CONGRESSIONAL BUDGET JUSTIFICATION

Fiscal Year 2024

U.S. International Development Finance Corporation

dfc.gov

Table of Contents

Executive Summary

($ in Thousands)	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request	Change from FY 2023 Enacted
U.S. International Development Finance Corporation	340,691	528,000	558,000	187,309
Subtotal	698,000	1,000,000	1,023,000	23,000
Administrative Expenses	198,000	220,000	243,000	23,000
Program	500,000	780,000	780,000	0
Offsetting Collections	-357,309	-472,000	-465,000	7,000
Other – Transfers, other Proposals[1]	[50,000]	*No Cap*	*[2,000,000]*	[-]

The Biden Administration and Congress have given 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. The agency also supports small businesses which drive economic growth and financial inclusion. Through these efforts, DFC reduces partner nations' dependence on authoritarian regimes by offering a viable alternative to strategic competitors and advances critical foreign policy objectives. To scale the agency and its work at the ambitious pace called for by the Biden Administration and Congress, DFC needs the resources to execute at a level that exceeds its current capacities.

For Fiscal Year (FY) 2024, DFC requests a budget of $1.023 billion, consisting of $780 million in program funds and $243 million in administrative expenses. The $780 million in program funds will be flexibly allocated across all of DFC's financial products, such as loans, equity, and technical assistance. This level of resources is required to tackle the complex challenges with which the President and Congress have tasked DFC – particularly delivering quality, sustainable infrastructure under the Partnership for Global Infrastructure Investment (PGII) and responding more effectively to the challenge posed by strategic competitors.

[1] The FY2024 President's Budget separately proposes a $2 billion mandatory appropriation to DFC's Corporate Capital Account that will operate a revolving fund for equity investments. The revolving fund will use the initial $2 billion funding to make investments and then reinvest any returns into new projects on a self-financing, revolving basis. As proposed, this amount would not require funds from the annual appropriation process.

Program Budget and Priorities

The FY 2024 program budget request of $780 million will enable DFC to grow its portfolio by addressing the significant unmet financing needs in priority sectors and regions that align with United States development and foreign policy objectives. DFC's budget request will allow the agency to continue working in coordination with the private sector, the Department of State (State), the United States Agency for International Development (USAID), the Millennium Challenge Corporation (MCC), and others to advance core DFC and Administration priorities:

- Infrastructure: DFC is using its investment tools to help expand access to high-quality infrastructure. The agency will continue to support transportation infrastructure such as roads, ports, and airports. It is committed to expanding its digital infrastructure investments providing affordable, reliable, and trusted technologies.

- Energy Access, Security, and Diversification: Alongside the private sector, DFC financing supports the provision of reliable and secure sources of energy across the developing world. Investments may include nuclear, solar, wind, geothermal, biomass, fossil fuels, and green hydrogen. The agency looks to support a clean energy future consistent with the Administration's priorities. DFC will also work to improve supply chains, including in those sectors, like critical minerals, dominated by strategic competitors.

- Health and Health Security: Lack of access to healthcare prevents many in developing countries from receiving needed medical care, in turn preventing them from reaching their full potential. DFC is committed to creating a healthier world by investing in projects that improve pandemic preparedness and health system resilience, including investments in health services and infrastructure, health commodity manufacturing and supply chain, and digital health.

- Food Security and Agriculture: With the war in Ukraine and climate change driving global spikes in basic food prices, DFC is mobilizing financing for smallholder farmers, rural communities, agricultural inputs, storage and transport, and processing. DFC is committed to reducing food insecurity by investing in agricultural productivity and increasing yields.

- Financial Inclusion and Small Businesses: DFC is committed to supporting economic growth in underserved communities and investing in small businesses with a focus on support for women. Small businesses are the economic engine of many developing nations and play a critical role in providing stability and the agency is committed to continuing to support them.

The budget also proposes $2 billion in mandatory appropriations for additional equity investments, as part of the broad "Out-Compete China" Initiative to provide the agency with additional resources to support a viable alternative to strategic competitors' investments. This appropriation will be structured as a revolving fund on a cash basis to allow DFC to reinvest any realized returns from its initial investments. This would move the budgetary impact of this equity program outside of the annual appropriations process. This appropriation will be structured as a revolving fund on a cash basis to allow DFC to reinvest any realized returns from its initial investments. This would move the budgetary impact of this equity program outside of the annual appropriations process.

DFC's FY 2024 discretionary program request of $780M will continue for DFC's broader program, including equity. The challenges and scale posed by the Out-Compete China Initiative are such that it calls for its own legislation and funding.

Administrative Budget

DFC requests $243 million for FY 2024 administrative expenses. This request will primarily support increased staffing and other support costs needed to advance the agency's development and strategic foreign policy goals across key sectors. DFC will use the administrative budget to implement innovative and impact-driven programs and partnerships, to foster an effective and efficient organization, and to maintain a fiscally responsible agency. The increase over FY 2023 funding will support expanding DFC's overseas presence to better source quality and impactful projects in local markets; increasing underwriting capacity to grow DFC's portfolio; improving monitoring and evaluation of our developmental impact; and scaling mission support functions to meet staff and mandate growth.

DFC will use administrative resources to attract and retain the skilled and diverse personnel needed to achieve its development and foreign policy objectives. DFC will create a productive and positive work environment by providing training necessary to develop the requisite skills, knowledge, and cultural competencies to accomplish present and future mission objectives. DFC will direct administrative resources toward expanding stakeholder engagement and increasing the number of women and minority-owned U.S. businesses that receive agency project support and financing. Administrative resources will enable the Corporation to strengthen management and oversight structures for complex and higher risk transactions, ensuring DFC can identify risks, pursue opportunities, make prudent decisions, monitor results, and maximize the foreign policy and developmental value of its portfolio.

Advancing Foreign Policy and Development Impact

DFC is building capacity to more effectively pursue the dual mandate Congress gave it through the Better Utilization of Investments Leading to Development (BUILD) Act of 2018, to drive positive impact in the developing world and advance the foreign policy priorities of the United States. DFC works with the private sector to respond to some of the world's greatest challenges, from supporting energy security to promoting food security and resilient health systems, from advancing large infrastructure projects to providing support for small businesses. Across critical sectors and regions, DFC's efforts are directed toward supporting private entities and mobilizing private capital, and through that activity, promoting the development of resilient market economies. The diversity of products DFC offers, including lending, equity, and technical assistance, provides the organization with the capability to be a force multiplier in broader efforts to advance U.S. foreign policy and to attract the private capital necessary to achieve long-term sustainable development outcomes.

Offering an Alternative to Strategic Competitors

DFC makes investments within both a developmental and geopolitical context. In upholding high environmental and labor standards, while bolstering free and open markets, DFC provides an alternative to the approaches offered by strategic competitors and the burdens they often impose on communities. For instance, the People's Republic of China (PRC) has frequently flooded emerging markets with financing that is indifferent to environmental, governance, and labor standards. The PRC's commitments often sustain authoritarian regimes and create debt traps for developing nations, while often leaving host communities with unsustainable development projects that are unsuitable to local conditions. In the Indo-Pacific, Latin America, and Africa, many developing nations are actively seeking an alternative model, which DFC is working to provide across several critical sectors.

For its part, the Russian Federation has encouraged nations across Europe and Central Asia to become dependent upon it its energy resources. Russia has now leveraged that reliance to help sustain its illegal and brutal war in Ukraine. DFC is actively investing to support energy diversification to ensure that countries caught in destructive dependence on Russian energy can chart their own course.

Whether through its up to $300 million loan to the Three Seas Initiative Investment Fund to diversify energy supply in Central and Eastern Europe, or the support DFC has provided banks in Vietnam to lend to rural and underserved populations, or its investments in vaccine manufacturers and health system resilience across Sub-Saharan Africa, DFC is investing in the prosperity and well-being of communities for the long-term.

Mobilizing Capital and Strengthening Partnerships to Meet U.S. Priorities

The BUILD Act of 2018 recognizes that the mobilization of private capital is essential to advancing U.S. foreign policy and achieving sustainable, broad-based economic growth, poverty reduction, and development priorities. According to its mandate, DFC's investments must be additional. Toward that end, DFC leverages its full suite of financial tools to crowd in private sector financing. For example, DFC provides technical assistance to help establish the commercial viability of new business models and initiatives that may seek additional funding, provides political risk insurance to facilitate investments that help to stabilize critical regions, and supports the development of robust market economies through equity financing and lending to private sector entities.

DFC takes a whole-of-government approach to identifying priority areas for capital mobilization, collaborating with the interagency on individual transactions and its overall portfolio strategy. The organization works closely with embassies and USAID missions to coordinate strategies and source transactions. DFC's Board, chaired by the Department of State, also includes senior representation from USAID, as well as the Departments of Commerce and Treasury.

Expanding DFC's Equity Program

To become a more viable investment partner in the large infrastructure markets where China dominates and to expand work in sectors critical to U.S. national security objectives, such as critical minerals and energy, DFC requires greater budgetary capacity to make equity investments. Currently, as with other Federal spending on investments, equity investments are scored on a cash basis, competing with program subsidy funds. These constraints on our discretionary appropriations prevent DFC from maximizing equity's impact in support of U.S. foreign policy and development objectives.

Mandatory Funding for Equity Revolving Fund

DFC's ability to deploy equity is also a critical component of President Biden's proposal to Outcompete China globally. The President's Budget therefore proposes $2 billion in mandatory appropriations to create a new equity revolving fund. This fund would enable the U.S. government to boost equity investments to counter the predatory financing offered by the People's Republic of China (PRC), advance foreign policy priorities, and create commercially viable, sustainable development that lasts long after DFC support is repaid and U.S. government funds are no longer needed. DFC's revolving equity fund will support high-quality projects and investments in countries in which DFC is eligible to work and be a key pillar in the Administration's comprehensive effort to strengthen the U.S. role in the Indo-Pacific.

We know the PRC uses its financing to exert its influence abroad – sometimes to the detriment of the host country. With the creation of this new $2 billion revolving equity fund, DFC will be able to better provide the higher value investments that host countries prefer.

The revolving fund, structured on a cash basis, would allow DFC to reinvest any realized returns from its initial investments. The revolving nature of the fund creates fiscally prudent controls to ensure that DFC takes the level of risk needed to support critical private sector projects while ultimately graduating those projects from government support.

DFC's FY 2024 discretionary program request of $780M remains included for DFC's broader program, including equity. The challenges and scale posed by the Out-Compete China initiative are such that it calls for its own legislation and funding.

DFC's FY 2024 program funds request, along with the administrative funds request, will allow the organization to become a more impactful driver of development outcomes and foreign policy objectives for the United States.

DFC FY 2024 Goals and Priorities

DFC has identified several sectors as priority areas for investment, each one aligned with addressing specific capital gaps in the developing world and achieving critical foreign policy objectives. With the resources requested for FY 2024, DFC is committed to leveraging capabilities and resources to mobilize private capital, particularly in the following areas where investing more is both a developmental and foreign policy imperative:

- High-Quality Infrastructure: Communities across the developing world require stronger, more secure connections to global markets. DFC seeks opportunities to partner with the private sector to invest in infrastructure, from airports to seaports and in roadways and bridges, but also understands that in the 21st century, infrastructure must be understood more broadly. DFC's focus on infrastructure includes investments in secure and open information and technology networks as well as in improved water and sanitation systems that promote healthier societies. DFC also considers supply chains for critical minerals as essential infrastructure in achieving foreign policy objectives and meeting renewable energy needs.

- Food Security & Agriculture: Communities in the developing world are looking for investments that improve agricultural productivity and farmer incomes. DFC is prioritizing transactions that increase agricultural outputs and investments that advance food storage, transport, and processing. Commitments in each of these areas help to alleviate hunger and promote food security.

- Energy Security: DFC is committed to working with the private sector to meet the need for reliable, affordable, accessible energy. Across the value chain, from energy generation to energy storage and distribution, there are opportunities for transformative partnerships with the private sector to help provide power in a more sustainable and reliable way. By driving diversity and resilience in regional and national energy markets, DFC's investments will also diminish the influence of authoritarian governments and predatory actors.

- Robust and Resilient Health Systems: DFC is prioritizing investments that will improve the health of populations through support for health manufacturing, hospitals, and the provision of digital health solutions and specialty care. DFC's investments will help secure health supply chains and help to deliver care to underserved populations.

- Financial Inclusion: For entrepreneurial spirit to thrive and drive greater prosperity in communities, all individuals require access to the financial system and the financial tools that enable them to create jobs and private sector opportunities. DFC is committed to investing in the small businesses that are the engines of every dynamic marketplace and in institutions and technologies that allow for greater participation in the formal financial system.

Across each of these priority sectors are opportunities for DFC to support climate change mitigation and adaptation. There are also investments across each of these lines that advance the full participation of women and members of marginalized populations in the marketplace. In sectors where DFC has previously pursued transactions, such as in education and housing, the organization will remain open to opportunities for partnership if these investments allow DFC to deliver on its developmental and foreign policy mandate.

The request for resources in FY 2024 will allow DFC to build its capacity to partner with the private sector across each of its priority areas and to make investments that serve as a stabilizing force in communities, advance the strategic position of our partners and allies, and improve the lives of individuals.

Investing in High-Quality Infrastructure

DFC's investments in high-quality infrastructure promote trade and regional connectivity, create jobs, and lay a foundation for economic growth in developing economies. Due to the substantial amount of capital required for many high-quality infrastructure projects, many communities in the developing world often face significant funding gaps for the investments they need to connect people to the opportunities in regional and global markets. DFC works with the private sector to invest in the physical infrastructure, from airports and seaports to roadways and bridges, that allows communities to get their goods and services to markets faster.

DFC also makes investments in this sector with an awareness that in the 21st century, infrastructure must be understood more broadly; the sector now includes digital networks and data centers in addition to highways and ports. To compete and access the opportunities in a global marketplace, communities require access to secure and open Information and Communications Technology (ICT). Research shows that increases in broadband penetration boost economic growth rates. Increased connectivity puts technology-enabled services within reach of new consumers, expands access to financial services, healthcare, and education, and makes businesses and governments more efficient and secure. Yet, many developing countries face a substantial digital divide due to the high costs of internet services and devices.

With investments in strategically important parts of the world, DFC's activities in this sector also provide a high standard alternative to the opaque technology and financing options offered by authoritarian governments and state-linked ICT entities. For instance, in FY 2022 DFC committed $50 million in financing alongside its Australian and Japanese partners to support the acquisition of a telecommunications network in Papua New Guinea and several Pacific Islands. This investment will improve security and performance and deliver affordable mobile voice and data services in the Pacific.

DFC also considers supply chains for critical minerals as infrastructure networks that have a vital importance to the national security and economic competitiveness of the United States. With resources provided in FY 2024, DFC plans to expand its investments in this strategically important sector. Resources in FY 2024 will enable DFC to partner with the private sector to build physical infrastructure and provide access to the next generation of secure and open ICT networks in developing countries, while helping to secure supply chains for critical minerals.

Bolstering Food Security & Agriculture

With resources requested in FY 2024, DFC will continue to seek out investments that reduce global food insecurity. Global food production must increase by at least 60% by 2050 to meet growing food demand, and supply chains will need to be strengthened to process, handle, and distribute commodities. Reducing food insecurity has become more critical as Russia's unprovoked war in Ukraine destabilized global supply chains, causing substantial increases in food prices, and impacting yields. Since the war began, the number of people at risk of food insecurity has more than doubled, and 345 million more individuals are now on the brink of famine according to the World Food Programme. DFC is focusing on work in this sector to meet the current crisis and to strengthen the global agriculture sector for the future.

DFC's investments in this sector help mobilize private sector support across the entire agriculture value chain. From increasing inputs to fortifying supply chains, these transactions help increase the production and availability to food, while increasing farmers' incomes. Across sub-Saharan Africa, DFC's investment in the One Acre fund has enabled the purchase of fertilizers and other inputs that will enable smallholder farmers to maximize their yields and expand food supply. DFC's support has contributed to One Acre's ability to serve more than three million farmers, whose richer harvests have significant impact on families and communities. In Sri Lanka, where political instability has caused severe food shortages, DFC's investment is helping a sustainable and fairtrade food business to expand its operations. Here, DFC is providing support to a food processing company to purchase more raw materials from local suppliers to boost farmer incomes, advancing sustainable manufacturing practices, and expanding food supply. In India, DFC's equity investment enabled an e-commerce platform selling food products to grow, reaching 8,250 low-income clients, and employing over 6,000 individuals.

DFC's work in the food security and agriculture sector is limited by the number of personnel the agency can dedicate to screening, underwriting, and structuring potential transactions in this area. In FY 2024, DFC will take over the costs of a five-person food security and agriculture team from USAID. DFC will assess the deployment of resources to potentially expand this team as it continues to grow the organization's portfolio in the sector.

Finally, many of DFC's most impactful projects in the Food & Agriculture sector have been with early-stage firms that require technical assistance and equity investments. For example, DFC's technical assistance to a firm in Mozambique demonstrated the financial viability of sustainable fishing practices. DFC's ability to continue supporting such transactions is dependent on growing program funds.

Investing in Health System Resilience

With resources devoted to the health sector in FY 2024, DFC will enhance its ability to mobilize the private sector to prepare for the next pandemic, create strong, diverse, and resilient healthcare systems and supply chains, and advance the Biden Administration's goal of bringing some of the most vulnerable populations access to affordable, quality health care. DFC is prioritizing projects focused on increasing access to healthcare and resilient health systems, including digital health. These investments include expanding access to primary, tertiary, and specialty care for both infectious and non-communicable diseases in low-income and lower-middle income countries.

DFC's investments in health commodity manufacturing and supply chains include building capacity for regional production of vaccines, therapeutics, diagnostics, and ancillary supplies, as well as last-mile delivery. Our commitments in digital health include support for projects in data analytics and IT solutions, including telemedicine, that can expand access, affordability, and quality of care.

In FY 2022, DFC provided the American Hospital in Tbilisi with a technical assistance grant allowing the hospital to provide outpatient care and surgical services to Ukrainians in Georgia. A DFC loan guaranty is helping ophthalmology clinics expand their operations in India, improving service in underserved areas of the country. In Brazil, a DFC loan is helping to modernize a women's health diagnostic center and supporting its expansion into areas with minimal access to medical care.

DFC is also playing an important role in the Biden Administration's efforts to build sustainable and diversified manufacturing capacity that supports the production of critical vaccines, enabling communities to be more prepared in meeting future pandemics. For example, with DFC's investment, hundreds of millions of additional vaccine doses will be manufactured in India, South Africa, and Senegal. The agency is also working to expand access to critical therapeutics, diagnostics, and medical equipment designed for low-resource environments, and to bolster liquidity for struggling small and medium health enterprises, allowing them to continue to provide critical care and services.

Promoting Access to Reliable and Sustainable Energy

A reliable, affordable supply of energy is critical to advance development goals and promote economic growth in the countries where DFC works. DFC is committed to improving energy supply and security through investments across the value chain, from manufacturing to generation and storage to transmission and distribution. By supporting a greater diversity of energy sources and strengthening market linkages, DFC's investments also enhance resilience in regional and national energy sectors, helping to diminish the influence of authoritarian governments and predatory actors in energy markets. Alongside the private sector, DFC financing supports the provision of reliable and secure sources of energy across the developing world. Investments may include nuclear, solar, wind, geothermal, biomass, fossil fuels, and green hydrogen.

DFC is committed to pursuing transactions that help accelerate the transition to cleaner sources of energy and investments that allow communities to mitigate, adapt, and become more resilient in the face of climate impacts, including through Just Energy Transition Partnerships in South Africa, India, Vietnam, and Indonesia. President Biden has also asked DFC to play a key role in the PGII initiative, which includes mobilizing private-sector capital to support climate change mitigation and adaptation, while providing access to sustainable sources of energy in developing nations.

DFC's activity in this sector is centered around the following pillars:

- **Investing in a Diverse Global Supply Chain:** Growing demand for energy in developing countries and the push for a transition to low-carbon energy sources will create a significant demand for new technology and resources. This presents an important opportunity for businesses to grow as part of an expanding, diverse global market. DFC is investing in companies that are positioned to take advantage of this opportunity through projects that help increase the supply of critical minerals, diversify supply chains, and develop manufacturing capabilities in key technologies.

- **Enhancing Energy Access and Security:** Delivering the energy that countries need to achieve their development goals requires a robust set of resources that balance different technologies and sources of supply. This balance also supports energy security by reducing dependence on authoritarian governments and malign actors. DFC works with the private sector to invest in appropriate solutions for the local market. This includes investments to secure large-scale generation projects to enhance power grids, provide support for regional energy cooperation, and to strengthen businesses providing small-scale solutions for customers without access to electricity.

- **Supporting a Clean Energy Transition:** DFC's approach to investment in the energy sector is effective at supporting multiple USG priorities, including the response to the climate crisis, because it reflects the needs of our partners for quality projects that meet a diverse set of objectives. Investments in clean energy enable companies to deliver energy projects that are lower cost than alternatives, contribute to goals like reducing air pollution, and reduce dependency on fuel imports that create vulnerabilities and consume scarce financial resources.

- **Mobilizing Private Capital:** The trillion-dollar gaps in annual financing required to advance energy security while addressing climate mitigation, adaptation, and resilience necessitates engagement from multiple stakeholders. No single government has the resources to tackle these challenges alone. That is why mobilizing capital from the private sector is imperative and DFC is well positioned to do this work, operating in partnership with the private sector as well as public finance institutions including multilateral development banks (MDBs), and philanthropic donors to advance strategies in technical assistance, deployment, blended finance, and structured finance and investing.

DFC's development mandate, combined with its diverse financing tools, make the agency an important component of the United States' ability to confront climate challenges and provide support for partners and allies in accessing reliable and affordable sources of energy.

Prioritizing Financial Inclusion

DFC is focused on providing underserved populations with the financial tools they need to live more prosperous lives. Marginalized groups who have been traditionally excluded from economic opportunities are critical to the transformation of their communities and their participation in more formal financial systems can help to achieve developmental outcomes and long-term economic growth.

Developing countries face considerable credit gaps preventing many from reaching their full potential. In some countries, a significant share of the population lacks the documentation or collateral needed to open bank accounts and obtain credit. As a result, traditional financial institutions are often unable to provide them services or are required to develop new risk assessment tools. DFC has a track record of using its loan and guarantee products to improve access to capital for underserved populations, allowing them to start and grow businesses, acquire housing, pay for education, access healthcare, and other essential services.

One effective way that DFC can expand its impact is by increasing its investment in projects that support women's economic empowerment. DFC recognizes the critical importance of women's full participation in economic life, and the significant opportunities and capital that their participation unlock. When women earn more income, they tend to save more and invest in basic needs including housing, healthcare, education, and in small businesses, bringing benefits to their own households as well as contributing significantly to national economies.

Since the launch of its 2X Women's Initiative in 2018, the Corporation has catalyzed billions in investment projects that are owned or led by women, that support meaningful employment for women, especially in leadership positions, or that provide products or services that disproportionately benefit women. As one of the founders of the 2X Challenge, DFC led the G7 countries to commit to invest in women's economic empowerment and gender equity. Since the launch of the 2X Challenge, membership expanded to include MDBs ultimately comprising 19 members. In FY 2024, DFC will build on this strong foundation, investing in tools and partnerships that foster greater financial inclusion and economic opportunity in the developing world.

Rigorously Measure and Communicate DFC's Development Impacts

The BUILD Act directed DFC to create a modernized development impact measurement tool. In 2020, DFC launched the Impact Quotient (IQ) framework to monitor and measure the development impact of every project it supports across multiple categories including growth to the local economy, inclusion of underserved populations, and innovation. In FY 2022, two years since the launch of IQ and with over 200 transactions scored, DFC conducted an in-depth assessment to identify opportunities to enhance IQ's value as a metric. Targeted enhancements to IQ have been implemented in FY 2023 and include: expanding scoring tiers from three to five, adding three indicators and measurements to improve the scoring and ongoing monitoring of projects.

In addition to refining the metric DFC uses to evaluate development impact, the organization has grown its capacity to monitor and learn from what is measured. In FY 2022, DFC established the Impact Management, Measurement, and Learning (IMML) division in the Office of Development Policy. The division identifies the projected development impact of all projects from as early as screening, conducts in-depth assessments of expected impacts in due diligence, and monitors the progress of each project towards its established development outcomes on an ongoing basis after disbursement.

Throughout FY 2022, DFC also began to implement and refine the use of new impact tools such as DFC's Impact Thesis and standardized tables to incorporate impact into screenings, as well as conduct revisions to existing tools, such as the Development Outcomes Survey/DOS form, to strengthen the integration, monitoring, and management of development impact across the investment process.

DFC is communicating its development mission by expanding its approach to business development and building on strong relationships with existing clients. DFC is increasing stakeholder engagement to bring in new clients to pursue the most developmental opportunities. These expanded engagements include business seminars in emerging markets to educate local businesses about the ways DFC may support them.

DFC will conduct portfolio performance evaluations on a group of projects based on sector, impact theme, geography, DFC product line, DFC initiative, or other characteristics. These performance evaluations will be used to assess DFC's effectiveness in achieving positive development outcomes, identify challenges that inhibit anticipated impacts from occurring, and glean lessons that can be learned.

Additional FY 2024 budgetary resources will support DFC's ability to expand the uses of its IQ framework to monitor and measure the development impact of every project and improve how the organization uses data to inform how DFC evaluates future projects.

FY 2024 DFC Budget Request

DFC requests $1.023 billion in FY 2024 in discretionary funds. This includes $243 million for administrative expenses and $780 million in program funds, to be flexibly allocated among credit subsidy, equity, and technical assistance. DFC proposes continued broad flexibility to accept transfer funds to DFC from the Department of State, USAID and MCC. The amount is requested as an uncapped transfer authority in order to provide flexibility on interagency collaboration. DFC also requests $2 billion in mandatory funds for an equity revolving fund.

Summary of FY 2024 President's Budget Request
Dollars, millions

	FY 2022 Enacted	**FY 2023** Enacted	**FY 2024** President's Budget
Total, Gross New Budget Authority	**698**	**1,000**	**1,023**
Combined Program Budget (Equity, Debt, TA)	500	780	780
Administrative Expenses	198	220	243
Other – Transfers, other Proposals[2]	[50,000]	*No Cap*	*[2,000]*
Maximum Lending Limit	**8,000**	**10,000**	**10,000**

Administrative Expenses

DFC is building its team to advance key Administration foreign policy objectives on multiple fronts. DFC leaders have brought on new staff and made operational improvements throughout FY 2023 to increase the impact and speed of commitments. The agency is growing its portfolio by coordinating the use of each of its tools to monitor, source, strategically evaluate, and close a greater number of impactful transactions. Throughout FY 2023, DFC streamlined its operations to:

- Build a central group of policy experts in the Office of the Chief Executive, who work with the interagency and deal teams to ensure policy priorities are integrated into its business development strategy and transaction prioritization;
- Identify key areas of its development policy and diligence processes to accelerate impact evaluation while bringing the agency in line with market leaders on impact;
- Improving Know Your Client (KYC) analyses, and acquiring a new system that consolidates

[2] The FY2024 President's Budget separately proposes a $2 billion mandatory appropriation to DFC's Corporate Capital Account that will operate a revolving fund for equity investments. The revolving fund will use the initial $2 billion funding to make investments and then reinvest any returns into new projects on a self-financing, revolving basis. As proposed, this amount would not require funds from the annual appropriation process

data and eliminates hours of manual work per transaction; and

- Work more proactively with principals at USAID, State, Treasury, and other components of the interagency that have visibility and responsibilities over parts of the life-cycle for DFC transactions to expedite timelines without sacrificing rigor.

To achieve the Administration's priorities and drive greater impact, DFC needs a larger team. As the agency continues to pursue its authorized Maximum Contingent Liability cap of $60 billion, DFC leaders have identified key areas where staff growth and requisite in-line administrative support is vital.

1. Expanding overseas presence to source better deals in local markets
2. Expanding underwriting capacity to grow its portfolio
3. Improving monitoring and evaluation of its developmental impact
4. Scaling mission support functions to meet staff and mandate growth

The FY 2024 budget request of $243 million for Administrative Resources supports DFC's ability to source transactions through greater upstream project development and overseas engagement; improves the developmental impact of deals by refining its impact measurement metrics, technical assistance, and clearance process; and meets critical staffing needs in its support departments as the Corporation scales up to advance the Administration's agenda.

Breakdown of FY 2024 Increase

$ in millions

Proactive Sourcing through Overseas Offices	7
Expanding Underwriting Capacity	6
Increasing Ability to Drive Developmental Impact	5
Scaling up Mission Support Functions	5
Total	**$ 23**

Additional hiring is needed in FY 2024 to sustain existing work and support growth in financing, insurance, and equity activities as well as evaluation and monitoring activity. Additional scale and policy integration requires development and portfolio monitoring, interagency coordination, and operational implementing resources. Additionally, this will support efforts to enhance corporate governance flowing from the Inspector General and other oversight.

Additionally, this budget request seeks authority to spend fees collected from private parties to cover costs of due diligence, structuring, and evaluating prospective transactions, and monitoring expenses of current investments. This authority is in line with private sector finance practices in that the party seeking the support bears the upfront cost of a due diligence and risk of loss if a project does not proceed. Benefits include fraud deterrence, proper resource allocation, managed growth, and reduction of competition with other Function 150 budgetary resources. With this change, DFC's administrative expense requirements could grow more slowly in out years than they otherwise would. The benefits of this proposal would better align clients with DFC's objectives and contribute to a more effective resource base for DFC.

Proactive Sourcing through Overseas Offices

To advance DFC's development and foreign policy mandate, and to proactively source deals that meet key administration priorities, DFC plans to substantially expand its overseas presence. These plans will bring the agency more closely in line with global DFIs and impact investors who rely on in-market business development staff to find new, innovative transactions that can scale their impact.

From 2019 to 2021, DFC deployed 11 employees and contractors to five offices in Africa and the Indo-Pacific region with inter-agency funding from State and USAID. While limited in scale, these overseas deal officers have proven essential to sourcing and supporting deals that fulfill DFC's mandate. Specifically, overseas deal officers have developed bankable transactions with new clients in low-income countries, enabling proactive sourcing directly aligned to Administration and interagency priorities. Moreover, an on-the-ground presence in US Embassies has significantly improved coordination of the USG network, yielding better interagency support for DFC. Finally, overseas deal officers have provided critical market insights and research from their local networks, improving the quality of deals sourced and informing regional strategies.

Based on the success of these initial deployments, DFC would use additional resources to deepen its presence in current countries of operation and expand its overseas presence to new regions. By FY 2024, DFC will have fully taken over the program costs of staffing its existing overseas officers in Africa and Asia from the Department of State and USAID, at an annual cost of approximately $4.8 million. Moreover, DFC plans to expand its Africa and Asia offices with high-talent, locally employed staff that will deepen in-country networks and improve its ability to proactively source highly developmental and strategic deals. Finally, DFC will work in close consultation with other agencies to place additional DFC staff strategically in Latin America, Eurasia, and the Middle East and North Africa region to source and support deals that meet DFC's dual mandate.

DFC will continue to work closely with USAID missions to provide the financing tools that are an important complement to USAID's objective of promoting a path to a recipient country's self-reliance and resilience. DFC's Office of Development Credit works with USAID mission officers to identify projects that help achieve the country's development goals. MTU then executes the financing transaction on the mission's behalf. At the same time, DFC continues to leverage the broader footprint of U.S. embassies and missions around the world and looks to add DFC staff in the field to engage with in-country partners, while increasing the impact of its portfolio and more effectively monitoring and adjusting its global project portfolio throughout the world. The proposed increase to DFC's overseas presence would augment these critical partnerships by driving frequent education and trainings.

DFC's overseas deal officers have proven essential to the targeted sourcing of deals that advance the sector priorities and those of the Administration. They provide critical on-the-ground support for existing deals, and key market insights that inform DFC's broader regional and sectoral strategies to improve development and foreign policy aims. Maintaining, deepening, and expanding its overseas presence will enable DFC to steer portfolio growth towards Administration priorities.

Expanding DFC's Underwriting Capacity

DFC seeks to leverage the tools in the BUILD Act fully and to increase the level of investment it supports by growing its portfolio in regions and sectors that are central to the Administration's development and foreign policy objectives. To meet these goals, DFC plans to build on momentum from last year's investments, scaling up capacity and controls in FY 2024.

In FY 2024 DFC will continue to optimize its deployment of direct loan, and loan guarantee capabilities in order to originate, manage, and exit investments. At the same time, the FY 2024 budget request supports continued implementation of more recent authorities and portfolio segments such as equity investments, and significant efforts to build the logistical capability to make direct loans in local currencies. Both equity and local currency products enable DFC to mobilize private investment in ways that OPIC and DCA could not; however, they continue to require significant investment in DFC's human capital, processes, and technology.

Development Monitoring and Evaluation

To be an effective development finance institution, DFC is committed to continuing to build its monitoring, evaluation, and learning capacity so that it can collect data on the impact of the projects it supports. As set forth in the BUILD Act, DFC must assess the development performance of individual transactions, as well as its overall portfolio. This is an important area of focus for the agency, and DFC needs 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 2024 are needed to continue improving how DFC monitors and evaluates the impact of its projects and portfolio. 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. It is important to evaluate environmental and social factors early in the process. This is essential to DFC's ultimate goal of supporting investments that generate positive, measurable social or environmental impact. These additional resources also will ensure that DFC learns from project implementation, effectively manages knowledge, and shares lessons both internally and with partner agencies.

Scaling up DFC Mission Support Functions

DFC plans to grow its workforce to approximately 590 by the end of FY 2023 and to approximately 730 by the end of FY 2024, expanding substantially its capabilities to drive development impact and advance the nation's foreign policy objectives. DFC is scaling up its investments in human resources management so that the organization can grow quickly but also deliberately and in response to the challenges of a tight labor market. DFC depends upon a workforce with deep expertise in high demand areas such as finance, management, and global business development, among other key areas. To retain, attract, support, and develop the talented workforce DFC requires to responsibly advance its developmental and foreign policy impacts, this FY 2024 budget proposal requests additional resources.

Transaction support & monitoring resources: DFC requires greater visibility on its portfolio and its performance to ensure the agency is meeting its mandate and fulfilling legal requirements with respect to its portfolio and reporting. Financial information and workflow are fundamental to every stage of DFC's financial process 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 the financial performance of the projects. Funding also supports additional resources for both legal staff and necessary contract support. This requirement is directly driven by the commercial nature of DFC's transactions and the complex nature of collateral and risk sharing structures. Long after the transactions are originated, legal resources are required for monitoring and contract enforcement.

Information technology: The FY 2024 request supports necessary upgrades of legacy or end-of-life systems as well as provides support to base functionality and security for new capabilities needed under the BUILD Act. DFC has an increasing need to collect, disseminate, and analyze data to meet the mission set out in the BUILD Act. To better evaluate the development impacts of projects, the Corporation needs to analyze data that measures the impact throughout the project lifecycle as well as a need to analyze data on expected and actual impact to further guide future investment decisions. DFC is looking at leveraging best practice technologies to reduce repeatable manual processes and gain significant efficiencies in the way DFC processes and manages a project. To that end, in FY 2024, DFC plans to continue to modernize its IT data governance capabilities by developing enterprise-level data storage, management, analysis, and reporting capabilities beyond what it currently maintains. Implementing a new data warehouse will provide an efficient infrastructure integrating the corporate source systems within a single data architecture.

Cybersecurity modernization: Cybersecurity continues to be a key area of attention. DFC remains committed to maintaining network and data security by continuing to invest in cyber expertise, support services, monitoring tools, and alignment with federal regulations. The FY 2024 request supports efforts to move DFC toward a Zero Trust Architecture (ZTA). DFC is becoming a geographically distributed organization with IT assets throughout different parts of the world, soon to be expanding further. These organizational attributes do not lend themselves well to the traditional perimeter-based security approach of using Virtual Private Networks (VPN) to funnel through a centralized network location. DFC, like other federal agencies, has been preparing itself for potential ZTA usage by complying with federal guidelines regarding Continuous Diagnostics and Monitoring (CDM) as well as Identity, Credential, and Access Management (ICAM), to name a few areas. DFC will be working towards mitigating its security gaps and vulnerabilities to strengthen its network and security infrastructure in FY 2024.

Funding DFC's Programs

Of the $1.023 billion in discretionary funds, DFC requests $780 million in FY 2024 to support its credit, equity, technical assistance, and other programmatic activities. This funding will allow DFC to deliver on the challenges the Administration and Congress sought to tackle with the establishment of DFC through the BUILD Act. DFC is prepared to take a leadership role in advancing signature goals of the Administration by providing robust alternatives to those offered by our strategic competitors and deploying a far greater share of its portfolio for infrastructure investment in the developing world, including by accelerating its investments that are climate-linked. The FY 2024 program funding request provides DFC the resources it will need to expand annual investments. It will allow DFC to continue the expansion of the classic financing and insurance work of its predecessors, OPIC and USAID's Development Credit Authority (DCA), and will further establish and grow the newer business lines such as equity finance and project specific technical assistance.

As DFC expands its financing, loans, and guarantees, 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). Current global conditions make the equity program more important than ever. DFC is already 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 products and partnerships and to focus on new 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, as well as support from interagency colleagues. DFC's ability to deploy capital effectively and efficiently allows the agency 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 is potentially 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. Returns and dividends from these investments can offset the upfront cost of equity by increasing collections in the future, with a seven- to fifteen-year time horizon. While these returns will be recognized over time, funding for equity investments requires a significant commitment in the current budget. Moving to a revolving fund will help align the incentives to make responsible investments whose returns will then be available to make future investments.

For investment funds, DFC is building on its successful history and processes for the selection of both funds and managers. DFC also commits capital to investment funds: pools of capital which in turn invest directly into companies. By scaling locally available capital through teams 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, France's Proparco) as well as private sector partners like U.S. pension funds and financial institutions.

DFC will continue to select experienced fund managers who in turn will invest in local companies that achieve US foreign policy and developmental goals including climate mitigation and adaptation, responding to the ongoing health impacts of COVID, supporting women's economic empowerment and financing and expanding strategically important infrastructure and technologies.

DFC will also invest directly into companies alongside its peers, selecting opportunities that further the same important policy goals. 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.

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 they take place. As a result, DFC is limited in how many equity transactions it can support based on budgeted funds, limiting the scope of this critical financial tool. For DFC to realize the full potential of the equity tool, properly accounting for returns and increasing the availability of equity funding is critical. The Administration has indicated support for a change in the budgetary treatment of equity in a manner similar to DFC's credit program, allowing the program to further increase DFC's ability to support US foreign policy and national security priorities.

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 DFC to develop projects for DFC investment and improve existing DFC projects. This extends the ability of DFC to reach into 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 are able to help enhance developmental impact. Among other things, and as noted above, DFC funds technical assistance and feasibility studies to support the identification, design, and implementation of DFC's portfolio investments to advance infrastructure and other strategic goals. DFC's technical assistance increases the developmental impact of existing DFC deals. This includes helping DFC clients measure development impact and incentives for development additionality. Regular interactions between DFC and the interagency ensure that this programing will not duplicate programming done by USAID, MCC, USTDA, or other agencies.

Summary and Conclusion

DFC respectfully submits the President's FY 2024 budget request of $2 billion in mandatory funding, and $1.023 billion in discretionary funding, composed of $780 million in program funds and $243 million for administrative expenses. The $780 million in program funds will be flexibly allocated across credit subsidy, equity, and technical assistance. This level of resources reflects the scale and complexity of the issues facing the developing world, and DFC's need to engage and mobilize the private sector in meeting the challenges.

This request is driven by the Administration's desire for DFC to play a key role in implementing the goals of PGII and outcompeting the PRC, among other priority initiatives. 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 to its staffing footprint, as well as additional resources for support and management, DFC can continue to drive forward the Administration's ambitious agenda.

Appendices

Appendix A: 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 , $1,023,000,000: Provided further, That of the amount provided—

> (1) $243,000,000 shall remain available until September 30, 2026, 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) $780,000,000 shall remain available until September 30, 2026, 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 2024, 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 2024 are less than $1,023,000,000, 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 2024 in excess of $1,023,000,000 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 $558,000,000.

(Department of State, Foreign Operations, and Related Programs Appropriations Act, 2023.)

Capital Programs Account – Mandatory Appropriations

SEC. XXX. In addition to any other amounts that may be appropriated for such purposes, there is appropriated to the Corporate Capital Account of the United States International Development Finance Corporation, $2,000,000,000, to remain available until expended, for costs of providing support authorized by section 1421(c) of the BUILD Act of 2018 (division F of Public Law 115-254), together with any other amounts hereinafter transferred to the Corporate Capital Account pursuant to section 1434(j) of such Act for such purposes, which shall remain available until expended: Provided, That notwithstanding section 1434(h) of such Act, earnings related to amounts made available under this section shall be deposited into the Corporate Capital Account and shall remain available until expended for costs of providing support authorized by section 1421(c) of such Act: Provided further, That amounts deposited pursuant to the preceding proviso shall not be considered collections of amounts described in section 1434(h) of such Act in any fiscal year: Provided further, That of the amounts made available under this section, up to $15,000,000 may be made available each fiscal year for administrative expenses, in addition to amounts otherwise provided for such purposes.

Program Account

Amounts paid from "United States International Development Finance Corporation--Corporate Capital Account" (CCA) shall remain available until September 30, 2026: 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 $10,000,000,000.

(Department of State, Foreign Operations, and Related Programs Appropriations Act, 2023.)[3]

Transfer of Funds Authority

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

(1) Funds appropriated by this Act and prior Acts making appropriations for the Department of State,

[3] Text above presents requested language. Current enacted language is under P.L. 117-328. The FY 2024 Appendix presents more detail.

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 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.

Appendix B: Budget Object Class Chart for Administrative Expenses

Budget Object Class	FY22 Actual Administrative Obligations	FY23 Projected Administrative Budget	FY24 Projected Administrative Budget
Personnel Compensation & Benefits	84,200,166	93,950,573	133,145,979
Travel	3,669,625	10,325,759	10,509,513
Rental Payments	11,582,653	11,993,217	12,401,781
Communications, utilities, and miscellaneous charges	1,493,887	1,358,855	2,050,700
Printing and Reproduction	36,358	75,000	55,000
Other Contractual Services	16,399,566	34,564,801	35,712,694
Advisory and Assistance Services	14,001,483	28,320,211	31,454,514
Other Services from Non-Federal Sources	133,582	298,110	253,610
Representation Expense	4,303	25,000	25,000
Training	736,619	1,271,758	1,280,442
Other Goods and Services from Federal Sources	-	350,000	385,000
Operation and Maintenance of Facilities	610	46,610	46,610
Operation and Maintenance of Equipment	23,872,926	30,078,721	24,303,891
Professional Accreditation Fees	7,474	16,300	27,785
Supplies and Materials	2,611,295	3,452,000	3,663,884
Interest and Dividends	3,244	15,000	15,000
Total	**$ 158,753,788**	**$ 216,141,915**	**$ 255,331,403**

*Carry-Forward balances from prior fiscal years enable obligations in FY 2024 to be greater than the current year appropriation