

Congressional Budget Justification



Fiscal Year 2025



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U.S. INTERNATIONAL DEVELOPMENT FINANCE CORPORATION

(\$ in Thousands)	FY 2023 Actual	FY 2024 CR	FY 2025 Request	FY25 Change from FY 2023 Actual
U.S. International Development Finance Corporation	606,951	535,000	543,400	-63,551
Subtotal	1,000,000	1,000,000	1,008,400	8,400
Administrative Expenses	220,000	220,000	245,000	25,000
Program	780,000	780,000	763,400	-16,600
Offsetting Collections	-393,049	-465,000	-465,000	-71,951

FY 2025 DFC Budget Request

The BUILD Act of 2018 gave the U.S. International Development Finance Corporation (DFC) a dual mandate: to make highly developmental investments around the world with a focus on communities most in need, and to advance the foreign policy interests of the United States. DFC mobilizes private sector capital to achieve this mandate, focusing on key areas including infrastructure, critical minerals, energy, health, food security, and small business and financial services. DFC’s work helps drive economic growth, increases financial opportunities for women and other underserved populations, and provides a high-quality alternative to financing from strategic competitors. To scale the agency and its work at the ambitious pace that the Biden Administration and Congress expect, DFC needs additional budgetary resources.

DFC requests \$1,008 million in FY 2025—\$245 million for administrative expenses and \$763.4 million in program funds—to be flexibly allocated among credit subsidy, equity, and technical assistance and other programmatic activities.

FY 2025 DFC Request

Executive Summary

Program Budget and Policy Objectives

The FY 2025 program budget request of \$1,008 million will enable DFC to grow its portfolio by addressing the significant unmet financing needs in priority sectors and regions that align with U.S. development and foreign policy objectives. DFC leverages its resources to unlock private sector growth and contribute to bridging the \$40+ trillion infrastructure need in the developing world.

Congress created DFC through the BUILD Act in part to offer a better and more sustainable alternative to China's Belt and Road Initiative (BRI). DFC catalyzes investment from the private sector and empowers developing countries, helping them leverage their own resources—including human capital and commodities—to tackle poverty, accelerate sustainable economic growth for underserved populations, and become stable U.S. trading partners. Unlike the development approach of the People's Republic of China (PRC), which often burdens countries with unsustainable sovereign debt and projects that are unsuitable for local conditions, DFC's efforts are directed toward supporting private entities, mobilizing private capital, and building resilient market economies. DFC emphasizes partnership with the private sector and looks for opportunities to support small businesses and underserved communities, with the goal of sustainable growth.

DFC's financing is a cost-effective way to make significant development and strategic impact around the world because DFC's private investment model allows each dollar of appropriations to go further. In FY 2023, the agency leveraged \$622.6 million in program funding to mobilize more than \$9.28 billion in support of 132 projects. In three short years since DFC's inception in FY 2020, the Corporation has achieved 92 percent growth in annual commitments by dollar value and 65 percent growth in the number of projects committed.

To remain a competitive alternative to the PRC and other authoritarian governments, DFC will continue to need robust funding in FY 2025 and beyond to counter the aggressive posture that the PRC has taken in emerging markets. The \$1,008 million budget request will support a long-term strategy that DFC has developed to focus on five key sectors that help promote vibrant economies, healthy populations, and stable societies.

FY 2025 DFC Request

<i>Sector Priorities</i>	<i>Sub-Sector Priorities</i>
Infrastructure & Critical Minerals	Transportation, Water and Sanitation, Information and Communications Technology (ICT)
Energy	Generation, Storage, Distribution and Transmission, Energy Access and Consumption
Health	Services and Infrastructure, Manufacturing and Supply Chain, Health Technology
Food & Agriculture	Agricultural Inputs, Storage and Transport, Processing
Small Business Support	Financial Inclusion for Underserved Populations, Strengthening Financial Institutions, Financial Technology

These sectors currently account for 86 percent of DFC’s investments. DFC will use its program budget to further strengthen its portfolio in these critical sectors and compete more effectively against the PRC and other strategic competitors. It will also pursue projects outside of these priority areas in service of its dual foreign policy and development mandate.

DFC will continue to use its resources to support the Administration’s broader priorities in coordination with the Department of State (State), the United States Agency for International Development (USAID), the Millennium Challenge Corporation (MCC), and other U.S. agencies.

Administrative Expenses

DFC requests \$245 million for administrative expenses. This level will support necessary staffing and other support costs to advance U.S. development and strategic foreign policy goals. DFC will use the administrative budget to foster an effective and efficient organization, maintain a fiscally responsible agency, and strengthen its portfolio management capacity.

Among other priorities, DFC’s FY 2025 funding will support the expansion of DFC’s overseas presence to continue sourcing quality and impactful projects in local markets, increase underwriting capacity to grow DFC’s portfolio, improve monitoring and evaluation of our developmental impact, and scale mission support functions to meet staff growth and the demands of the program.

DFC will use administrative resources to attract and retain the skilled and professional workforce needed to achieve its development and foreign policy objectives. DFC will also direct administrative resources toward expanding stakeholder engagement and improving business development. In addition, administrative resources will enable the Corporation to strengthen management and oversight structures, especially for complex and higher value, higher impact transactions, ensuring DFC can manage risks and monitor results in a manner that maximizes the foreign policy and developmental value of its portfolio.

FY 2025 DFC Request

FY 2025 DFC Budget Request

DFC requests a total of \$1,008 million in FY 2025 in discretionary funds. This includes (i) \$245 million for administrative expenses and (ii) \$763.4 million in program funds to be flexibly allocated among credit subsidy, equity, and technical assistance and other programmatic activities. DFC proposes continued authority to accept transfer funds to DFC from State, USAID, and MCC.

DFC’s FY 2025 request reflects an increase of \$8.4 million over FY 2023 enacted levels.

Administrative Expenses

DFC continues to build its team to advance key United States Government (USG) foreign policy and development objectives. DFC leaders have brought on new staff and made operational improvements to increase the impact and speed of commitments. The Corporation is growing its portfolio by using its tools to monitor, source, strategically evaluate, and close impactful transactions. DFC is scaling and optimizing its operations to engage with DFC’s interagency partners and its clients at the same time it is investing in systems and processes to support DFC’s growing portfolio.

To drive greater impact, DFC needs to continue to expand the Corporation’s capacity to deliver on its strategic and development mandate. The FY 2025 budget request of \$245 million for administrative resources supports DFC’s ability to source transactions through greater upstream project development and overseas engagement; improves the developmental impact of projects by refining its impact measurement metrics, technical assistance, and clearance process; and meets critical staffing needs in its support departments.

Breakdown of FY 2025 Administrative Expenses

Increase
\$, millions

Proactive Sourcing Through Overseas Offices	10.5
Expanding Underwriting Capacity	3.5
Increasing Ability to Drive and Measure Impact	5
Scaling Up DFC’s Support Infrastructure	6
Total	\$ 25

Resources are needed in FY 2025 to sustain existing work and support DFC’s debt financing, insurance, and equity transactions as well as technical assistance and evaluation and monitoring activity. The budget request supports enhanced monitoring of development impact and portfolio performance while enhancing corporate governance and oversight embedded in the BUILD Act.

Finally, the FY 2025 budget request seeks authority to spend fees collected from private parties to cover costs of conducting due diligence, structuring, and evaluating prospective transactions, and monitoring expenses of current investments. Currently, DFC must cover these costs from its administrative budget, yet it is market practice for project sponsors to bear such costs.

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Proactive Sourcing Through Overseas Offices

To advance DFC's development and foreign policy mandate and to proactively source projects, DFC plans to expand its overseas presence. These plans will bring the Corporation more closely in line with global development finance institutions (DFIs) and impact investors who rely on in-market business development staff to find and monitor new, innovative transactions.

From FY 2019 through FY 2023, DFC deployed 12 employees and contractors to five offices in Africa and the Indo-Pacific region with interagency funding from State and USAID. In FY 2024, DFC opened its first office in Latin America, deploying one employee to Brazil who is funded in part with an interagency transfer from State. Based on the success of these initial deployments, the Corporation plans to use additional DFC administrative resources to deepen its presence in current countries and expand its overseas presence to new regions. By FY 2025, DFC will have fully taken over from State and USAID the cost of staffing its existing overseas offices in Africa and Asia (at an annual cost of approximately \$4.8 million). DFC intends to expand its footprint worldwide to Latin America, South and Southeast Asia, and the Middle East and North Africa region by hiring talented staff.

DFC's overseas officers have proven essential to the targeted sourcing of projects that advance sector priorities. They provide critical on-the-ground support for existing transactions and key market insights that inform DFC's broader regional and sectoral strategies to improve development and foreign policy aims. Moreover, an on-the-ground presence in U.S. embassies and consulates has significantly improved USG coordination, yielding better interagency support for DFC. Finally, overseas officers have provided critical market insights and research from their local networks, improving the quality of projects and informing regional strategies.

At the same time, DFC continues to leverage the broader footprint of U.S. embassies and missions around the world and add DFC staff in the field to engage with in-country partners, while increasing its portfolio impact and more effectively monitoring its project portfolio throughout the world.

Expanding DFC's Underwriting Capacity

DFC seeks to fully leverage the BUILD Act investment tools and to increase the level of investment it supports by growing the portfolio in regions and sectors that are central to USG development and foreign policy objectives. To meet these goals, DFC plans to build on momentum from last year's investments, scaling up its capacity and controls in FY 2025.

In FY 2025, DFC will continue to optimize its deployment of direct loan and loan guaranty capabilities in order to originate, execute, and manage investments. The FY 2025 budget request also supports continued implementation of DFC's equity program and significant efforts to build the logistical capability to make direct loans in local currencies. Equity and local currency products enable DFC to mobilize private investment in ways that its predecessor entities, the Overseas Private Investment Corporation (OPIC) and USAID's former Development Credit Authority (DCA), could not. DFC's programs require significant investment in DFC's human capital, processes, and technology.

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Increasing Ability to Drive, Measure, and Communicate Impact

To be a more effective development finance institution, DFC is committed to continuing to build its monitoring, evaluation, and learning capacity so that it can collect and transparently communicate data on project impacts. The BUILD Act requires DFC to assess the development performance of individual transactions and its overall portfolio. This is an important focus area for the Corporation, and DFC needs to continue to substantially invest in its capacity to measure and communicate development outcomes.

With DFC's impact management framework, the Impact Quotient (IQ), in place, administrative resources in FY 2025 are needed to continue improving how DFC monitors and evaluates project and portfolio impacts. DFC would leverage a portion of the new budgetary resources to continue building its capacity to monitor project results and partner with other agencies to communicate U.S. accomplishments. This is essential to DFC's ultimate goal of supporting investments that generate positive, measurable social or environmental impact. These additional resources will also ensure that DFC learns from project implementation, effectively manages knowledge, and shares lessons both internally and with partner agencies.

Scaling Up DFC Support Infrastructure

DFC aims to grow its workforce to approximately 700 by the end of FY 2024, maintaining its capabilities to drive development impact and advance U.S. foreign policy objectives. DFC depends upon a workforce with deep expertise in high-demand areas such as finance, management, and global business development, among other key areas. The FY 2025 budget requests additional resources to retain, attract, support, and develop the talented workforce that DFC requires to responsibly advance its developmental and foreign policy impacts.

Transaction Support and Monitoring Resources

DFC requires greater visibility on its portfolio and its performance to ensure the Corporation is meeting its mandate and fulfilling legal requirements regarding its portfolio and reporting. Financial information and workflow are fundamental to every stage of DFC's financial process and to accomplish the full range of support functions, from acquisitions to accounting, to budget and financial management. Other core financial monitoring and evaluation functions include credit monitoring and portfolio servicing activities, risk management and internal controls, data gathering, analysis, and reporting. This request will provide the resources needed to keep pace with portfolio growth and perform effective oversight of project financial performance. Funding will also support additional resources for legal staff and necessary contract support. This requirement is directly driven by the commercial nature of DFC's transactions and the complexity of collateral and risk sharing structures. Long after the transactions are originated, business and legal resources are required for monitoring and contract enforcement.

Information Technology

The FY 2025 request supports smart growth of DFC's technical resources (people, process, tools) to adequately support continued innovation and modernization in DFC's infrastructure and systems portfolio. DFC's tactical IT efforts are driven by the ever-growing need for global/remote access to modernized technical resources, enhanced security amid growing threats, and a cloud-first approach that fully realizes the benefits of shrinking our physical footprint and reducing

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technical complexities. DFC has made major strides to meet these necessities for its customers and staff while also balancing the ever-present requirements coming from federal compliance and mandates, as well as cybersecurity risk considerations, and all with fewer resources than would typically be required for this level of effort. The requested resources will be needed if DFC is to continue to deliver secure and high-quality IT services, particularly as the agency continues to grow.

DFC will continue to make the necessary upgrades to 1) modernize and improve the user experience in core platforms; 2) mature our cybersecurity program through standardization and proactivity; 3) improve IT investment visibility and prioritization efforts; 4) improve data quality and accessibility to support business decisions; and 5) implement agile, flexible infrastructure to support the needs of a global workforce.

Cybersecurity Modernization

DFC remains committed to maintaining network and data security (cybersecurity) by continuing to invest in cyber expertise, support services (to include cyber-managed services), monitoring tools, and alignment with federal regulations. The FY 2025 request supports efforts to maintain DFC's move to a zero-trust architecture (ZTA). DFC is an expanding geographically distributed organization with IT assets, and risks, throughout the world. The federal focus on cybersecurity has increased significantly over the past few years and continues to trend in that direction. Mandates and guidelines coming from Department of Homeland Security/Cyber Security & Infrastructure Security Agency (DHS/CISA), and Office of Management and Budget (OMB) put a heavy strain on any cybersecurity organization without proper management and proactive strategies.

DFC actively reviews and improves its existing processes, creates and updates policies, and responds to cyber-related incidents. To do this, DFC is bolstering its cyber team through additional federal and contractor resources. DFC IT leadership is prioritizing response time and proactively addressing any findings or reporting requirements. The team is also looking into automation capabilities for tracking security vulnerabilities or incidents, as well as the necessary steps to get in front of them through proactively applying security patching. There are also federally mandated cybersecurity-related priorities that DFC is addressing like ZTA, meeting multi-factor authentication requirements, migrating from IPv4 to IPv6, and committing resources to addressing Continuity of Operations and data loss prevention. These are not small undertakings and will require significant time and DFC resources to properly address them. However, DFC IT is committed to the security of DFC's information, data, and systems, and will work diligently to ensure it is maintained.

Funding DFC's Programs

Overview

Of the \$1,008 million in discretionary funds, DFC requests \$763.4 million in FY 2025 to be flexibly allocated among credit subsidy, equity, and technical assistance and other programmatic activities. This funding will allow DFC to deliver on the challenges that Congress sought to tackle with the establishment of DFC through the BUILD Act. DFC is taking a leadership role in

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advancing signature USG goals by providing robust alternatives to those offered by the PRC and expanding its portfolio in DFC's target sectors. The FY 2025 program funding request provides DFC the resources it will need to meet its finance and insurance work, as well as equity finance and project-specific technical assistance.

One important aspect of the program funding appropriated to DFC is the flexibility to use the funding for the product that is most appropriate for a given transaction. Because equity is scored on a dollar-for-dollar basis, in line with other forms of federal spending on investments, the equity program will absorb the lion's share of the program funding. While DFC's ambition is to significantly scale up new equity commitments, realistically a legislative change to budget scoring would be required to make this ambition a reality. Nonetheless, the \$763.4 million request level will provide sufficient latitude to make equity commitments in the near-term, short of a legislative change to equity scoring, while continuing to provide additional funding for both credit programs and technical assistance.

Program funding will also ensure that credit subsidy will be available to support local currency lending and highly impactful projects in low-income and lower-middle-income countries. As DFC expands its financing, loans, and guaranties, these tools are expected to require incrementally more program funds to be used for credit subsidy because of the greater focus DFC has on less-developed countries (which tend to be riskier investment environments). Local currency financing also requires credit subsidy due to the direct risk of currency devaluation.

DFC is building on its well-established funds products and expanding in new directions to reach a broader set of partners, including through direct equity investments. As DFC continues to launch new partnerships and focus on emerging markets, DFC's mix of business will naturally be in flux. A combined programmatic request allows flexibility to use the most appropriate tool for each situation. Building and maintaining a robust pipeline, including for projects in priority sectors, takes constant work and effort, and support from interagency colleagues. DFC's ability to deploy capital effectively and efficiently allows the Corporation to be a more robust force-multiplier of broader development and foreign policy efforts across the government. As DFC builds its capacity and grows its presence in critical sectors and regions, it also becomes a more sought-after partner for private sector entities.

Equity Program

The equity program was a transformative component of the BUILD Act, providing DFC a tool that complements and builds upon OPIC's experience with debt financing and political risk insurance. The authority to invest equity either directly or through funds allows DFC to play a catalytic role in mobilizing private sector capital for investments that meet important foreign policy and development goals. The potential to be early investors in energy, infrastructure, or critical minerals projects enables DFC to play a catalyzing role and affords the opportunity to shape outcomes. Returns and dividends from these investments can offset the upfront cost of equity by increasing collections in the future. As with other forms of federal spending on investments, DFC's equity investments require a dollar of appropriated funds for every dollar committed as future returns are not recognized until the fiscal year in which the returns take place. Limiting the scope of this critical financial tool, particularly in a constrained budget environment, can add challenges to advancing USG priorities.

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For investment funds, DFC is building on its successful history and processes for selecting funds and managers. DFC commits capital to investment funds: pools of capital that in turn invest directly into companies. By scaling locally available capital through fund managers on the ground, DFC can stimulate local capital markets and attract and retain human capital in low- and lower-middle-income markets. DFC also has significant experience investing debt into investment funds. DFC today leverages this historical experience into its underwriting and projections for its equity investments. While the debt product allowed DFC to play a catalytic role in some instances, other partners including peer development finance institutions prefer to be on a *pari passu* basis. Equity allows DFC to meet the BUILD Act requirement to partner with public and private sector counterparts to leverage additional capital into selected funds and companies. DFC is now able to invest alongside the development finance institutions of close allies (e.g., the United Kingdom's British International Investment, Germany's DEG, and France's Proparco) and private sector partners (e.g., U.S. pension funds and financial institutions).

The direct equity program allows DFC to target important sectors like health and sanitation or to finance game-changing opportunities in individual low-income countries that may lack sufficient opportunity to attract commercially oriented fund managers. Using its technical assistance authority alongside other investment tools, DFC has the opportunity to catalyze funding into nascent industries and further develop local capital markets, kickstarting attractive opportunities. Potential partnerships both deepen the developmental impact and expand outreach to underserved populations. By leveraging investment into scaled funds alongside targeting direct investments to specific highly developmental and/or strategically important segments, DFC is multiplying and expanding its impact to the highest-need areas in target geographies.

Technical Assistance and Feasibility Studies

Technical assistance and feasibility studies designed to support DFC programming cover a wide range of activities tailored to the specific needs of individual DFC transactions. These tools help clients develop projects for DFC investment and improve existing DFC projects. This extends DFC's ability to support projects that otherwise would not be feasible.

Early support for planning and project development enables projects to get off the ground. By lifting specific projects to the level where DFC's investment tools can scale the project, DFC's technical assistance and feasibility studies help enhance developmental and strategic impact. Among other things, DFC funds technical assistance, while feasibility studies support the identification, design, and implementation of DFC's portfolio investments. DFC's technical assistance also increases the developmental impact of existing projects, including by helping DFC clients measure their development impact. Regular interactions between DFC and the interagency ensure that this programming will not duplicate programming done by USAID, MCC, USTDA, or other agencies.

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Fee Authority

DFC seeks fee authority to allow the Corporation to collect fees from private parties and expend them to pay for transaction-specific costs and professional services necessary to support underwriting and monitoring. DFC is currently authorized to collect fees from potential clients, but it is not authorized to spend them. Permitting DFC to use fees paid by clients for these costs would provide a number of benefits to both the Corporation and the U.S. taxpayer.

Fee authority would allow DFC to optimize the use of its appropriation and would bring DFC in line with private sector finance. As clients would bear the upfront cost of due diligence and the risk of loss, they would have a greater incentive to ensure that projects will proceed as planned and ultimately reach completion.

DFC's costs are variable depending on the timing, type, location, and size of the supported transaction. Fee spending authority would address the growth in variable expenses. It is better for the taxpayer that DFC pass these types of costs linked to transactions on to borrowers and sponsors who are willing and able to pay these fees. Appropriations would then be focused on the budget costs of payroll, rent, and information technology, which are less sensitive to volumes and types of projects.

Reauthorization

Since the Corporation's current authorization is set to expire in October 2025, DFC will require reauthorization from Congress in or before FY 2025. Some priorities for reauthorization are closely related to DFC's budget, such as fee authority. DFC will pursue these priorities through the annual budget process to the extent possible. Other priorities will need legislative changes to be most effective. Legislative changes pursued through reauthorization may later result in budgetary impact.

Conclusion

DFC respectfully submits its FY 2025 budget request of \$1,008 million in discretionary funding, composed of \$763.4 million in program funds and \$245 million for administrative expenses.

This request is driven by the USG's desire for DFC to play a key role in implementing key development and strategic goals including outcompeting the PRC, among other priorities. This is a major undertaking for a small government agency. The Corporation is committed to achieving maximum impact from its available resources. With an increase in its staffing footprint, and additional resources for support and management, DFC can continue to drive forward the USG's ambitious agenda.

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Appendix

Proposed Appropriations Language

CORPORATE CAPITAL ACCOUNT

The United States International Development Finance Corporation (the Corporation) is authorized to make such expenditures and commitments within the limits of funds and borrowing authority available to the Corporation, and in accordance with the law, and to make such expenditures and commitments without regard to fiscal year limitations, as provided by section 9104 of title 31, United States Code, as may be necessary in carrying out the programs for the current fiscal year for the Corporation: *Provided*, That for necessary expenses of the activities described in subsections (b), (c), (e), (f), and (g) of section 1421 of the BUILD Act of 2018 (division F of Public Law 115–254) and for administrative expenses to carry out authorized activities, \$1,008,400,000: *Provided further*, That of the amount provided— (1) \$245,000,000 shall remain available until September 30, 2027, for administrative expenses to carry out authorized activities (including an amount for official reception and representation expenses which shall not exceed \$25,000); and (2) \$763,400,000 shall remain available until September 30, 2027, for the activities described in subsections (b), (c), (e), (f), and (g) of section 1421 of the BUILD Act of 2018, except such amounts obligated in a fiscal year for activities described in section 1421(c) of such Act shall remain available for disbursement for the term of the underlying project: *Provided further*, That amounts made available under this paragraph may be paid to the "United States International Development Finance Corporation—Program Account" for programs authorized by subsections (b), (e), (f), and (g) of section 1421 of the BUILD Act of 2018: *Provided further*, That fees charged for project-specific transaction costs as described in section 1434(k) of the BUILD Act of 2018, and other direct costs associated with origination or monitoring services provided to specific or potential investors, shall not be considered administrative expenses for the purposes of this heading: *Provided further*, That such fees shall be credited to this account for such purposes, to remain available until expended: *Provided further*, That in fiscal year 2025, receipts collected pursuant to the Federal Credit Reform Act of 1990 shall be credited as offsetting collections to this appropriation: *Provided further*, That if such receipts in fiscal year 2025 are less than \$1,008,400,000, collections of amounts described in section 1434(h) of the BUILD Act of 2018, in an amount equal to such shortfall, shall be credited as offsetting collections to this appropriation: *Provided further*, That collections of amounts described in such section 1434(h) in fiscal year 2025 in excess of \$1,008,400,000 shall be credited to this account and shall be available in future fiscal years only to the extent provided in advance in appropriations Acts: *Provided further*, That funds appropriated or otherwise made available under this heading may not be used to provide any type of assistance that is otherwise prohibited by any other provision of law or to provide assistance to any foreign country that is otherwise prohibited by any other provision of law: *Provided further*, That the sums herein appropriated from the General Fund shall be reduced on a dollar-for-dollar basis by the offsetting collections described under this heading so as to result in a final fiscal year appropriation from the General Fund estimated at \$543,400,000.

(FY 2025 Budget Request, Appendix.)

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PROGRAM ACCOUNT

Amounts paid from “United States International Development Finance Corporation—Corporate Capital Account” (CCA) shall remain available until September 30, 2027: *Provided*, That amounts paid to this account from CCA or transferred to this account pursuant to section 1434(j) of the BUILD Act of 2018 (division F of Public Law 115–254) shall be available for the costs of direct and guaranteed loans provided by the Corporation pursuant to section 1421(b) of such Act and the costs of modifying loans and loan guarantees transferred to the Corporation pursuant to section 1463 of such Act: *Provided further*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That such amounts obligated in a fiscal year shall remain available for disbursement for the following 8 fiscal years: *Provided further*, That funds made available in this Act and transferred to carry out the Foreign Assistance Act of 1961 pursuant to section 1434(j) of the BUILD Act of 2018 may remain available for obligation for 1 additional fiscal year: *Provided further*, That the total loan principal or guaranteed principal amount shall not exceed \$12,000,000,000.

(FY 2025 Budget Request, Appendix.)

TRANSFER OF FUNDS AUTHORITY

7009. (b) AVAILABILITY OF FUNDS FOR THE DEVELOPMENT FINANCE CORPORATION.

- (1) Funds appropriated by this Act and prior Acts making appropriations for the Department of State, foreign operations, and related programs and transferred to the United States Development Finance Corporation pursuant to section 1434(j) of the BUILD Act of 2018 (division F of Public Law 115–254) shall be paid to the United States International Development Finance Corporation Program Account.
- (2) Funds appropriated under the heading “Economic Support Fund” directed to implement the Nita M. Lowey Middle East Partnership for Peace Act by application of section 7019 of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2021 (Fiscal Year 2021 Act) shall be excluded from the limitation on transfers pursuant to section 1434(j) of the BUILD Act of 2018 (division F of Public Law 112–54) contained in section 7009(c) of the Fiscal Year 2021 Act.
- (3) Whenever, in coordination, the Chief Executive Officer of the Millennium Challenge Corporation determines that it is in furtherance of the purposes of Millennium Challenge Act of 2003 (title VI of division D of Public Law 108–199, as amended), and the Chief Executive Officer of the United States International Development Finance Corporation determines that it is in furtherance of the purposes of the BUILD Act of 2018 (division F of Public Law 115–254), funds appropriated under the heading Millennium Challenge Corporation in this or prior Acts may be transferred to and merged with amounts under the heading United States International Development Finance Corporation—Program Account: *Provided*, That, when so transferred and merged, such funds shall be available for the costs of loans and guaranties provided by the United States International Development Finance Corporation pursuant to section 1421(b) of the BUILD Act and shall

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be subject to the limitations provided in the second, third, and fifth provisos under the heading United States International Development Finance Corporation—Program Account found in Public Law 116–260: Provided further, That such funds shall not be available for administrative expenses of the United States International Development Finance Corporation: Provided further, That the exercise of such authority shall be subject to the regular notification procedures of the Committees on Appropriations: Provided further, That the transfer authority provided in this section is in addition to any other transfer authority provided by law.

Accomplishments

In FY 2023, DFC had more activity and made greater impact than ever before. DFC financing provided communities with reliable access to energy and high-quality infrastructure, including safe and secure digital connectivity. DFC mobilized private capital to strengthen food security and health systems, while supporting the small businesses critical to generating jobs and opportunity. Across key sectors and regions, DFC worked diligently to drive development impact, advance foreign policy priorities, and strengthen national security through the mobilization of capital. The DFC portfolio has now surpassed \$40 billion and spans 112 countries.

DFC financing is a driving force behind the Partnership for Global Infrastructure and Investment (PGI), the flagship initiative led by the United States and our G7 allies to advance strategic, values-driven infrastructure investment in low-to-middle-income countries. In FY 2023, we worked to diversify critical supply chains and to compete for marquee infrastructure projects.

DFC’s accelerated efforts have been most apparent in the Indo-Pacific, where our portfolio has tripled over the past three years. In Vietnam, for example, DFC’s portfolio has increased from just \$50 million in FY 2021 to more than \$700 million today. In India, DFC’s largest global market, we are partnering with the country’s dynamic private sector to promote development and advance the economic leadership of both our nations in the economic sectors and industries that will shape the future.

- \$9.3 billion in total financing committed across 132 transactions (nearly doubling the organization’s total FY20 commitments)
- 73 percent in low-income or lower-middle-income countries
- \$41 billion reached in total exposure spanning 112 countries
- Exposure by Region (as of 9/30/2023):
 - \$10.5 billion in Sub-Saharan Africa
 - \$9.6 billion in the Western Hemisphere
 - \$8.5 billion in the Indo-Pacific
 - \$6.9 billion in Europe (including Ukraine) and Central Asia
 - \$3.5 billion in projects that span multiple regions
 - \$3.0 billion in the Middle East and North Africa (MENA)
- \$8.1 billion to meet the challenge put forward by the G7 PGI. The majority of DFC’s FY23 investment commitments advance PGI, a cross-cutting initiative that finances energy, physical, digital, health, and climate-resilient infrastructure in countries around the world.

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- In FY23, we committed more than \$400 million in support of Ukraine’s resilience and recovery, raising our total exposure to \$1.2 billion. Ukraine’s economic growth and recovery depends, in part, on its ability to harness the power of the private sector and mobilize private investment. DFC is using all its tools—including political risk insurance, equity investment, and debt financing—to help sustain Ukraine’s economic recovery and position the country for reconstruction.
- \$1 billion reached in food security investments. With millions of people on the brink of famine, DFC remains committed to expanding access to food today and helping to protect against future food crises.
- \$3.7 billion committed in FY23 for climate financing. DFC is helping communities around the world capture the once-in-a-generation economic opportunity that the clean energy transition represents.
- \$2.5 billion committed in FY23 to support women’s economic empowerment. The world’s largest emerging market isn’t a country or region; it’s the world’s women. DFC has prioritized supporting women’s employment and advancement in the workforce and on-lending to women-led and women-owned businesses.

Administrative Expenses – Budget Object Class

Budget Object Class	FY23 Actual Obligations	FY24 Projected Admin Budget	FY25 Admin Budget
Personnel Compensation & Benefits	102,466,247	134,190,608	148,097,955
Travel	5,026,419	7,456,539	8,714,300
Rental Payments	10,113,519	12,339,781	17,582,781
Communications, Utilities, and Miscellaneous Charges	1,309,755	1,539,100	1,656,100
Printing and Reproduction	42,740	75,000	75,000
Other Contractual Services	26,334,376	32,109,275	35,900,736
Advisory and Assistance Services	21,938,281	38,231,354	40,931,058
Other Services from Non-Federal Sources	258,316	291,110	302,110
Representation Expense	7,635	25,000	25,000
Training	1,042,308	1,493,689	1,509,153
Other Goods and Services from Federal Sources	319,258	385,000	423,500
Operation and Maintenance of Facilities	155	46,315	46,610
Operation and Maintenance of Equipment	30,508,837	30,253,584	33,616,898
Professional Accreditation Fees	7,583	27,785	29,545
Supplies and Materials	2,971,804	4,081,369	4,136,335
Interest and Dividends	20,414	15,000	15,000
Total	\$ 202,367,647	\$ 262,560,508	\$ 293,062,081

Note: Levels are partially funded from carry-forward balances.