at the AsDB. Without fully funding its commitments, the United States risks impairing its ability to shape the direction of AsDF policies and activities, as well its ability to help channel critical concessional finance to

AsDF beneficiary countries. Other AsDF donors have withheld, proportionally, a total of $14.1 million in contributions to previous replenishments in response to U.S. unmet commitments, and these resources will not be released until the United States clears its unmet amounts.

Achieving and Measuring Results

The AsDB reports on results through its annual Development Effectiveness Review (DEfR) and Performance Scorecard, which compiles project-level outputs. In particular, the DEfR measures whether projects are effective, completed on time and according to benchmarks, and sustainable after the conclusion of AsDB or AsDF involvement. These annually assessed measures are used to compile lessons learned and adjust targets accordingly. During 2021, the AsDB's Independent Evaluation Department rated 63 percent of completed AsDB concessional sovereign operations (which include AsDF-supported grants) as successful.

AsDB reports that it achieved the following in AsDF countries in 2021:

- Accelerated progress on gender equality by enabling 9.3 million women and girls to complete education or job training and generating 656,000 skilled jobs for women.
- Contributed to climate change adaptation by reducing greenhouse gas emissions by 17.8 million tons annually and by establishing climate-resilient irrigation infrastructure and water delivery services in 220,000 hectares of land.
- Supported urban development by establishing or improving 210 urban infrastructure assets.
- Promoted rural development and food security by establishing or improving 840 rural infrastructure assets, increasing market access for 73,000 farmers and improving the productivity of 2.42 million acres of land.
- Strengthened governance and institutions by helping to build the capacity of 90,000 government officials in design, implementation, monitoring, and evaluation of institutional measures.
- Supported regional cooperation by facilitating $1.08 billion in trade investments.

Project Examples

Maldives: Strengthening Gender Inclusive Initiatives Project. Approved in December 2022, this $7.51 million AsDF grant will support AsDB's first holistic gender equality project in Maldives. It aims to minimize gender-based violence and remove barriers that prevent equal rights, participation, and social and economic benefits for women. Maldives experiences persistent gender equality gaps, where women continue to shoulder most of the unpaid care work and gender-based violence remains prevalent, but services are limited. The grant will finance the building of three shelters for domestic violence and gender-based violence survivors and strengthen the capacity of the social service system to provide aged care and early childcare services. The grant will also help the Maldives Bureau of Statistics to address critical gaps in the collection and use of gender statistics and data disaggregated by sex, age, and disability, as well as support the Ministry of Finance in integrating gender-responsive budgeting into the national budget system.

Bhutan: Enhancing Energy Security Project. Currently, Bhutan's power generation subsector relies almost exclusively on hydropower, which is becoming less reliable as water flows become more unpredictable. Approved in October 2022, this project will finance the first utility scale alternative renewable power plant in Bhutan. The $18.6 million package (which includes a $10 million AsDF grant) will support the construction of one solar photovoltaic (PV) power plant located in central-west Bhutan with a minimum total capacity of 17.38 megawatt peak (MWp). This PV powerplant will complement hydropower and diversify Bhutan's energy sector, which would enhance Bhutan's energy security. The estimate for the technical potential of solar photovoltaic generation in the country is 12,000 MW, with most power produced during the dry season.

Asian Development Bank Programs

	FY 2022 Enacted	FY 2023 Enacted	FY 2024 Request
IF-CAP Guarantee	--	--	84,378,130
ETM	--	--	35,000,000
TOTAL	**--**	**--**	**119,378,000**

Program Description

The FY 2024 request includes approximately $119.4 million for two new AsDB initiatives: approximately $84 million for the subsidy cost of a $1 billion guarantee to support a new multi-donor guarantee window for the AsDB **Innovative Finance Facility for Climate in Asia and the Pacific (IF-CAP)**, and $35 million for the AsDB **Energy Transition Mechanism (ETM)** Partnership Trust Fund.

In providing funding for **IF-CAP**, the United States would join a group of likeminded AsDB shareholders seeking to guarantee a $2.25 billion portfolio of AsDB sovereign loans. The guarantee would cover a small portion (less than 2%) of the AsDB's $130 billion sovereign loan portfolio and free up sufficient capital for the Bank to undertake approximately $9 billion in new, additional lending over five years. The additional lending would support infrastructure sectors such as energy and transportation, as well as policy reforms to promote low-emission growth, adaptation, and resilience in low- and middle-income and vulnerable AsDB member countries. China and other countries above a certain income threshold would not benefit from this program. Guarantees of MDB lending are a capital-efficient way to increase financing due to the very low default risk of MDB loans to sovereigns. The program is highly catalytic: by providing a $1 billion guarantee, approximately $3.6 billion of the newly enabled lending would be attributable as support from the United States. The guarantee is also extremely cost-effective for the United States from a budgeting perspective.

The **ETM** Partnership Trust Fund is a multiple-partner trust fund designed to accelerate investment in energy diversification in AsDB member countries, including new energy generation, energy storage infrastructure, and grid upgrades. Indonesia and the Philippines will serve as priority pilot project locations during the first two years of the mechanism. The U.S. grant contribution would help support economies in Southeast Asia transition to a clean, modern electric grid. The AsDB aims for concessional financing through the ETM to mobilize ten times as much from the private sector over time, providing a significant leverage opportunity. As of February 2023, Japan and Germany have announced contributions to the ETM, totaling close to $60 million combined.

How Support for AsDB Programs Promotes U.S. Interests

The IF-CAP guarantee facility supports U.S. development and strategic interests in the Asia-Pacific region. First, increasing the resources available for mitigation and adaptation strengthens regional partners' energy security and their resilience to both natural disasters and the weaponization of energy supplies. Second, boosting the lending capacity of the AsDB supports a broader goal of strengthening the U.S.-led multilateral development model—making it more attractive to recipient countries than that of strategic competitors—and demonstrating to developing country partners that they need not choose between responding to global challenges and financing basic infrastructure needs, such as transport and sanitation. Third, participation in the program gives the United States a seat at the table to direct a significant volume of new lending for public and private sector projects.

The guarantee's high mobilization potential is consistent with the U.S. strategy of relying on both public and private partners to achieve transformative growth. The AsDB estimates that each $1 in new lending could mobilize as much as $4 in private co-financing, further maximizing the impact of the U.S. guarantee.

Achieving and Measuring Results

A donor committee comprising donor financing partners, which AsDB Management will chair, will guide the selection criteria for IF-CAP projects. Projects will be subject to the same standards, approval process, oversight, and reporting requirements as any AsDB project. The AsDB will monitor and evaluate the results of projects and report to financing partners regularly.

Inter-American Development Bank Group

The Inter-American Development Bank (IDB) Group comprises the IDB, the Multilateral Investment Fund, and the Inter-American Investment Corporation (IIC) – commonly referred to as “IDB Invest” – its private sector financing arm. The IDB is the largest source of development financing for 26 nations of Latin America and the Caribbean, a strategically significant and economically important region for the United States. IDB Invest promotes development of the private sector in Latin America and the Caribbean by providing loans and guarantees and making equity investments in private sector projects. It also mobilizes private sector capital along with its own investment activities and provides advisory and technical assistance services.

Inter-American Investment Corporation

FY 2022 Enacted	FY 2023 Enacted	FY 2024 Request
--	--	75,000,000

The Budget requests $75 million for an initial subscription to a capital increase that will reinforce IDB Invest’s ability to foster private sector-led growth in Latin America and the Caribbean.

Program Description

IDB Invest, legally registered as the Inter-American Investment Corporation (IIC), is the IDB Group’s primary private sector lending window. Founded in 1985, IDB Invest has transformed and grown significantly following the consolidation of private sector activities that the IDB formerly financed under IDB Invest and a capital increase, in which the United States did not participate, which IDB and IDB Invest shareholders approved in 2015. Without a new general capital increase for IDB Invest, its annual private sector lending in the region will plateau and it will not have the resources for a more diverse and impactful set of investments in productive sectors. In 2022, IDB Invest approved approximately $6.6 billion in loans and investments.

Additional capital for IDB Invest will help it to nurture the private sector—the engine of Latin America and the Caribbean’s future growth—and catalyze the necessary resources for investment in high-quality infrastructure and enterprises with strong potential to generate employment. IDB Invest Management is drawing up plans for a new vision, “IDB Invest 2.0,” that would leverage additional capital to increase contributions to the region’s greatest needs; mainstream gender, diversity and inclusion elements; and expand advisory and technical assistance services to stimulate private sector growth. A key feature of IDB Invest 2.0 will be increased mobilization of private capital alongside IDB Invest, enhanced risk transfer to the private sector, and recycling of capital to foster higher levels of investment while maintaining financial sustainability.

How Support for IDB Invest Promotes U.S. Interests

IDB Invest lending, in conjunction with sovereign-guaranteed lending from the IDB, helps achieve U.S. national security, economic, environmental, and foreign policy objectives in Latin America and the Caribbean. Leaders from across the region view the IDB Group as a vital source of financing and important vehicle for promoting hemispheric cooperation. The United States is the largest shareholder in both IDB and IDB Invest, so the IDB Group is a natural vehicle for demonstrating U.S. leadership and building goodwill in Latin America and the Caribbean. By supporting stronger private sector-led growth and job creation in the region, a capital increase for IDB Invest can support growth of important U.S. export markets, promote supply chain diversification, and help reduce migration pressures in the region.

Achieving and Measuring Results

IDB Invest reports on results primarily through its Impact Management Framework, as well as through the IDB Group's annual Development Effectiveness Overview (DEO) and Corporate Results Framework (CRF). Under its Impact Management Framework, IDB Invest monitors, measures, and evaluates the development impact of projects through its Development Effectiveness Learning, Tracking and Assessment tool, or DELTA. The DELTA tool measures and monitors the impact of projects before and during each stage of their life cycle, considering both development outcomes – contribution to social and economic development, project business performance, environmental, social and corporate governance sustainability – as well as additionality, to include both financial and non-financial additionality.

IDB Invest monitors the progress of each investment in achieving impact against expectations, updating the initial impact rating assigned to each operation annually to reflect actual results achieved. In 2021, 58 percent of IDB Invest operations were classified as "satisfactory." IDB Invest also assesses performance of completed projects through final project reports, utilizing Expanded Supervision Reports (XSRs). In 2021, 62 percent of IDB Invest projects received an overall positive rating, a rating validated by the independent Office of Evaluation and Oversight.

Additional capital for IDB Invest will allow it to strengthen its impact framework by engaging in deeper dialogue with governments to better select and identify investment opportunities, and by implementing its strategic selectivity tool that will steer originating investments towards areas that are most likely to close development gaps. IDB Invest will also utilize additional capital to strengthen its Impact Management Framework by incorporating metrics to assess development of investable projects, also known as "upstream" work, as well as synergies across the IDB Group.

Project Examples:

Paraguay: Financing for Quality Infrastructure Project. Approved in December 2021, this investment provides $219 million worth of financing to Rutas del Este S.A. for the design and construction of national roads 2 and 7 in Paraguay. This financing structure designed and purchased by IDB Invest as a project bond covers project costs for engineering, procurement and construction, and other transaction costs. Construction of national roads 2 and 7 in Paraguay will improve road safety and service levels in one of Paraguay's main corridors for economic activity.

Bahamas: Clean Energy Project. Approved in November 2022, IDB Invest financing for the Lucayas solar energy project, to include transmission and interconnection infrastructure, will help this small island country displace oil imports, including those that potentially support the Maduro regime in Venezuela, and reducing balance of payments pressures. This transaction will provide 100 percent of the Lucayas solar energy project's financing needs over a 22-year period, and helps advance the market for clean energy sources in the Caribbean.

Honduras: Sustainable Textiles and Women Owned/Operated Enterprises. Approval of two loans in 2020 and 2022 supported capacity expansion and new machinery at Elcatex Group, one of the main textile groups in Honduras with more than 15,000 employees. IDB Invest financed $25 million and mobilized an additional $15 million in capital for a total $40 million in loans. The 2020 tranche supported creation of 3,200 new jobs, while the second, 2022 tranche supported 2,000. Both loans also benefited Elcatex's downstream suppliers, most of which are micro-, small-, and medium-sized enterprises. The financing package included performance based incentives benchmarked against meeting specific targets to increase participation of small-medium sized enterprises owned or operated by women in the value chain, and to increase Elcatex Group's purchase volume from such enterprises. The loan also included technical advisory services for identifying greenhouse gas mitigation and compensation actions.

International Monetary Fund

The Budget does not request appropriations for the International Monetary Fund. It does seek two authorization requests: the extension of the time period for the existing authorization for U.S. participation in the IMF's New Arrangements to Borrow (NAB) and authorization to lend to two IMF facilities – the Poverty Reduction and Growth Trust (PRGT) and the Resilience and Sustainability Trust (RST).

New Arrangements to Borrow

Treasury requests authorization to renew the existing U.S. participation and financial commitment to the International Monetary Fund's (IMF's) New Arrangements to Borrow (NAB). Currently U.S. participation in the NAB is authorized until December 31, 2025, and we request that Congress extend the authorization until December 31, 2030.

There is no budget cost or appropriation associated with this request to authorize renewal in NAB participation. The U.S. transactions with the IMF under the NAB subscriptions do not increase the deficit in any year, and the budget excludes these transfers from budget outlays and receipts, consistent with the budgetary treatment for exchanges of monetary assets recommended by the President's Commission on Budget Concepts in 1967.

Program Description

- The IMF is responsible for promoting the stability of the international monetary and financial system. During previous international economic crises, including the Asian financial crisis, the Global Financial Crisis, and in the wake of COVID-19 and Russia's invasion of Ukraine, the IMF has been at the center of the global crisis response efforts, helping mitigate the impact of the crisis in its member countries and prevent contagion, while advancing U.S. strategic interests abroad.

- The NAB is a multilateral borrowing arrangement between 38 IMF member countries, including the United States, to the IMF's general resources. Current NAB resources are about $480 billion. The NAB serves as a backstop for the IMF's general resources, and can be activated under certain circumstances. The NAB helps make sure that the IMF can respond quickly to global financial crises and restore stability to both economies and markets, minimizing negative spillovers that could affect the U.S. economy. The United States contributes roughly $75 billion to the NAB and has a veto over the activation of the NAB or any major changes to its terms or size, as these actions require an 85% majority vote of NAB participants.

How the IMF Promotes U.S. Interests

Since its creation in 1944, the IMF has played a central role in the international financial system and has strongly supported U.S. national interests. Through its three main activities – macroeconomic surveillance, technical assistance, and lending – the IMF promotes economic stability and helps prevent and resolve financial crises when they occur, thereby supporting growth and stability around the world. The United States is the largest shareholder in the IMF with a voting share of 16.5 percent, making us the only country with veto power over major IMF decisions and providing us with a great deal of influence within the IMF. This leadership position has allowed us to influence key policy and lending decisions of the IMF.

The IMF has played a key role in protecting U.S. national economic and security interests:

- serving as the world's first responder during financial crises by providing financial support and hands-on economic and financial policy advice;
- supporting major U.S. trading partners such as Mexico with financial backstops;
- reviewing countries' exchange rate policies to make the global system more fair; and
- assessing countries' compliance with the Financial Action Task Force's (FATF) standards on terrorist financing and money laundering and providing technical assistance on how to improve AML/CFT regimes.

The IMF also provides support for major U.S. partners such as Jordan, Ukraine, and Egypt to help stabilize their economies and implement fundamental macroeconomic and governance reforms. IMF lending to Jordan, for example, provides the resources and the framework for the country to address underlying economic issues, boost growth, and protect the poor.

IMF Facilities and Trust Funds

FY 2022 Enacted	FY 2023 Enacted	FY 2024 Request
102,000,000	20,000,000	0

The Budget does not request any appropriations for IMF Facilities and Trust Funds. The Budget requests the necessary lending authorization using prior year appropriations to loan up to $21 billion from Treasury's Exchange Stabilization Fund to the PRGT—the IMF's concessional lending facility for low-income countries, and to the RST. The division of this lending between the PRGT and the RST is yet to be determined. The subsidy cost of lending to these facilities will be covered by prior appropriations.

These proposed loans are vital to enable the IMF to continue providing support to vulnerable countries struggling with the pandemic and the spillovers from Russia's war against Ukraine. These contributions represent a critical opportunity to demonstrate U.S. leadership by lending through the IMF to vulnerable countries. In October 2021, President Biden joined other G20 leaders in announcing a global ambition to provide $100 billion in support for the global recovery, including through the IMF's PRGT and the RST. Correspondingly, by leveraging contributions from other countries, our authorization request to lend to these facilities with prior year appropriations will help unlock $100 billion in transparent lending to vulnerable countries, thereby helping to build a more secure global economy.

Program Description

The PRGT is the IMF's concessional financing facility, through which it makes subsidized loans to support the world's 69 poorest countries. Concessional PRGT financing helps enable critical health and social support spending so countries can stabilize their economies and promote economic recovery while pursuing structural reforms to increase their longer-term stability and growth. In addition, the United States has supported establishing a new IMF facility, the RST, which will provide support to help countries undertake key structural reforms to improve their energy resilience and address longer-term vulnerabilities, such as those posed by pandemics and climate change.

Poverty Reduction and Growth Trust (PRGT): In the wake of Russia's war against Ukraine and the COVID-19 pandemic, the IMF has approved lending of about $21.5 billion in transparent, concessional support to about 60 poor countries through the PRGT. This support has been an essential instrument to help these hard-hit poor countries, many of which lack reliable access to global capital markets, respond to the pandemic, and prevent economic collapse while facing acute balance of payments stresses. IMF programs through the PRGT generally support policy reforms to help address longstanding macroeconomic, governance, and debt issues.

Resilience and Sustainability Trust (RST): The RST will enable the IMF to support its members in reducing their longer-term vulnerability to the economic impacts of pandemics and climate change. The RST will provide longer-term, low-interest financing to low- and middle-income IMF members that have other full-fledged IMF programs to support additional reforms in areas such as improving energy security and resilience. By providing financing alongside regular IMF programs, RST lending will benefit from IMF lending safeguards, including strong governance requirements on borrowers, and will be overseen and approved by the IMF's Executive Board. The RST will be critical to support vulnerable countries' efforts to implement structural reforms to enhance their resilience to the macroeconomic risks associated with pandemics and to promote transitions to more sustainable energy sources, thereby reducing their energy dependence on malign actors.

RST donors will participate by providing resources to the RST, the majority of which will be lent to borrowing countries, while some will be reinvested to generate income to finance the RST's operations and help build the RST's credit buffers.

How Support for the IMF Promotes U.S. Interests

Sustaining the PRGT's ability to continue to lend to low-income countries directly supports macroeconomic stability and developing countries' capacity to expand health and social spending to address the pandemic, its after-effects, and the spillovers from Russia's war against Ukraine. Globally, the IMF and World Bank have estimated that 90 million people have fallen into poverty since the onset of the COVID-19 crisis amid rising food insecurity and inequality. Low-income countries are still struggling to respond to the pandemic and have limited buffers to enable them to support a robust recovery. Spillovers from the Russian invasion of Ukraine, including increases in refugees and high and volatile commodity prices, will further exacerbate vulnerabilities and increase global poverty. A U.S. contribution to the PRGT would allow the

IMF to continue providing elevated levels of concessional support to low-income countries and would particularly benefit the most vulnerable populations in these countries.

The RST will complement the IMF's current financing tools by providing affordable, long-term financing alongside a regular IMF program for countries facing current or potential balance of payments gaps resulting from longer-term sources of risk. Through this, the RST will help build vulnerable countries' capacity to address pandemics, improve low-emission energy resilience, and build resilience to the impacts of climate change. The RST will help countries better protect their most vulnerable members from the worst effects of global health and climate crises, reduce energy dependence on malign countries, and reduce global vulnerability to shocks in these areas.

U.S. loans to the PRGT and the RST would send a powerful signal of U.S. support for struggling poor countries, demonstrate the United States' commitment to lead at the IMF, particularly in providing transparent, sustainable lending for U.S. policy priorities, and will likely have a catalytic effect on contributions from other IMF member governments. The absence of U.S. support to these facilities would undercut our ability to influence their direction and undercut our role as the IMF's leading shareholder.

Program Examples

In contrast to the MDBs, the IMF does not lend for specific projects. Instead, IMF programs are meant to help member countries address balance of payments problems, forestall financial crises, stabilize their economies, and restore sustainable economic growth. IMF financing has played a critical role in enabling member countries to respond to shocks from Russia's war in Ukraine and the COVID-19 pandemic.

Zambia: IMF lending is helping Zambia to shift its economic trajectory after years of economic mismanagement. Before the program, Zambia was in debt distress, and its rates of poverty, inequality, and malnutrition were among the highest in the world. In August 2022, the IMF approved a 38-month loan program for Zambia under the PRGT valued at about $1.3 billion. The program is based on the authorities' reform plan to restore debt sustainability, create fiscal space for much needed social spending to foster higher, more resilient, and more inclusive growth. The IMF lending also enabled the immediate disbursement of nearly $200 million from other development partners, and strong progress on this program is expected to facilitate more donor support. To restore fiscal sustainability under the program, the authorities are aiming to run primary budget surpluses of 2-3 percent per year between 2023-2025, firmly placing Zambia's debt on a downward trajectory. IMF staff project that Zambia's GDP will grow 3.9 percent in 2023.

Mozambique: IMF lending helped Mozambique respond to shocks and will support a strong economic reform agenda going forward. Mozambique endured a recession in 2020 in the wake of the COVID-19 pandemic, followed by food and fuel price shocks in the wake of Russia's invasion of Ukraine. In May 2022, the IMF approved a new three-year program for Mozambique under the PRGT, valued at about $456 million. The program aims to buttress Mozambique's economic recovery and promote policies to reduce public debt and financing vulnerabilities, along with creating fiscal space for priority investments in human capital, climate adaptation, and infrastructure. The program supports the authorities' ambitious reform agenda, with key policy actions focusing on establishing a sovereign wealth fund to transparently manage LNG wealth, mobilizing additional tax revenue, and strengthening public financial management and governance. IMF staff project that Mozambique's economy will grow 4.9 percent in 2023.

Quality Infrastructure

Global Infrastructure Facility

FY 2022 Enacted	FY 2023 Enacted	FY 2024 Request
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The 2024 Budget includes $40 million for a first-time contribution to the Global Infrastructure Facility (GIF), a World Bank financial intermediary fund whose goal is to increase private participation and investment in developing country infrastructure. Such a contribution would be consistent with our G7 commitment to increase infrastructure investment under the Partnership for Global Infrastructure and Investment (PGII). The GIF addresses one of the most critical barriers to infrastructure investment for both the public and private sectors: the lack of investment-ready projects, and does so at a global level in partnership with a variety of MDBs.

Program Description

Established in 2014 as a G20 initiative, the GIF provides funding and technical assistance for project preparation to governments and MDBs seeking to build pipelines of investment-ready infrastructure projects and attract private investment. The GIF works with MDB Technical Partners to design, prepare, and structure infrastructure projects across a variety of sectors, including water and sanitation, transport, clean energy, information and communications technology (ICT), and social services. The GIF's unique "open access" model allows it to work with all MDBs, development finance institutions—including the Development Finance Corporation—and other public partners. The GIF is particularly effective at private capital mobilization: it accounts for nearly 20 percent of private capital mobilized at the World Bank and is expected to mobilize $80 billion from the 138 projects in its pipeline.

The GIF Governing Council comprises GIF donors, technical partners from partner MDBs, and a rotating selection of developing country representatives. The GIF also has an Advisory Council consisting of Governing Council members and private sector representatives. The GIF's monitoring and evaluation framework assesses its portfolio performance on a quarterly basis and prepares bi-annual progress reports.

How Support for the GIF Promotes U.S. Interests

The lack of bankable projects is a primary barrier to infrastructure investment in developing countries. While the United States supports project preparation bilaterally, joining a multilateral project preparation facility allows us to leverage the expertise of an array of MDB partners and their trusted relationships with recipient country governments.

The GIF's project pipeline is comprised of, as a share of total projects, 40 percent transport sector projects; 37 percent energy; 10 percent water, sanitation, and hygiene; 5 percent ICT; and 4 percent social infrastructure. This sectoral composition is aligned with U.S. priority sectors for development and national security. For example, transportation is a key sector for strengthening supply chain resilience, providing an alternative to taking on debt from China, and reducing greenhouse gas emissions. The GIF also assesses 100 percent of projects through a gender lens and promotes 100 percent alignment with the G20 Quality Infrastructure Investment (QII) principles, a G20 priority initiative for the United States.

The GIF also has significant private capital mobilization capability. Over its pilot phase, initial GIF investments of $24 million mobilized $6.6 billion in private capital, a mobilization rate of 1:275. In fiscal year 2022 alone, GIF approved $19 million in funding for projects expected to mobilize over $6 billion.

Becoming a GIF donor at a significant level—$40 million would match the current top contributor, Japan—will provide the United States a seat at the table to influence this well-respected infrastructure development institution alongside several close allies. Our support would be consistent with the G7 commitment to increase infrastructure investment through upstream work that expands the pipeline of investible infrastructure projects for both public and private investment. The GIF also provides an opportunity to support the operationalization of QII principles, contributing to the Administration's goal of promoting high-quality, transparent, and sustainable infrastructure in developing countries.

Achieving and Measuring Results

Since 2015, the GIF has developed a $80 billion portfolio of 148 infrastructure activities at various stages of maturity across 67 emerging markets and developing countries. Most projects are still undergoing preparation, but 19 have reached commercial or financial close, *i.e.*, the end of the project preparation pipeline and the beginning of project implementation. These 19 projects have mobilized $9 billion in private investment, improved the lives of over 20 million people, created an estimated 61,500 jobs, added 329 MW of renewable energy, and reduced greenhouse gas emissions by 3.2 megatons of CO_2 equivalent/year. Should all projects in the GIF pipeline reach financial close, they would mobilize an estimated $51 billion in private capital.

Project Examples

Côte d'Ivoire: Unlocking opportunity with clean mass transit. In Abidjan, Côte d'Ivoire, the city's inadequate public transportation system is a major bottleneck to growth; in response, the World Bank and government of Côte d'Ivoire are devising a Bus Rapid Transit (BRT) system to drive national growth and promote private sector-led competitiveness. The World Bank brought in GIF experts to provide technical assistance to assess various public private partnership options for the BRT and evaluate commercial, financial and economic aspects of the project. Following its assessments, the GIF created recommendations for the optimal business and implementation models for the project, and continues to support the Government of Côte d'Ivoire with transaction advisory support to bring the project to market, assistance with conducting roadshows to attract investors, and preparation and structuring of a transparent and competitive procurement process. With $2 million in GIF funding, the project is expected to mobilize $130 million in private capital, make 600,000 jobs newly accessible to residents of the city's suburbs, and build investor confidence in public transit investment opportunities in Côte d'Ivoire.

Ukraine: Building a safe, high-quality national road network. Even prior to Russia's illegal invasion of Ukraine, Ukraine's road network was in poor condition and in need of an estimated $7 billion of investment, far exceeding the existing maintenance budget. The GIF is working with the World Bank and the Government of Ukraine to develop a road asset management program to rehabilitate, upgrade, and maintain Ukraine's core road network, and identify a pipeline of pilot projects. Based on a concept designed by the GIF, the program's business model will engage the private sector to facilitate quality road network upgrades and long-term maintenance through private investment, with incentives for safety performance. This public-private partnership is expected to attract up to $9 billion of private investment for 2,800 miles of road, and the GIF is now supporting the program's initial pilot transactions.

Energy and Environment

The Budget requests approximately $1.42 billion for multilateral trust funds in energy and environment, including the Clean Technology Fund (CTF), Green Climate Fund (GCF), Global Environment Facility (GEF), and new programs to promote resilience and infrastructure. U.S. contributions to these funds enhance U.S. and global energy security by helping developing countries increase energy independence, enhance the diversity of energy sources, and decrease dependence on fossil fuel imports. The climate and environment funds also support developing country efforts to adapt to climate change and build resilience, conserve and restore forests and landscapes to prevent drought and extreme weather, protect wildlife, and reduce the impact of dangerous chemicals in our water and food supply. Treasury's support to these funds will also support country-level policy reforms that are essential for setting partner countries on lower emission development pathways and for scaling up private sector investment in climate solutions.

Clean Technology Fund

FY 2022 Enacted	FY 2023 Enacted	FY 2024 Request
125,000,000	125,000,000	425,000,000

Created in 2008, the Clean Technology Fund is the largest part of the Climate Investment Funds (CIFs). These funds support MDB efforts to scale up their engagement on clean energy, climate adaptation, and sustainable land use by providing scarce concessional resources that are blended with regular MDB finance.

The Budget requests $425 million for the Clean Technology Fund to support a hybrid loan and grant contribution. Utilizing the full $425 million in subsidy would support a concessional loan with an estimated value of $1.23 billion.

Program Description

The CTF includes several programs aimed at both the public and private sector.

The Accelerating Coal Transition (ACT) Investment program complements the United States' bilateral efforts to promote a just energy transition in targeted countries. The ACT program focuses on helping coal dependent developing countries to diversify their energy supply while helping affected communities adapt to a changing economy. Using concessional funding from the CTF alongside MDB financing and countries' own resources, the program supports a holistic approach that includes reclamation, decommissioning, and repurposing of obsolete coal power plants and associated infrastructure, as well as social and economic support and re-skilling opportunities for communities impacted by the transition. Additional funds will be mobilized from the MDBs' own resources to support these economy-wide investment strategies and could also support social protection and additional job creation activities. The first four countries selected for the ACT program – India, Indonesia, the Philippines and South Africa – have participated in previous CTF programs, and account for about 12 percent of annual GHG emissions. Two additional countries, the Dominican Republic and North Macedonia, have been invited to develop Investment Plans to help realize their ambitious plans to modernizes their energy sectors.

The CTF's Global Energy Storage Program (GESP), the Dedicated Private Sector Program window, and the Futures window support a variety of impactful, highly catalytic and technology forcing projects in CTF recipient countries, with a particular focus on mobilizing private finance. The CTF Futures window is open to proposals for private sector projects from over 70 countries in sectors such as energy efficiency, renewable energy, electric vehicles, and green hydrogen as a transportation fuel, rail and bus rapid transit, integrated traffic management systems, and green logistics in maritime and intermodal transport. The program is seeing high demand for a variety of storage technologies, including batteries and green hydrogen. CTF investments in electric vehicle infrastructure will help expand the market for U.S. technology.

How Support for the CTF Promotes U.S. Interests

The CTF is a very efficient and cost-effective vehicle to promote large-scale transformational investments in clean technology in major emerging market economies. The CTF oversight body, which includes the United States, is selective about accepting countries into the program, giving the United States a strong say in the allocation of funds and avoiding countries of concern. Because the CTF works exclusively with the MDBs, its programming leverages their staff expertise and institutional infrastructure to provide assurance that projects have robust environmental and social safeguards. This allows the CTF to keep administrative costs low with a small staff footprint while not compromising on quality.

Achieving and Measuring Results

Since its inception, the CTF has put a strong emphasis on regular results and impact reporting, and it manages a robust evaluation and learning exchange between the MDBs and recipient countries. All CTF projects publicly report on results annually and cumulatively. The approved CTF portfolio of 161 projects consists of 64 percent renewable energy projects, 14 percent energy efficiency projects, 15 percent combined renewable and efficiency projects, 7 percent transport, and 1.5 percent energy storage projects. CTF investments have reduced cumulative GHG emissions by 132 million tons of CO_2 since 2009. As of the 2022 results report, the cumulative installed capacity of CTF renewable energy projects is 12.1 gigawatts, with solar and wind being the largest energy source for these installations.

The CTF has a strong track record in mobilizing co-finance. Since 2008, CTF has allocated $5.3 billion in concessional financing, which is expected to attract an additional $55.7 billion in co-finance. Of the $57 billion in mobilized co-financing, $18 billion is from the private sector, $16.3 billion from the MDBs, $7 billion from recipient governments, and $14.3 billion from bilateral funding institutions and other sources.

Project Examples:

India: Rajasthan Renewable Energy Transmission Investment Program. Designed to finance the construction of transmission infrastructure to evacuate renewable energy from private sector projects in Rajasthan with a target of at-least 4,300 MW (7,761 GWh annually) over a ten-year period (2013 to 2023), this project has supported 2,741 megawatts of grid connected renewable energy and avoided GHG emissions of 5,600,000 tons of CO_2 annually. A CTF loan of $194.8 million from the Dedicated Private Sector Program was accompanied by $600 million in co-financing, $300 million from AsDB, and $300 million from the Indian government. To date, the total project financing of $795 million has supported the upgrade or construction of 19 grid substations and associated facilities, the construction of nearly 1,850 kilometers of transmission lines, and infrastructure for the Bhadla solar park.

Indonesia: Geothermal Clean Energy Investment Project. A CTF loan of $124 million, along with $505 million in co-financing from the IBRD, an Indonesian state company, and a bilateral donor, financed a project to increase power generation from renewable geothermal resources while reducing local and global environmental impacts. Distributed over 7.5 years (July 2011 to December 2018), the CTF financing resulted in the construction of 4 geothermal projects, adding 150 megawatts of installed baseload capacity, and avoided GHG emissions of 1.1 million tons of CO_2 equivalent. In addition, the project reduced local air pollution, upgraded energy sector information technology capacity, and supported capacity-building for utility sector employees.

Green Climate Fund

FY 2022 Enacted	FY 2023 Enacted	FY 2024 Request
0	0	800,000,000

The Budget requests $1.6 billion for the GCF, split evenly between the Departments of Treasury and State. These resources will support ongoing project financing and will count toward the fulfilment of the outstanding U.S. pledge for the GCF's Initial Resource Mobilization period.

Program Description

The GCF is the largest climate-focused multilateral fund and a critical element of the financing architecture of the Paris Agreement. Its mandate is to help developing countries reduce their GHG emissions and enhance their ability to adapt to climate change. The GCF partners with more than 100 entities, including private sector financial institutions, multilateral and national public development banks, and civil society organizations, to implement impactful climate-focused projects in developing countries and mobilize climate finance. The fund offers a range of financing instruments—grants, loans, equity, and guarantees—to expand options for private sector partners and attract private finance for underserved priorities such as adaptation and nature-based solutions in nascent markets.

- As of August 2022, since inception, the GCF had approved over 200 projects financed with $11.4 billion of its resources, which mobilized $29.5 billion in public and private co-financing.
- The United States is a founding member of the GCF. During the GCF's Initial Resource Mobilization, the United States pledged $3 billion and has contributed $1 billion to date, accounting for about 5 percent of total contributions to the GCF as of March 2023.

How Support for the GCF Promotes U.S. Interests

Addressing the challenge of climate change requires joint action from all countries, including from developing countries. The GCF supports developing countries' efforts to develop on a low-emissions pathway and to adapt to the impacts of climate change.

Given that the anticipated cost of the global low-carbon transition is far more than the public sector alone can provide, institutions like the GCF that multiply the impact of public dollars by mobilizing private sector capital are essential. Climate change mitigation and adaptation offers new growth and investment opportunities for U.S. businesses. The GCF actively seeks out opportunities to mobilize financial flows from the private sector, including through its private sector finance facility. Currently, several U.S. institutions, including impact investors and non-profits, are accredited to implement GCF projects, and they are partnering with the GCF on projects. U.S. firms can also co-finance projects, in addition to implementing GCF projects directly.

To date, on average, a dollar of GCF investment has attracted about $3 of investment from private sector partners. The United States actively encourages greater GCF engagement with the private sector, which will scale up private financing for climate change efforts and will create opportunities for partnership with U.S. firms.

Meeting U.S. Commitments to the GCF

As the world's largest economy, other countries look to the United States to play a leadership role in global institutions. As of end-February 2023, the United States has an outstanding unmet pledge amount of $2 billion to the GCF. Failure to meet the U.S. pledge would have a negative impact on its ability to finance projects and meet its strategic objectives. The outstanding pledge amount negatively impacts U.S. influence and diplomatic standing.

There is increased demand for GCF projects from developing countries to support their efforts to foster low-emission, climate-resilient recovery from the effects of the COVID-19 pandemic over the coming years. With additional resources, the GCF would be able to fully finance its existing project pipeline of funding proposals, which entail a total of $4.9 billion in requests for GCF funding and support programs totaling $18.9 billion when taking co-financing into account.

Achieving and Measuring Results

Despite the COVID-19 pandemic, the GCF is accelerating its support for a climate-resilient recovery in developing countries, in conjunction with raising the ambitions of countries' national climate mitigation strategies. The GCF approved nearly $1.5 billion in projects in 2022. As of August 2022, GCF's portfolio of over 200 projects are expected to deliver GHG reductions equivalent to approximately 2.3 billion tons of CO_2 emissions and increase climate resilience for over 637 million people.

In 2021, the GCF Board approved an updated and comprehensive approach for measuring impact, including how GCF projects support low-emission and climate-resilient development in the most vulnerable developing countries. The GCF's Independent Evaluation Unit (IEU) conducts evaluations of GCF policies and programming to inform the Board of lessons learned for the benefit of future policy decisions. The IEU is currently engaged in a comprehensive review of the GCF's performance during the first replenishment period.

The United States works with the GCF Board and Secretariat to increase the GCF's ambition, enhance its effectiveness, and improve its efficiency. These efforts will help the GCF to maximize investments in projects that are innovative and have a transformative impact on climate change mitigation and adaptation, particularly for countries most vulnerable to the effects of climate change.

Project Examples

Global Fund for Coral Reefs Investment Window. This $500 million project investment window, approved in 2021 with a $125 million equity investment from GCF and implemented by American firm Pegasus Capital Advisors, will create a private equity fund to encourage investments in the blue economy, protecting coral reefs. Targeting 17 countries in Africa, Asia-Pacific, Latin America, and the Caribbean, it aims to address critical financing and private investment barriers centered around the blue economy. GCF will act as an anchor investor with its $125 million investment commitment, encouraging further public and private sector investment in sustainable ocean production, ecotourism, sustainable infrastructure, and waste management. The program includes the Philippines, Sri Lanka, Fiji, Bahamas, Belize, Brazil, Comoros, Mexico, Ecuador, Seychelles, Colombia, Mozambique, Jordan, Jamaica, Guatemala, Panama, and Indonesia. It is estimated to benefit 12 thousand people directly and 35.2 million indirectly.

Zambia: Strengthening climate resilience of agricultural livelihoods in Agro-Ecological Regions I and II. This $137 million adaptation project, approved in 2018 with a $23 million grant from GCF and implemented by UNDP, focuses on increasing the climate resilience of smallholder farmers in specified regions of Zambia. Zambia, a landlocked country with approximately 70 percent of the workforce dependent on rain-fed agriculture, is highly vulnerable to climate-induced precipitation variability. While floods often result in immediate disasters, the increased frequency of drought is expected to present a longer-term threat to Zambia's agricultural livelihoods. This initiative focuses on smallholder farmers, takes a value-chain approach, and provides many benefits, including increased access to climate information services and support for climate-resilient agricultural inputs and practices, sustainable water management, and alternative livelihoods. The project is also supported by a $103.5 million grant from Zambia's Ministry of Agriculture. The project is estimated to benefit 900,000 people directly and 3 million people indirectly.

Paraguay: Promoting private sector investments in energy efficiency in the industrial sector. This $43 million project, approved in 2018 with a $20 million loan and $3 million grant from GCF and implemented by the Inter-American Development Bank, focuses on reducing reliance on fuelwood and fossil fuel energy sources by Paraguayan small businesses, increasing their energy efficiency and shifting use to renewable hydropower. Paraguay has a high hydropower capacity, yet industry is largely powered by traditionally inexpensive fuelwood (constituting 83 percent of industrial energy use), causing pollution from wood burning and deforestation. The project will develop tools to generate an enabling environment for energy efficiency investments by SMEs, including standardized performance contracts, insurance contracts, and monitoring and verification systems. It will also provide concessional credit lines to local financial institutions and SMEs.

Global Environment Facility

FY 2022 Enacted	FY 2023 Enacted	FY 2024 Request
149,288,000	150,200,000	168,700,000

The Budget requests a $168,700,000 contribution to the Global Environment Facility, in support of GEF programs during the eighth replenishment (GEF-8) period (July 1, 2022 – June 30, 2026). The request includes $150.2 million for the second of four planned installments to GEF-8, and $18.5 million to reduce unmet commitments from previous replenishments.

Program Description

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: biodiversity, chemicals and waste, climate change, land degradation (primarily deforestation and desertification), and international waters. As such, the GEF has a distinct, specific, and complementary focus to the other climate and environmental multilateral funds. The GEF is a leading global funder of terrestrial and marine conservation projects. Since its inception, the GEF has provided more than $22 billion in grants and blended finance and mobilized an additional $120 billion in co-financing for more than 5,000 projects.

How Support for the GEF Promotes U.S. Interests

The United States supported the establishment of the GEF in 1991 and has contributed to all eight replenishments. The United States views the GEF as a critical institution for addressing a wide range of environmental concerns and for providing developing countries with the means to meet their obligations under international environmental agreements. The GEF benefits the U.S. economy and environment by addressing many global environmental problems that affect our domestic health, safety, and prosperity, such as by protecting tropical forests, combatting illegal wildlife trafficking, reducing global levels of transboundary pollutants, and conserving fish stocks outside U.S. waters.

Meeting U.S. Commitments to the GEF

The United States has contributed $3.34 billion to the GEF since its inception. Between U.S. fiscal years 2019 through 2022, the United States contributed $546.3 million to the GEF-7 replenishment, exceeding our pledge of $273.2 million. During this period, Congress also appropriated $22 million in additional funds, which were applied to unmet commitments from previous replenishments. The United States has reduced its unmet commitments by $160 million since 2013, when they had reached an historic high of $248 million. As of February 2023, unmet commitments stand at approximately $88 million, all of which are from the GEF-2 replenishment in the 1990s. New payments to reduce unmet commitments will be programmed according to the agreed priorities for GEF-8.

In U.S. fiscal year 2023, the United States will contribute $150.2 million to the GEF-8 replenishment as the first of four planned installments. The United States pledged $600.8 million to GEF-8.

Achieving and Measuring Results

As of June 2022, the end of the GEF-7, 95 percent of GEF-7 resources had been programmed, totaling $3.6 billion in direct GEF project financing, with an indicative co-financing rate of nearly $8.20 for each dollar invested. Any unallocated GEF-7 resources have been carried over for programming in GEF-8. GEF-7 programming is expected to cumulatively deliver the following results:

- The mitigation of more than 1.5 billion metric tons of GHG emissions;
- The creation or improved management of more than 116 million hectares of terrestrial protected areas and more than 8 million hectares of marine protected areas;
- The improved management of more than 166 million hectares of productive landscapes and more than 28 million hectares of marine habitat (excluding protected areas);
- The ecological restoration of more than 6 million hectares of degraded agricultural land, forests, grasslands, and wetlands;
- The more sustainable management of nearly 3.5 million metric tons of globally over-exploited fisheries; and
- The reduction, safe disposal, or avoidance of 90,400 metric tons of toxic chemicals.

Every four years, the GEF's Independent Evaluation Office (IEO) produces a comprehensive evaluation of past project and operational performance to inform the policy and programming objectives for the next replenishment. The IEO reported that the GEF's project performance was "clearly impressive," with 80 percent of all completed projects over its 30-year history having achieved satisfactory implementation and execution ratings.

The GEF-8 programming plan promises to deliver strong results in areas such as biodiversity conservation, sustainable land and seascape management, and pollution mitigation. The U.S. successfully championed an increase in resources allocated to least developed countries and small island developing states. A key feature of the proposed GEF-8 programming architecture will be an enhanced emphasis on larger-scale systemic investments, called Integrated Programs

(IPs), which are designed to address multiple environmental concerns simultaneously and which aim to produce more durable and transformative environmental benefits. Several of the proposed IPs for GEF-8 build on successful GEF-7 programs, including the Wildlife Conservation for Development IP and the Amazon, Congo, and Critical Forest Biomes IP. Others, such as the Circular Solutions to Plastic Pollution IP, address emerging environmental concerns.

Project Examples

Global: Global Sustainable Fisheries Management and Biodiversity in the Areas Beyond National Jurisdiction (ABNJ). The GEF-5 Program on Global Sustainable Fisheries Management and Biodiversity in the Areas Beyond National Jurisdiction (ABNJ) (2014-2019) was the first major GEF investment in the management of ABNJ, with a $50 million GEF grant and $370 million in co-financing. It included full-sized projects related to tuna fisheries, sustainable use of deep-sea living resources, and Ocean Partnerships. According to its terminal evaluation, the program showed positive results in key areas and demonstrated leading contributions towards improving tuna fisheries governance; safeguarding vulnerable marine ecosystems; strengthening monitoring, control, and surveillance to combat illegal, unreported, and unregulated (IUU) fishing; and mitigating bycatch mortality trends. Building on the success of this program, in 2020, the GEF Council approved a $27-million grant for the GEF-7 Common Oceans Program, with $265 million in co-financing. The GEF-7 Common Oceans program aims to improve management of 12 million hectares of marine protected areas and move 943,000 tons of globally over-exploited fisheries to more sustainable levels.

South Africa: Wildlife Conservation Bond. The Wildlife Conservation Bond is a pilot outcome-based bond designed to channel private capital to support the conservation of black rhinos in South Africa. The World Bank issued a five-year bond for $150 million in March 2022. The bond includes a contingent performance payment from the GEF, to be paid at maturity, if the rhino population grows in two protected areas, Addo Elephant National Park and the Great Fish River Nature Reserve. The project is expected to result in approximately 154,000 hectares of terrestrial protected areas for conservation and approximately 104 additional rhinos in these two parks.

Resilient Development Trust Funds

FY 2022 Enacted	FY 2023 Enacted	FY 2024 Request
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The Budget requests $27 million for contribution to MDB-managed trust funds that support disaster response and resilience.

Program Description

Treasury is requesting $27 million to contribute to MDB-managed trust funds that support disaster response and resilience. These could include programs to support risk insurance to help governments with natural disaster response and building resilient ecosystems and programs to incentivize private investment in resilience. Examples include:

African Development Bank Adaptation Benefits Mechanism (ABM): The AfDB's Adaptation Benefits Mechanism will de-risk and incentivize loan and equity investments that will enhance resilience by facilitating payments for adaptation actions. This Mechanism can also provide incentives to increase the flow of private sector finance for adaption and resilience.

Pacific Catastrophe Risk Assessment and Financing Initiative (PCRAFI): PCRAFI supports efforts to make catastrophe risk insurance available to Pacific Island Countries to give them access to the tools to prepare for natural disasters. These parametric insurance products aim to allow Pacific Island Country governments to deliver relief efforts as quickly as possible after a disaster.

How this Program Supports U.S. Interests

The ability to respond to tailored regional needs will help our overall foreign and economic policy in key regions. The United States would be the catalytic anchor contributor to the Adaptation Benefits Mechanism, which would give us the opportunity to shape the details of the fund. The Mechanism will mobilize finance, including from new and non-traditional sources, as well as provide incentives to increase the flow of private sector finance for adaptation and resilience.

Supporting risk insurance for the Pacific Island Countries would help to achieve the objectives laid out in the Biden-Harris Administration's Pacific Partnership Strategy, particularly its goal of a resilient Pacific Islands region that is prepared to combat the climate crisis. Enhancing the resilience of these countries to the devastating impacts of climate change will support our broader foreign policy objectives in this strategically vital region, particularly by reducing their vulnerability to economic coercion by other actors.

Project Examples

Fiji: Managing Tropical Cyclone Risk. Fiji is the latest country to request an insurance policy under the program supported by PCRAFI, and has requested to begin coverage in October 2023. Fiji requested insurance against tropical cyclone risk, which will allow it to receive finance if a tropical cyclone meeting certain parameters hits Fiji. The policy will allow Fiji to plan for post-disaster scenarios with increased certainty surrounding the resources it will have available for recovery.

Food Security

International Fund for Agricultural Development

FY 2022 Enacted	FY 2023 Enacted	FY 2024 Request
43,000,000	43,000,000	81,833,000

The Budget requests $81.8 million, including for the last of three installments towards the International Fund for Agricultural Development's (IFAD) twelfth replenishment (IFAD-12). Of this, $35 million is to contribute to IFAD's Enhanced Adaptation for Smallholder Agriculture Programme (ASAP+) and $3.833 million is to eliminate unmet commitments to prior IFAD replenishments.

Program Description

IFAD is a small international financial institution supported by 177 member countries and dedicated to alleviating rural poverty, hunger, and malnutrition, and to supporting rural people to increase their incomes, productivity, and resilience in the face of a changing climate. The United States is a founding member of IFAD and its largest historical contributor. To date, the United States has contributed $1.1 billion to IFAD.

Most IFAD-supported projects are in remote rural areas with high levels of poverty where few donors operate. In 2022, IFAD approved $882.3 million in projects and grants, and its total project portfolio currently amounts to $8.13 billion. IFAD expects the total program of loans and grants over the course of the IFAD-12 (2022-2024) replenishment period to reach $3.5 billion.

ASAP+ builds on IFAD's expertise on investing in rural communities to build resilience to weather-related drivers of food insecurity. In particular, ASAP+ focuses on increasing food security for vulnerable communities, farmers, fishers and pastoralists – including women, youth, indigenous people, and other marginalized groups.

How Support for IFAD Promotes U.S. Interests

Through its singular focus on supporting rural economic growth, IFAD contributes to key U.S. priorities, including advancing inclusive growth, strengthening agricultural productivity and food security, reducing poverty in the remotest areas of poor and fragile countries, and supporting millions of rural people to adapt to and build their resilience to climate change. IFAD also works to crowd in private sector investment to the agricultural sector and food value chains.

Funding for IFAD also advances U.S. national security interests by supporting economic livelihoods and social stability in poor rural communities, including in fragile states around the world, helping to reduce pressures that can lead directly to mass migration, extremism, and armed conflict.

Meeting U.S. Commitments to IFAD

As the largest contributor to IFAD, other member states look to the United States for leadership. Given IFAD's relatively small size, failure to fully fund U.S. commitments would have an immediate, negative impact on the institution's delivery capacity, particularly its ability to offer grant and highly concessional financing to low-income and fragile countries with higher rates of poverty and hunger. Current U.S. unmet commitments to IFAD amount to $3.8 million.

Achieving and Measuring Results

During the IFAD-11 (2019-2021) replenishment period, IFAD delivered its highest-ever program of loans and grants, worth US$3.46 billion. Through 2021, highlights of development outcomes include:

- An estimated 77 million rural people with increased incomes;
- More than 60 million beneficiaries reporting increased agricultural and food production and improved market access;
- 38 million beneficiaries reporting improved resilience, as measured by farmers' perceived ability to recover from shocks and indicators of crop and income diversification;
- 1.8 million hectares of land brought under climate-resilient management practices and irrigation improved on nearly 600,000 hectares of land;
- 8.3 million people gaining access to financial services and more than 1.96 million rural enterprises with access to business development services; and
- 3.2 million people trained in income-generating activities.

IFAD's Independent Office of Evaluation (IOE) reports directly to the Executive Board and is responsible for validating project completion reports and conducting corporate-level reviews on governance and operational effectiveness. The 2022 IOE annual report finds continued strong performance in environment and natural resource management, innovation, and relevance. The IOE also highlighted the need for IFAD to act at the project design and implementation stages to improve project efficiency, support government performance, and to formulate strategies informed by holistic conflict and fragility analyses in order to address both the drivers and consequences of fragility.

Project Examples

Angola: Agricultural Recovery Project (ARP). This $8 million project, supported with $6 million in IFAD financing, supported smallholder farmers who lost their agricultural production capacity to years of ongoing drought by delivering assistance in sustainable farming practices and climate-smart agricultural technologies adapted to local conditions. ARP improved information systems for food security and animal health surveillance, introduced proper rangeland management systems, and promoted livestock-based livelihood diversification activities as part of a "building back better" strategy. ARP intervened in three southwestern provinces: Benguela, Cunene, and Huila. This project reached about 8,000 households, of which 30 percent were headed by women and 30 percent included youth.

Philippines: Fisheries, Coastal Resources and Livelihood Project (FishCORAL). This $43 million project, supported with $30 million in IFAD financing, reduced poverty in poor coastal communities, improved food and nutrition security, and increased household incomes in the Philippines. FishCORAL built fishing communities' capacity to sustainably manage fishery and coastal resources and ensured sustainable engagement in diversified livelihood activities by: (1) monitoring and self-regulating fishing activities to prevent overfishing; (2) boosting the marine ecosystem by replanting vegetation and creating fish sanctuaries; (3) improving coastline infrastructure; and (4) promoting fisheries related micro-enterprises, including seaweed culture and fish processing. More than 180,000 households benefited across the Autonomous Region in Muslim Mindanao, Caraga in Northeastern Mindanao, Eastern Visayas, and Bicol in Southern Luzon.

Global Agriculture and Food Security Program

FY 2022* Enacted	FY 2023 Enacted	FY 2024 Request
5,000,000	10,000,000	40,000,000

**Table does not include $150 million in funding provided under the Additional Ukraine Supplemental Appropriations Act, 2022 (P.L. 117-128).*

The Budget requests $40 million for the Global Agriculture and Food Security Program (GAFSP).

Program Description

GAFSP is a multilateral financing platform dedicated to improving food and nutrition security worldwide. Launched by the G20 in the wake of the global response to the 2007–08 food price crisis, GAFSP works to build resilient and sustainable agriculture and food systems in the world's poorest countries.

Since 2010, GAFSP has pooled over $2 billion in donor funds and provided financial and technical resources – grants, technical assistance, concessional loans, blended finance, and advisory services – to demand-driven projects along the food chain, 'from farm to table.' Governments, farmers' and producer organizations, and the private sector are in the lead, designing and implementing these projects in partnership with a development agency of their choice.

How Support for GAFSP Promotes U.S. Interests

Through its focus on improving food and nutrition security and building the sustainability of agriculture and food systems in the world's poorest countries, GAFSP contributes to key U.S. priorities, including advancing inclusive growth, strengthening agricultural productivity and food security, reducing poverty in the remotest areas of poor and fragile countries, and supporting millions of rural people to adapt to and build their resilience to climate change. GAFSP also works to leverage private sector investment to the agricultural sector and food value chains.

Funding for GAFSP also advances U.S. national security interests by supporting economic livelihoods and social stability in poor rural communities, including in fragile states around the world, helping to reduce pressures that can lead directly to mass migration, extremism, and armed conflict.

U.S. Commitments to GAFSP

As the largest contributor to GAFSP, other member states look to the United States for leadership. Given GAFSP's relatively small size, failure to offer consistent funding and support would have an immediate, negative impact on the facility's delivery capacity, particularly its ability to offer grant and highly concessional financing to low-income and fragile countries with higher rates of poverty and hunger.

Current total U.S. commitments to GAFSP amount to $823 million. Most recently, in 2022, the United States contributed $155 million to GAFSP: $5 million from the Consolidated Appropriations Act, 2022, P.L. 117-103 and $150 million from the Additional Ukraine Supplemental Appropriations Act, 2022, P.L.117-128. The U.S. contribution allowed for a Call for Proposals targeting the food security crisis exacerbated by Russia's war on Ukraine. The Call is prioritizing innovative projects, such as providing farmers with new seeds that are more resilient to droughts, heat, and other extreme conditions. For FY 2023, the Consolidated Appropriations Act, 2023, P.L. 117-328 allocated $10 million for contribution to GAFSP.

Achieving and Measuring Results

Globally, an estimated 65 percent of poor working adults make a living through agriculture. The sector has the potential to create jobs and increase incomes by raising agricultural productivity, linking farmers to markets, and improving non-farm rural livelihoods. GAFSP has been tracking job creation since 2017 and found that its 14 public sector projects created more than 265,000 direct employment opportunities, 40 percent of which went to women.

Improved agriculture and food systems can raise incomes, generate employment, reduce local food prices, and provide people with diverse and nutritious diets. GAFSP responds to demand on the ground, enabling farmers and countries to customize investments to meet multiple needs, with profound impacts both within and beyond the agriculture sector.

GAFSP program performance to date:

- More than 16 million rural people, including nearly 7 million women, have received direct support through GAFSP projects.
- GAFSP's portfolio includes over $1.5 billion in grant financing to countries, $476 million to support private sector development, and $47 million to farmers' or producer organizations.
- 65 percent of GAFSP public sector projects address climate through mitigation and adaptation technologies, including specialized seed varieties, more efficient irrigation, and drought resistant mulching.

<u>Project Examples</u>

Bangladesh: Increasing Access to Finance for Farmers' Organizations. This $2.48 million project, implemented by the Food and Agriculture Organization (FAO), enhances the institutional capacity of 55 smallholder farmers' organizations. GAFSP has provided services that have added flexibility for countries and farmers to safely operate during the COVID-19 pandemic. In Bangladesh, lockdown restrictions have had a disruptive impact on agricultural supply chains. Leaders of producer organizations reached out to the Sara Bangla Krishak Society (SBKS) for help in resolving logistics and communication issues. SBKS immediately tapped into its national network of 55 producer organizations—with over 8,000 smallholder farmers—and its resources to assist. With technical support from FAO, through GAFSP's $2.48 million Missing Middle Initiative pilot project, SBSK quickly set up 57 call centers throughout northern and southern Bangladesh allowing farmers to continue selling their commodities and buying essential inputs and services. The call centers are also being utilized by non-member neighboring farmers who can obtain fairer prices for their products.

Honduras: Strengthening Capacities for Climate Resilience and Economic Empowerment of Rural, Smallholder Producers in the Dry Corridor. This $2.13 million grant will be implemented by FAO to improve climate resilience and food security through economic empowerment and agricultural system transformation in three target areas in the Dry Corridor of Honduras, which is characterized by high poverty rates and suffered large livelihood losses due to COVID-19. The project will do so by focusing on developing value chains and improved market access (avocado, vegetables, and honey). The project will build strong connections between smallholder farmers and local businesses and companies, and will leverage existing relationships with dynamic markets at the national level, promoting food security and nutrition by diversifying smallholder farms, and educating families about healthy food consumption. The project will employ an integrated and cross-sectoral approach to gender issues and will involve the participation of women's groups. Women will be empowered to participate and take on leadership and decision-making roles in cooperatives and organizations.

Technical Assistance

Office of Technical Assistance

FY 2022 Enacted	FY 2023 Enacted	FY 2024 Request
38,000,000	38,000,000	45,000,000

The Budget requests $45 million for Treasury's Office of Technical Assistance (OTA).

Program Description

OTA works with finance ministries, central banks, and related government institutions to support efficient revenue collection, well-planned and -executed budgets, judicious debt management, sound and inclusive banking and financial systems, and strong controls to combat money laundering and other economic crimes. OTA complements the work of Treasury's offices of International Affairs and Terrorism and Financial Intelligence by helping the governments of developing and transitional countries build the human and institutional capacity to implement improvements in economic policies and policies to counter terrorist financing. OTA also supports partner countries' efforts to raise their own domestic resources more effectively, thereby reducing dependence on foreign assistance. OTA's work is critical for meeting U.S. foreign policy and national security goals, such as private sector-led economic growth, reduced corruption, infrastructure development, addressing energy challenges, and increased accountability and transparency. OTA is a small, cost-effective program that leverages a cadre of highly experienced technical advisors who work side-by-side with host country counterparts. Currently, OTA has projects in approximately 40 countries in Latin America, Africa, Europe/Eurasia, and Asia.

Demand for OTA assistance around the world is strong and continues to increase. OTA would use the requested budget resources in FY 2024 to respond quickly and in a sustained way to this growing demand, with an emphasis on those areas that are priorities for the United States, including combating terrorist financing and financial crimes, reducing dependence on foreign financial aid through improved domestic resource mobilization, and creating the conditions for inclusive private sector-led economic growth, including by improving the climate for private sector investment in sustainable infrastructure projects in developing and transitional countries. Additionally, the requested resources would enable the program to assist partner countries in developing and implementing fiscally-sound approaches to financing energy or environmental projects, including renewable energy and infrastructure projects, expanding access to financial services, and strengthening transparency and accountability in public finance systems to combat corruption. The request also supports important ongoing enhancements to OTA's project monitoring and evaluation regime.

How Support to OTA Promotes U.S. National Security and Economic Growth

OTA performs an important role in support of U.S. national security by helping developing and transitional countries combat financial crimes, money laundering, and terrorist financing. In addition, OTA helps to stabilize banking systems, develop capital markets, improve investment climates, including for infrastructure, and improve transparency and accountability in government finances. This helps to spur private sector-led economic growth, thereby supporting the development of foreign markets for U.S. exports.

Achieving and Measuring Results

Monitoring Progress

OTA has a robust system for monitoring technical assistance project performance, from project initiation and planning, through execution, to post-project evaluation. At the inception of each project, OTA and the relevant foreign government ministry or central bank identify the high-level aims of the engagement, which are reflected in signed terms of reference. The terms of reference are complemented by a detailed project framework that specifies the project goals, activities to be undertaken by OTA and the counterparts, as well as the outputs and outcomes that will provide evidence that the goals of the project have been met. OTA advisors, in consultation with the counterparts, then develop an annual workplan to sequence and execute the planned activities contained in the project framework.

As each project is executed, OTA advisors provide monthly reports and trip reports to Treasury leadership and other stakeholders on the execution of the project plan, including progress against objectives. These reports are validated through ongoing dialogue with advisors coupled with project reviews – both in-person and remote – conducted by OTA management. OTA also systematically assesses the level of "traction," or the degree to which foreign counterparts are engaging proactively and constructively with OTA advisors, at the working and policy levels. The levels of traction and other indicators of project progress are closely monitored by OTA senior management, including as part of formal project reviews conducted three times per year.

OTA will continue to enhance its project monitoring capabilities. For example, the program has begun producing and collecting standard data on program design and implementation, enabling the development of project level dashboards that support OTA management in making data-driven decisions about project performance, including investing additional resources into projects with high traction, and making timely interventions into stalled or faltering projects. Moving forward, the program will develop project monitoring tools that facilitate comparisons across projects, regions, project modalities, and other project characteristics as OTA further refines its ability to plan and execute impactful projects.

Strengthening Project Evaluation

In accordance with the Foreign Aid Transparency and Accountability Act (FATAA), OTA continues to strengthen its ability to measure the results of its technical assistance projects through improved evaluation tools, including conducting independent (third-party) evaluations of OTA projects. To support the costs of independent evaluations and related activities, OTA is requesting $4.5 million in program resources. These resources will support an estimated 14 evaluations in FY 2024, including 10 external evaluations and four conducted by OTA personnel. Once OTA's enhanced evaluation regime is fully implemented, each OTA project would be subject to an independent evaluation at its midpoint (generally after the second year of technical assistance activities) and 6-12 months after a project concludes. Evaluations seek to determine the extent to which project goals were achieved. The results of evaluations will be made available to the public as required by the FATAA.

Project Examples

Angola Launches Liability Management Program. OTA assisted Angola's Ministry of Finance (MoF) to establish a liability management program and execute debt exchange transactions as part of MoF's effort to reduce risk and more efficiently manage its sovereign debt. OTA worked with the MoF Debt Management Office to analyze the domestic debt portfolio, identify vulnerabilities, and formulate a debt optimization strategy. Before launching the liability management operations, OTA advised counterparts in their communications with the market to ensure buy-in from current and potential debt holders. The successful transactions reduced foreign currency and maturity risk by exchanging USD-linked index bonds for longer maturity (6, 8, 10 years) local currency benchmarks, which serve to improve liquidity in the domestic government bond market. These transactions promote capital market development by demonstrating the benefits of market-based instruments, pricing, and mechanisms.

Costa Rica Overhauls Tax Debt Collection. With OTA assistance, Costa Rica's Ministry of Finance (MoF) and General Directorate of Taxes (DGT) mapped and improved their tax debt collection policies, procedural structures, enforcement measures, and public communication strategies. Based on OTA's guidance, the MoF and DGT enacted delinquent taxpayer installment agreements and partial payment agreements. In addition, an early intervention strategy has been implemented for collections officers to communicate with taxpayers immediately after an audit assessment. According to initial results, in 2022 the percentage of debtors paying in full rose by two percentage points to 13 percent, and the percentage of cases resolved rose nine percentage points to 43 percent.

Indonesia Strengthens Cash Management. The Ministry of Finance of Indonesia's General Directorate of Treasury (DGT) implemented several new key processes and tools to reach internationally accepted standards for cash management, which is a critical component of the government's public financial management reform efforts. With OTA assistance, the DGT developed new cash forecasting models and a new methodology for calculating the level of cash reserve to manage cash allocations during the fiscal year. The DGT also strengthened payment systems by developing and implementing strategies for enhancing digitalization of payment documentation, scheduling payments, improving accuracy of social program payments, and improving year-end payment closing systems. OTA also supported the creation of new tools to invest surplus cash including the use of reverse repurchase agreements. Together, these reforms will enable the DGT to better manage and anticipate government cash requirements, decrease cash flow volatility, and reduce the required size of the cash liquidity reserve balance.

Latvia Pursues Ambitious AML/CFT Reform. With OTA assistance, Latvian regulatory authorities adopted a more aggressive enforcement posture to counter continued non-compliance by troublesome banks. OTA assistance focused on improving data analytics and risk methodologies; developing activity-based inspection tools; and creating a more dissuasive penalty structure (e.g., elimination of settlement discount for banks not acting in good faith to remediate deficiencies). Due in large part to regulatory pressure stemming from newly implemented effective risk-based supervision practices – and Latvia's commitment to guard against malign influences – three non-compliant commercial banks were dissolved in 2022. Further, in response to Russian aggression in Ukraine, Latvian authorities froze 84 million EUR owned or controlled by sanctioned individuals and entities, and suspended Latvia's lucrative "golden visa" investment program for Russian and Belarusian citizens. And, in August 2022, the Latvian government noted a significant increase in trade volumes transiting through Kazakhstan and alerted other countries to the suspected attempts to circumvent economic sanctions against Russia and Belarus. OTA provided background support to the Latvian authorities in these actions, including by assisting counterparts in overall coordination and resolving technical implementation issues.

Madagascar Establishes Financial Inclusion Database. With OTA assistance, Madagascar's National Committee for Financial Inclusion (CNFI), under the direction of the Ministry of Economy and Finance, developed and implemented a national financial inclusion database. Such a database will provide Government of Madagascar policy makers with key insights into their efforts regarding inclusive financial services – where there has been progress, where there is more work to be done. CNFI and OTA conducted socialization events with microfinance institutions and other key financial service providers in rural areas of Madagascar to introduce the new database and emphasize the importance of reporting into it. To date, over 75% of these financial sector actors serving low-income Malagasies are now reporting into this database.

Debt Restructuring Programs

U.S. efforts on debt restructuring and debt relief have been fundamental to helping some of the world's poorest countries restore economic stability, resume economic growth, and reduce poverty and instability. In recent years, these programs have included the Heavily Indebted Poor Countries (HIPC) Initiative and the Tropical Forest and Coral Reef Conservation Act (TFCCA). Since 2000, over 40 countries, including Haiti, Afghanistan, Liberia, Somalia, Indonesia, Costa Rica, and the Philippines have benefitted from U.S. debt relief and restructuring programs. The Budget requests $67 million for the cost of U.S. bilateral debt restructuring and relief programs, including $52 million for Common Framework and Paris Club debt treatments and $15 million for debt treatments under the TFCCA. No funding is requested for the HIPC Initiative.

Common Framework and Paris Club

FY 2022 Enacted	FY 2023 Enacted	FY 2024 Request
52,000,000	52,000,000	52,000,000

The Budget requests $52 million for multilateral debt initiatives including the Common Framework and Paris Club debt treatments. This funding is necessary to fund the cost of debt treatments for poor countries under the Common Framework and as part of the United States' broader debt restructuring participation in the Paris Club. Without this funding, the United States would have to delay urgently needed debt treatments in the Paris Club and Common Framework processes.

Program Description

The Common Framework, endorsed by the G20 and Paris Club in November 2020, offers a mechanism for eligible countries to seek comprehensive debt treatment to address unsustainable debt and heightened liquidity needs. The Common Framework aims to facilitate timely and orderly debt treatments within the context of an IMF program and fosters fair burden sharing among all official bilateral creditors and comparable treatment from private creditors. There have been three requests for Common Framework to date, and the United States is a creditor to one of the countries.

How Support to the Common Framework and Paris Club Promote U.S. Interests

In 2020, the United States helped lead G20 and Paris Club efforts to establish the Debt Service Suspension Initiative (DSSI) and Common Framework as key pillars of the international policy response to the COVID-19 pandemic. The Common Framework is a significant enhancement to the sovereign debt architecture as it brings non-Paris Club creditors, namely China (the largest official lender to developing countries), into a coordinated, multilateral debt resolution process for the first time. This will help speed up the debt resolution process by avoiding ad hoc debtor country negotiations with non-Paris Club creditors and will help maximize support to low-income countries hit hardest by the pandemic. The initiative seeks equitable burden-sharing among official bilateral creditors (members and non-members of the Paris Club) and private creditors through comparability of treatment to help beneficiary countries return to a sustainable growth path.

Tropical Forest and Coral Reef Conservation Act

FY 2022 Enacted	FY 2023 Enacted	FY 2024 Request
15,000,000	20,000,000	15,000,000

The Budget requests $15 million for Tropical Forest and Coral Reef Conservation Act (TFCCA) debt treatments.

Program Description

The TFCCA enables 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. From a U.S. budget perspective, this is treated as a debt reduction. The TFCCA statute includes eligibility criteria related to economic management, democracy, and human rights. The TFCCA was reauthorized and expanded in scope to include coral reefs in 2019, and funds were appropriated for its implementation in FY 2020, FY 2021, FY 2022, and FY 2023. El Salvador was the first country to conclude an agreement under the 2019 reauthorization on September 29, 2021.

How Support to TFCCA Promotes U.S. Interests

Protecting biodiversity and combating climate change are central to U.S. national economic and security interests. Under the TFCCA, the United States can support conservation of select tropical forests and coral reefs, which are critical to mitigating the impact of climate change, providing clean water, and supporting sustainable jobs in developing countries.

Achieving and Measuring Results

Each active program is guided by a binding international agreement that sets out the parameters for the governance and activities to be undertaken. Each agreement requires the establishment of a dedicated fund out of which grants are made to conserve, maintain, and restore tropical forests and/or coral reef ecosystems in the beneficiary country. The grant making activity is overseen by a committee that includes U.S. government representation. This oversight committee is required to submit a report on the fund's conservation grants and results to the TFCCA Secretariat each year and to arrange for an annual financial audit of the fund. A summary report is submitted to Congress annually.

TFCCA Projects

Since its inception in 1998 as the Tropical Forest Conservation Act (TFCA), the United States has concluded 21 agreements with 14 countries, the most recent in 2021 with El Salvador. Prior to the El Salvador agreement in 2021, the most recent agreement was concluded with Indonesia in 2014, after which funding lapsed until FY 2020. Seventeen agreements remained in force as of the end of FY 2022, and two more are currently in the pipeline.

El Salvador: Enabling Tropical Forest and Coral Reef Conservation. The United States concluded a bilateral debt reduction agreement with El Salvador that utilized $15 million in FY 2020 budget authority. The agreement enables El Salvador to re-direct more than $20 million in debt payments to a tropical forest and coral reef conservation fund in El Salvador. The funds will be used to provide grants primarily to local non-governmental organizations and will contribute to the conservation of El Salvador's natural forest areas, home to abundant varieties of animal and plant life. The agreement also will support the analyses and processes necessary to create El Salvador's second marine protected area, an area with coral formations important to the region's biodiversity and economy.

Treasury International Assistance Programs

FY 2022 Enacted	FY 2023 Enacted	FY 2024 Request
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The Budget requests $50,000,000 in additional resources to support initiatives at international financial institutions (IFIs) and other international organizations, as well as financial intermediary funds and trust funds administered by them, to meet new and emergent priority needs.

Program Description

Requested resources will support Treasury in advancing U.S. leadership on issues of key strategic importance, including safeguarding macroeconomic and financial stability, countering the influence of malignant actors, supporting countries in fragile and conflict-affected situations, empowering women, and advancing economic and social inclusion. Funding provided through this account would enable Treasury to support innovative solutions to address such needs in a timely and efficient manner.

How Support to Treasury International Assistance Programs Promotes U.S. Interests

Experience during the COVID-19 pandemic 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. Treasury has seen firsthand how U.S. leadership is critical in galvanizing action and mobilizing resources from global partners, including key international organizations and stakeholders from both the public and private sector.

Treasury receives appropriations for contributions to MDB capital increases and replenishments and to other large-scale funds and facilities, but such contributions cannot be targeted or earmarked for specific themes or purposes. As a result, Treasury is unable to contribute to more targeted initiatives that often provide other donors with significant influence for a modest cost. This diminishes Treasury's influence within the IFIs, including in terms of shaping important global agendas.

Appropriations for this new account would enable Treasury to address new and emergent needs that can occur outside of the U.S. budget cycle and enhance U.S. leadership at the IFIs and over other global initiatives.

Annex 1: MDB Basics

What are the MDBs?

The United States is a member of several development institutions, including the following MDBs and other international financial institutions (IFIs) that support economic development and function like an MDB:

- African Development Bank Group (AfDB Group)[2]
- Asian Development Bank (AsDB)
- European Bank for Reconstruction and Development (EBRD)
- Inter-American Development Bank Group (IDB Group)[3]
- International Fund for Agricultural Development (IFAD)[4]
- North American Development Bank (NADB)
- World Bank Group[5]

MDBs are international financial institutions, and they differ from commercial banks in their mandate and structure. They are owned by both borrowing and non-borrowing countries and provide financial and technical assistance to developing countries, and also engage in policy dialogue to various degrees. The United States is the largest shareholder in the World Bank Group, IDB, EBRD, and IFAD; the co-largest shareholder (with Japan) in the AsDB; and the largest non-regional and second-largest overall shareholder in the AfDB.

What is Treasury's role?

In the U.S. Government, Treasury is charged with leading U.S. engagement in the MDBs. For the five largest MDBs in which the United States participates, a U.S. Executive Director (USED), who is based at each bank, is appointed by the President and confirmed by the Senate to represent U.S. interests, engaging daily in meetings at various levels and casting votes throughout the year. Treasury works closely with the USEDs to identify development priorities, institutional reforms and provide financial and budgetary oversight of the institutions. Additionally, Treasury works with a wide-ranging interagency group to provide direction for how to vote on projects and policies to the USEDs. The Secretary of the Treasury traditionally serves as the U.S. Governor to each MDB, and votes on high-level institutional matters that involve major changes to the structure or financing of the organization.

How do the MDBs finance development projects?

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[2] The AfDB Group comprises the African Development Bank (AfDB) and the African Development Fund (AfDF).
[3] The IDB Group comprises the Inter-American Development Bank (IDB), the Multilateral Investment Fund, and the Inter-American Investment Corporation (IIC), which the IDB Group has rebranded as "IDB Invest."
[4] IFAD is an international financial institution and a specialized development agency of the United Nations.
[5] The World Bank Group comprises the International Development Association (IDA), the International Bank for Reconstruction and Development (IBRD), the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA), and the International Centre for Settlement of Investment Disputes (ICSID).

Most of the MDBs have two financing facilities, which are frequently referred to as "windows," from which they make loans, provide guarantees and other financial instruments, and provide grants: the "non-concessional" window (also referred to as "hard loan windows") and the "concessional" window (also referred to as "soft loan windows"). Some institutions have a third window for private sector operations, whereas others make private sector investments from their "non-concessional" windows. Each institution can also serve as trustee for specialized funds established at the request of member countries.

- The non-concessional windows primarily provide loans at market-linked interest rates to middle-income countries, such as Colombia, Egypt, Indonesia, and Botswana.
- The concessional windows provide some combination of grants, very low interest loans with long tenors, and a limited supply of market-linked loans to countries with per capita incomes below a certain threshold and that lack the creditworthiness to access other financing sources, including the non-concessional windows. The concessional windows for each MDB are: IDA (World Bank Group), the AfDF (African Development Bank Group), and Asian Development Fund (Asian Development Bank)

The United States is also a contributor to the International Fund for Agricultural Development, which functions like an MDB concessional window.

The EBRD, which is private sector oriented, and the NADB do not have a concessional window, while the IDB provides both non-concessional and concessional funding from one window. The AsDB provides both non-concessional and concessional loans from its Ordinary Capital Resources; the Asian Development Fund (AsDF) provides only grants.

Which MDBs finance private sector projects?

The World Bank Group and IDB Group each include institutions that are solely focused on financing private sector projects:

- The IFC is the private sector financing arm of the World Bank Group. It promotes private sector investment in developing countries by making loans and equity investments in private-sector projects, mobilizing private capital alongside its own resources, and providing advisory and technical assistance services.
- MIGA is a member of the World Bank Group and is designed to encourage the flow of foreign private investment to and among developing countries by issuing guarantees against non-commercial risks and carrying out investment promotion activities.
- IDB Invest is the IDB Group's private sector financing arm. It promotes development of the private sector in Latin America and the Caribbean by providing loans and guarantees and making equity investments in private sector projects. It also mobilizes private sector capital along with its own investment activities and provides advisory and technical assistance services.

The AfDB and the AsDB can finance private sector projects out of their ordinary capital resources. The EBRD mostly finances private sector projects. The NADB finances private sector projects as well as projects sponsored by municipal and state level governments in Mexico and the United States.

How are the MDBs funded?

Countries are referred to as "shareholders" in an MDB and hold a certain percentage of shares, and therefore voting power, based on their contributions.

At times, shareholders provide new funding to support the non-concessional or concessional windows. This funding can take three forms:

- Donor replenishments
- General capital increases
- Selective capital increases

Donors may also make contributions to trust funds sponsored and administered by MDBs. (See next section.)

Donor Replenishments

Because the concessional windows provide most of their funding to the poorest countries as grants or very low-cost, long-term loans, these windows deplete their funding over time and require periodic "replenishment" by donor countries every three to four years. When fully funded, U.S. funding commitments are paid out in equal installments over the replenishment period.

General Capital Increases

Under a general capital increase (GCI), MDB shareholder governments decide to provide additional capital to support the MDBs' non-concessional or private sector windows by purchasing new shares in the institution. Unlike concessional windows, the non-concessional and private sector windows are expected to be more financially self-sustaining, requiring additional member state contributions less frequently, provided they follow prudent capital management policies. However, global and regional economic conditions or shareholders' desire to see an MDB provide higher levels of finance in support of particular aspects of a region's development agenda may lead to member countries negotiating to provide new capital to the MDB through a GCI. In these cases, member countries negotiate the total amount of additional capital required and the amount to be provided by each member.

The financing arrangements for GCIs are unique. Unlike replenishments, only a small portion of the total commitment is paid directly to an MDB. This portion is called "paid-in" capital, and typically ranges from 5-10 percent of the total increase. The pay-in period often ranges significantly (e.g., from three to eight years).

The remainder of the commitment is made in the form of "callable capital." Callable capital represents a financial commitment made by shareholders, but there is no actual transfer of funds. This capital is "callable" under limited and specifically enumerated circumstances to meet the obligations of the respective MDBs. These commitments are meaningful because they enable the MDBs to strengthen their credit ratings and reduce borrowing costs, and, in turn, lend to borrowers at rates lower than what they could obtain in the markets. No MDB has made a call on callable capital to date.

If a shareholder fails to purchase the shares that it decided to buy in the capital increase negotiations, the relative shareholding and voting power of that country will be diluted. Under the rules in place for most GCIs, voting shares are adjusted to reflect contributions as they come in from shareholders, such that delayed contributions will have an impact on the current voting share. Any shares allocated to a country that are not paid for within the allotted subscription period are moved to the MDB's unallocated capital, potentially making these shares available for other shareholders to acquire. Several countries seeking to expand their influence in the MDBs have expressed an interest in purchasing shares when they become available in this manner.

Selective Capital Increases

A selective capital increase (SCI) is not intended primarily as a fundraising vehicle but is used to allocate new shares to effect changes in the relative voting power of members of an MDB or accommodate accession by new members. Unlike a GCI, where shares are allocated to members in proportion to their existing shareholding, countries subscribe to different levels of shares under an SCI to achieve the desired realignment in voting power. Countries may have to purchase shares under an SCI in order to maintain their voting power or limit dilution, but the total capital increase under an SCI is typically much smaller than under a GCI.

What are MDB Trust Funds?

Most MDBs administer trust funds, which accept contributions from donor countries, mostly in the form of grants, and are managed separately from the primary non-concessional and concessional windows of each MDB. MDBs maintain trust funds to meet key development challenges that are consistent with each MDB's mission that cannot be readily addressed by financing from its non-concessional or concessional windows or its budgetary resources. Most financing provided by trust funds is in the form of grants, though some trust funds subsidize lending by MDBs in cases where some degree of concessionality is justified (e.g., some climate change projects and assistance to countries hosting large numbers of refugees).

Trust funds finance a range of development needs, including:

- Financing global or regional public goods, such as climate change; global public health, including responses to and prevention of global pandemics; assisting countries in supporting large flows of refugees; and regional integration initiatives.

- Providing technical assistance and advisory services, including covering the costs of project development, and efforts to promote innovation;
- Targeted financing to support national reconstruction efforts in particular countries that are facing particularly significant resource needs; and
- Other development priorities that are not adequately addressed by MDB loans, such as natural disaster risk reduction and recovery, food security, and promotion of gender equality and social inclusion.

Broadly speaking, there are three types of trust funds: single-donor trust funds, multi-donor trust funds, and Financial Intermediary Funds (FIFs). Single-donor trust funds and multi-donor trust funds have their own work plans and frameworks for measuring results and often have separate communications plans. Donors often have some involvement in governance of the fund (e.g., decisions on projects to be funded), but rules differ among institutions and between funds.

The World Bank also serves as trustee for a number of Financial Intermediary Funds (FIFs). FIFs are generally larger-scale funds that leverage a variety of public and sometimes private resources in support of high-profile global priorities like climate change, health, food security, and natural disaster risk reduction and response. Examples of FIFs are: the Global Environment Facility (GEF), the Green Climate Fund (GCF), the Global Agriculture and Food Security Program, the Global Fund to Fight AIDS, Malaria, and Tuberculosis (the Global Fund), the Clean Technology Fund and the Global Concessional Financing Facility.

FIFs provide financing for projects that are implemented by multiple entities, often referred to as "implementing entities" or "implementing agencies," which often include the World Bank (serving as an implementing agency/entity), other MDBs, and U.N. Agencies. This system is designed to avoid duplication of costly institutional infrastructure and functions. FIFs differ from other types of trust funds as they are governed by separate donor committees or bodies, such as the GEF Council. In addition to its trustee and possible implementing agency roles, the World Bank also often provides administrative services for the hosting FIF secretariats or coordinating units, e.g., the GEF Secretariat. These units are legally part of the World Bank and are subject to World Bank staff and other administrative rules. A few FIFs support organizations that have separate legal personality, such as the Global Fund and the GCF.

Annex 2: FY 2024 Appropriations Language and Authorization Requests

Below is the proposed appropriations language and authorization for Treasury's FY 2024 request.

FY 2024 Appropriations Language

Multilateral Development Banks

CONTRIBUTION TO THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
For payment to the International Bank for Reconstruction and Development by the Secretary of the Treasury for the United States share of the paid-in portion of the increases in capital stock, [$206,500,000] *$233,321,871*, to remain available until expended*: Provided, That of the amount made available under this heading, $26,821,871 shall be available for the costs, as defined in section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661a), of loan guarantees to the International Bank for Reconstruction and Development to support energy transition efforts.*

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS
The United States Governor of the International Bank for Reconstruction and Development may subscribe without fiscal year limitation to the callable capital portion of the United States share of increases in capital stock in an amount not to exceed $1,421,275,728.70.

CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION
For payment to the International Development Association by the Secretary of the Treasury, [$1,430,256,000] *$1,479,256,000* to remain available until expended.

CONTRIBUTION TO THE AFRICAN DEVELOPMENT BANK
For payment to the African Development Bank by the Secretary of the Treasury for the United States share of the paid-in portion of the increases in capital stock, $54,648,752, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS
The United States Governor of the African Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of increases in capital stock in an amount not to exceed $856,174,624.

CONTRIBUTION TO THE AFRICAN DEVELOPMENT FUND
For payment to the African Development Fund by the Secretary of the Treasury, [$171,300,000] *$224,000,000* to remain available until expended.

CONTRIBUTION TO THE ASIAN DEVELOPMENT FUND
For payment to the Asian Development Bank's Asian Development Fund by the Secretary of the Treasury, [$43,610,000] *$107,220,000*, to remain available until expended.

CONTRIBUTION TO THE ASIAN DEVELOPMENT BANK

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of loan guarantees to the Asian Development Bank to facilitate investment in energy security and resilience, $84,378,130, to remain available until expended. In addition, for payment to the Asian Development Bank's Energy Transition Mechanism Partnership Trust Fund by the Secretary of the Treasury, $35,000,000, to remain available until expended: Provided further, That section 5 of the Asian Development Bank Act (22 U.S.C. 285c) shall not apply to any funds appropriated under this heading and paid by the Secretary of the Treasury to the Asian Development Bank's Energy Transition Mechanism Partnership Trust Fund.

CONTRIBUTION TO THE INTER-AMERICAN DEVELOPMENT BANK

For payment to the Inter-American Investment Corporation by the Secretary of the Treasury, $75,000,000, to remain available until expended: Provided, That such amounts may be made available for the United States' share of an increase in the capital stock of the Inter-American Investment Corporation: Provided further, That amounts made available to support a capital increase to the Inter-American Investment Corporation shall only be obligated after the Secretary of the Treasury certifies and reports to the Committees on Appropriations of both Houses of Congress that the Inter-American Development Bank Group has made satisfactory progress toward reforms that increase the Inter-American Development Bank Group's responsiveness to the development needs of all borrowing countries in Latin America and the Caribbean, improve the effectiveness of the Inter-American Development Bank Group's financing, foster the development of a vibrant private sector in the region, help address global and regional challenges, and promote more efficient use of the Inter-American Development Bank Group's financial resources.

International Monetary Fund – IMF Facilities and Trust Funds

CONTRIBUTION TO IMF FACILITIES AND TRUST FUNDS

[For contribution by the Secretary of the Treasury to the Poverty Reduction and Growth Trust or to the proposed Resilience and Sustainability Trust Fund of the International Monetary Fund, $20,000,000, to remain available until September 30, 2031:] *Any amounts previously appropriated under this heading shall be available to cover the cost, as defined in section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661a), of loans made by the Secretary of the Treasury to the Poverty Reduction and Growth Trust (PRGT) or to the Resilience and Sustainability Trust (RST) of the IMF: Provided, That these funds shall be available to subsidize gross obligations for the principal amount of direct loans not to exceed $21,000,000,000 in the aggregate, and the Secretary of the Treasury is authorized to make such loans: Provided further, That the Exchange Stabilization Fund (ESF) and the financing account corresponding to transactions with the IMF are authorized to enter into such transactions as necessary to effectuate loans from resources held in the ESF to the PRGT or to the RST of the IMF.*

Quality Infrastructure

GLOBAL INFRASTRUCTURE FACILITY

For payment to the Global Infrastructure Facility by the Secretary of the Treasury, $40,000,000, to remain available until expended.

Energy and Environment

CLEAN TECHNOLOGY FUND

For contribution to the Clean Technology Fund, [$125,000,000] *$425,000,000*, to remain available until expended: *Provided,* That up to [$125,000,000] *$425,000,000* of such amount shall be available to cover the costs, as defined in section 502 of the Congressional Budget Act of 1974, of direct loans issued to the Clean Technology Fund: *Provided further,* That such funds are available to subsidize gross obligations for the principal amount of direct loans without limitation.

GREEN CLIMATE FUND

For contribution to the Green Climate Fund by the Secretary of the Treasury, [$1,600,000,000] *$800,000,000*, to remain available until expended.

GLOBAL ENVIRONMENT FACILITY

For payment to the International Bank for Reconstruction and Development as trustee for the Global Environment Facility by the Secretary of the Treasury, [$150,200,000] *$168,700,000*, to remain available until expended.

MULTILATERAL DEVELOPMENT BANKS TRUST FUNDS

For contributions by the Secretary of the Treasury to trust funds maintained by the multilateral development banks of which the United States is a shareholder that support infrastructure investment and development, energy security, diversification and innovation, or resilience, $27,000,000, to remain available until expended.

Food Security

CONTRIBUTION TO THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

For payment to the International Fund for Agricultural Development by the Secretary of the Treasury, [$43,000,000] *$81,833,000*, to remain available until expended[.]*: Provided, That of this amount, $35,000,000 shall be available for contribution to the Enhanced Adaptation for Smallholder Agriculture Programme.*

GLOBAL AGRICULTURE AND FOOD SECURITY PROGRAM

For payment to the Global Agriculture and Food Security Program by the Secretary of the Treasury, [$10,000,000] *$40,000,000*, to remain available until expended.

<u>Office of Technical Assistance</u>

INTERNATIONAL AFFAIRS TECHNICAL ASSISTANCE

For necessary expenses to carry out the provisions of section 129 of the Foreign Assistance Act of 1961, [$38,000,000] *$45,000,000*, to remain available until expended[, of which not more than $9,500,000 may be used for administrative expenses]: Provided, that amounts made available under this heading may be made available to contract for services as described in section 129(d)(3)(A) of the Foreign Assistance Act of 1961, without regard to the location in which such services are performed.

<u>Debt Restructuring and Debt Relief</u>

DEBT RESTRUCTURING

For "Bilateral Economic Assistance—Department of the Treasury—Debt Restructuring" there is appropriated $52,000,000, to remain available until September 30, [2026] *2027*, for the costs, as defined in section 502 of the Congressional Budget Act of 1974, of modifying loans and loan guarantees for, or credits extended to, such countries as the President may determine, including the costs of selling, reducing, or cancelling amounts owed to the United States, pursuant to multilateral debt restructurings, including Paris Club debt restructurings or the "Common Framework for Debt Treatments beyond the Debt Service Suspension Initiative": Provided, that such amounts may be used notwithstanding any other provision of law.

TROPICAL FOREST AND CORAL REEF CONSERVATION ACT

For the costs, as defined in section 502 of the Congressional Budget Act of 1974, of modifying loans and loan guarantees, as the President may determine, for which funds have been appropriated or otherwise made available for programs within the International Affairs Budget Function 150, including the cost of selling, reducing, or canceling amounts owed to the United States as a result of concessional loans [made] *or credits extended to* eligible countries, pursuant to part V of the Foreign Assistance Act of 1961, [$20,000,000] *$15,000,000*, to remain available until [September 30, 2026] *expended*.

<u>Treasury International Assistance Programs</u>

TREASURY INTERNATIONAL ASSISTANCE PROGRAMS

For an additional amount for contributions to international financial institutions, financial intermediary funds and trust funds administered by the international financial institutions, and other international organizations, $50,000,000, to remain available until September 30, 2025: Provided, That funds appropriated under this heading may be made available notwithstanding any other provision of law that restricts assistance to foreign countries and may be made available as contributions: Provided further, That funds made available under this heading shall be subject to prior consultation with the appropriate congressional committees and the regular notification procedures of the Committees on Appropriations.

FY 2024 Authorizations and Other Legislative Requests

AFRICAN DEVELOPMENT FUND SIXTEENTH REPLENISHMENT

AFRICAN DEVELOPMENT FUND—The African Development Fund Act (22 U.S.C. 290g et seq.), is amended by adding at the end thereof the following new section:
"Sec. 22. Sixteenth Replenishment.
"(a) IN GENERAL.—The United States Governor of the Fund is authorized to contribute on behalf of the United States $591,000,000 to the sixteenth replenishment of the resources of the Fund, subject to obtaining the necessary appropriations.
"(b) AUTHORIZATION OF APPROPRIATIONS—In order to pay for the United States contribution provided for in subsection (a), there are authorized to be appropriated, without fiscal year limitation, $591,000,000 for payment by the Secretary of the Treasury."

INTERNATIONAL MONETARY FUND NEW ARRANGEMENTS TO BORROW

SEC. 7082. Section 17(a)(6) of the Bretton Woods Agreements Act (22 U.S.C. 286e-2(a)(6)) is amended by striking "December 31, 2025" and inserting "December 31, 2030"

EXEMPTION OF THE INTERNATIONAL DEVELOPMENT ASSOCIATION SECURITIES FROM SECURITIES AND EXCHANGE COMMISSION (SEC) REGULATION

SEC. 7066 (a) EXEMPTION FROM SECURITIES LAWS; REPORTS TO SECURITIES AND EXCHANGE COMMISSION. – Any securities issued by the Association (including any guaranty by the Association, whether or not limited in scope) and any securities guaranteed by the Association as to both principal and interest shall be deemed to be exempted securities within the meaning of section 3(a)(2) of the Securities Act of 1933 [15 USC § 77c(a)(2)] and section 3(a)(12) of the Securities Exchange Act of 1934 [15 USC § 78c(a)(12)]. The Association shall file with the Securities and Exchange Commission such annual and other reports with regard to such securities as the Commission shall determine to be appropriate in view of the special character of the Association and its operations and necessary in the public interest or for the protection of investors.
(b) AUTHORITY OF SECURITIES AND EXCHANGE COMMISSION TO SUSPEND EXEMPTION; REPORTS TO CONGRESS – The Securities and Exchange Commission, acting in consultation with the National Advisory Council on International Monetary and Financial Policies, is authorized to suspend the provisions of subsection (a) of this section at any time as to any or all securities issued or guaranteed by the Association during the period of such suspension. The Commission shall include in its annual reports to the Congress such information as it shall deem advisable with regard to the operations and effect of this section.

ADDITIONAL SUBSCRIPTION TO SHARES OF THE CAPITAL STOCK OF THE INTER-AMERICAN INVESTMENT CORPORATION

SEC. 7050. The Secretary of the Treasury is authorized to subscribe on behalf of the United States to up to an additional 58,942 shares of the capital stock of the Inter-American Investment Corporation: Provided, That any subscription to such additional shares shall be effective only to such extent or in such amounts as are provided in this or any other appropriations Act: Provided further, That, at the conclusion of negotiations for an increase in the authorized capital stock of the Inter-American Investment Corporation to which the United States subscribes, the Secretary of the Treasury shall report to the Senate Committee on Appropriations, Senate Committee on Foreign Relations, House Committee on Appropriations, and House Committee on Financial Services the full dollar amount of the United States subscription to additional shares of capital stock of the Inter-American Investment Corporation, and certify that the Inter-American Development Bank Group has made satisfactory progress toward reforms that increase the Inter-American Development Bank Group's responsiveness to the development needs of all borrowing countries in Latin America and the Caribbean, improve the effectiveness of the Inter-American Development Bank Group's financing, foster the development of a vibrant private sector in the region, help address global and regional challenges, and promote more efficient use of the Inter-American Development Bank Group's financial resources.