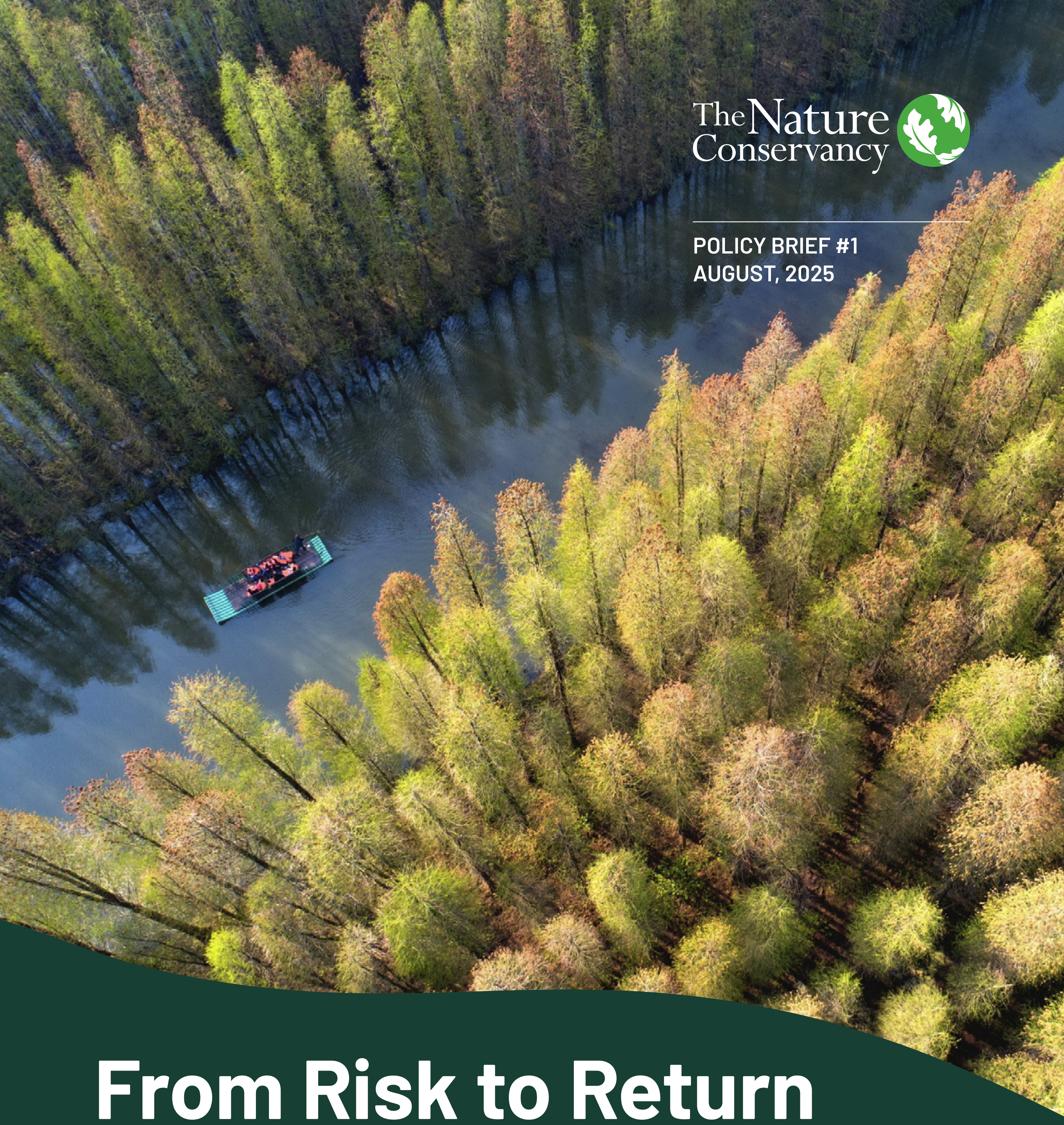


The Nature Conservancy

POLICY BRIEF #1
AUGUST, 2025

From Risk to Return

How DFC Powers U.S. Prosperity and Security

ADVANCING U.S. INTERESTS THROUGH NATURE-POSITIVE FINANCE

Executive Summary

The U.S. Development Finance Corporation (DFC) offers a flexible and innovative way for the United States to support private sector development in strategic areas of the world, while mobilizing U.S. private capital. It offers a tangible alternative to funding from other nations, such as geopolitical rivals like China who have purposefully expanded their use of Development Finance Institutions (DFIs) and Export Credit Agencies (ECAs) to gain strategic advantage in low- and middle-income countries. In 2017, China surpassed the United States in two-way total trade with South America for the first time. In 2021, China gave more than the United States in Other Official Flows (OOF), which include market rate loans, risk insurance, and other innovative finance mechanisms, to Asia Pacific, Latin America, and Sub-Saharan Africa. Indeed almost all of China's aid was given in the form of these so-called other sector transactions".[1] DFC is an effective tool for countering consistent and growing influence from China. It has already proven its effectiveness during its first few years in operation, with U.S. OOF loan disbursements increasing by more than 80% from 2018 to 2022.[2]

The political risk insurance (PRI) product offered by DFC generates a disproportionate amount of revenue for U.S. taxpayers compared to other products. As of October 2024, PRI accounted for just 12% of all DFC active transactions, and yet it generated nearly $650 million (68%) of DFC's $960 million (FY2020 through FY2024) in revenue for U.S. taxpayers.[3]

Debt conversions are an innovative PRI-based product line—pioneered by DFC during the first Trump administration—that effectively mobilizes private U.S. capital with strategic conservation and nature-positive outcomes, while generating direct returns for U.S. taxpayers. To date, DFC has supported five (Belize, two in Ecuador, Gabon, and El Salvador) of the nine global debt conversions for nature, refinancing more than $2 billion of legacy unsustainable sovereign debt and thus generating $1.5 billion for conservation while advancing U.S. foreign policy goals in key ally countries.[4]

Notably, these deals have involved major U.S. financial institutions and have incurred no insurance payouts, resulting in substantial net revenue for U.S. taxpayers. The debt conversions program was inspired by a capital markets bond issuance during the first Trump administration for Ukraine nuclear safety, a project financing that has successfully survived the Russian aggression against the country.[5] Debt conversions have proven to be a highly effective way to enable developing countries to better protect critical natural resources while investing in U.S. prosperity and security.

For example:

Belize's debt conversion promotes marine conservation, economic stability, and strategic benefits for both Belize and the United States. In 2021, the Government of Belize, with DFC's PRI support, completed a $553 million debt conversion reducing Belize's debt by $189 million and generating $180 million for marine conservation. The conservation funds from the deal are used, among other things, to strengthen enforcement against illegal fishing, supporting U.S. border and economic interests in a key transit zone. Investments from the deal, including a U.S.-trained Drone Squadron and expanded Coast Guard patrols, have strengthened Belize's ability to secure its maritime territory and contribute to regional stability. With this deal, the United States has maintained a key ally in the region and supported maritime monitoring in the region that directly complements monitoring efforts related to maritime trafficking of illegal drugs.

Ecuador's terrestrial-freshwater debt conversion for nature is a landmark deal that advances conservation, supports local livelihoods, and strengthens economic resilience. In 2024, the Republic of Ecuador, with DFC's PRI support, completed a $1.5 billion debt conversion—the first focused on terrestrial and freshwater conservation—reducing Ecuador's debt by $527 million and generating $460 million for long-term conservation. The deal aims to protect 1.8 million hectares of Amazon rainforest and improve governance over 4.6 million hectares of existing protected areas. It also supports local livelihoods and comes at a time of economic contraction and rising migration and organized crime in Ecuador, reinforcing the importance of nature-focused solutions for stability and development.

Looking forward, The Nature Conservancy (TNC) and partner organizations have developed a globally strategic pipeline of debt conversions for nature that have the potential to serve as a powerful tool to advance U.S. prosperity and security.[6] Many of the countries identified for potential future projects contain critical mineral reserves, with natural ecosystems often serving a foundational role in ensuring the longevity and sustainability of the extraction, processing (where applicable), and transportation of these resources to the United States and other allies. With the DFC's reauthorization, the United States has a strategic opportunity to develop integrated country or regional approaches that combine multiple DFC products and address multiple challenges, unlocking broader development and conservation outcomes and reinforcing U.S. leadership and innovation.

U.S. Development Finance Corporation: A Key International Engagement Strategy

The U.S. Development Finance Corporation (DFC), authorized by the bipartisan Better Utilization of Investments Leading to Development (BUILD) Act, was formed in December 2019 under the first Trump administration and became fully operational in 2021. DFC uses financial tools, which include direct loans and guarantees, political risk insurance, equity investments, and grants, to drive private investment in low- and middle-income countries. When established, DFC assumed the functions of the Overseas Private Investment Corporation (OPIC) and the U.S. Agency for International Development's Development Credit Authority with the aim of "modernizing foreign aid tools to harness private capital in less-developed economies."[7]

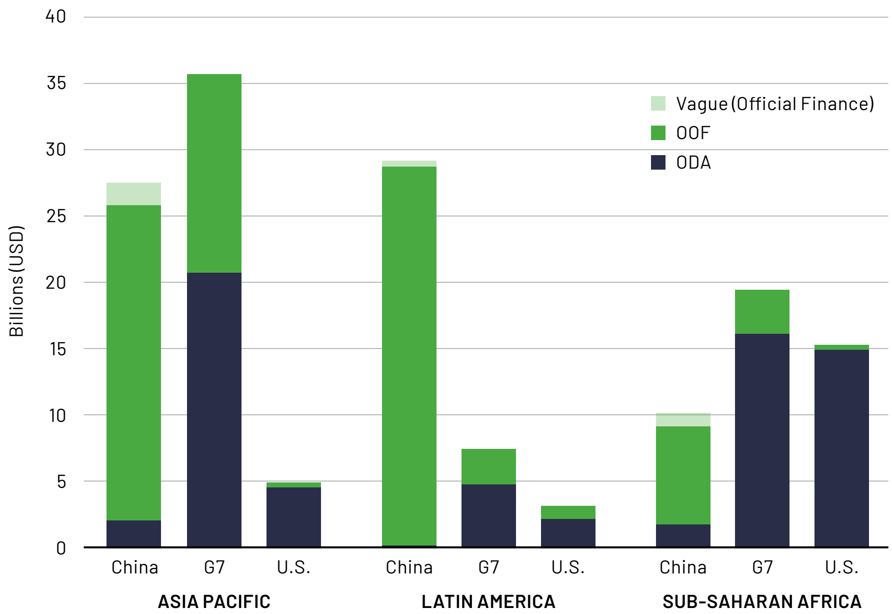
DFC's products offer a flexible way for the United States to strengthen private-sector-led development in strategic areas of the world. As of October 2024, DFC had more than 650 active transactions and had contributed nearly $960 million to U.S. budget deficit reduction.[8] Throughout the last four years, DFC has dramatically changed the ways in which the United States provides support to countries globally. In particular, the United States' Other Official Flows (OOF) loan disbursements to developing countries, driven by DFC, jumped from more than $300 million in 2018 to more than $2 billion in both 2021 and 2022.[9]

DFC's Geo-Political Influence

DFC is a powerful tool for the United States to advance national security priorities. For example, DFC has done several transactions with Ukraine since Russia's invasion, most recently in the establishment of a United States-Ukraine reconstruction investment fund.[10] The U.S. Congress established DFC in 2019 as a direct response to China's Belt and Road Initiative (BRI), which is estimated to have provided financing or in-kind transfers worth more than $1 trillion across more than 17,000 projects globally (from 2010 to 2021).[11]

The figure on page 4 tracks both Official Development Assistance (ODA) and OOF in 2020 to developing countries in Asia Pacific, Latin America and Sub-Saharan Africa from China, the G7 (excluding the United States) and the United States.[12] China's approach to development finance reveals a striking reliance on OOF compared to the six remaining G7 countries and the United States.[13] Across Asia Pacific, Latin America, and Sub-Saharan Africa, China delivered 90% of its aid in the form of OOF, while the G7 (excluding the United States) and the United States provided only 33% and 6%, respectively. This trend is most pronounced in Sub-Saharan Africa, where 73% of China's aid was OOF, compared to 17% for the G7 and 1% for the United States. OOF includes non-concessional, commercially-oriented financing, which can be more attractive to recipient countries seeking infrastructure and investment without the policy conditions often attached to traditional aid.

Official Financial Flows from China, United States, and G7 (excluding the United States) to Asia Pacific, Latin America, and Sub-Saharan Africa, 2020



Note: For the United States and G7 (excluding the United States), figures for OOF include OOF loans disbursements, OOF grants, export credits, and private sector instruments. All values are adjusted to constant 2024 U.S. dollars using GDP price deflators from the U.S. Bureau of Economic Analysis. For China, figures are derived from AidData which relies on OECD-DAC measurement criteria to make ODA and OOF determinations. "Vague (Official Finance)" includes projects and activities that were backed by an official commitment from China but that do not have sufficient information available to classify as either ODA or OOF. Source: OECD Data Explorer, DAC2B: Other official flows (OOF) and export credits, last accessed 2 July 2025. OECD Data Explorer, DAC2A: Aid (ODA) disbursements to countries and regions, last accessed 2 July 2025; U.S. Bureau of Economic Analysis, National Income and Product Accounts, Table 1.1.9, last accessed 2 July 2025; and AidData. 2023. Global Chinese Development Finance Dataset, Version 3.0, available at https://www.aiddata.org/data/aiddatas-global-chinese-development-finance-dataset-version-3-0.

Through its congressional mandate, DFC can support most low- to middle-income countries globally, but three-quarters of its active transactions focus on Asia Pacific, Latin America, and Sub-Saharan Africa.[14]

Latin America: Latin America, including Central and South America, is tied to the United States due to its geographic proximity and strong cultural and economic interactions. U.S. commercial influence in the region has shifted throughout the last several years. In 2017, China surpassed the United States in total two-way trade with South America, and in 2022, China's two-way trade with South America was 140% more than the United States ($102.8 billion).[15] Over the last five years, DFC has been an effective means to counter the influence of these extra-hemispheric powers in Latin America. From 2019 to 2020, the United States nearly tripled its OOF loan disbursements to the region with OOF reaching over 30% of all official financial flows from the United States to Latin America, compared to a decline in OOF to the region from China.[16] Latin America is also a top source of immigrants to the United States; as of 2023, nearly 9 million foreign-born individuals from Central and South America lived in the United States, more than 18% of all foreign-born individuals in the United States.[17] Migration Policy Institute surveyed more than 5,000 households in Central America and found that 85% of recent migrants cited economic factors as the dominant reason for immigration.[18] DFC can limit the home-country "push" factor driving migration decisions in the region by promoting in-country industries and access to financing.[19] The region is also a hotspot for organized crime, particularly drug trafficking, which directly impacts U.S. prosperity and security.

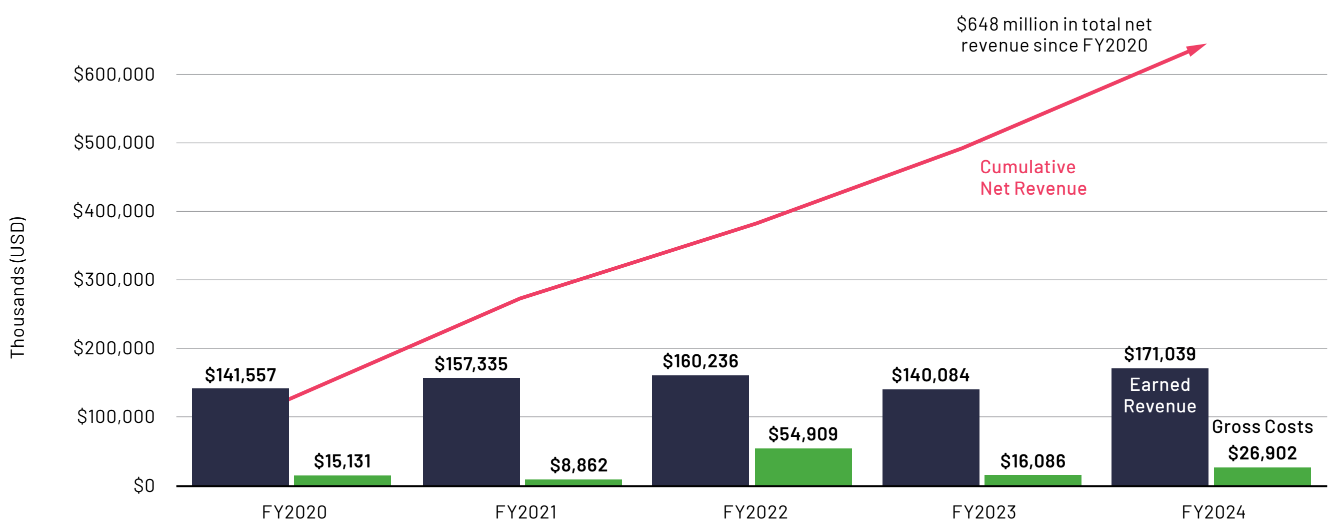
Sub-Saharan Africa: Sub-Saharan Africa, which accounted for nearly 40% of all active DFC transactions in FY2024, is not only a hub for development opportunities but also a critical source of minerals like cobalt, copper, and rare earth minerals—vital for clean energy.[20] Africa contains more than half of the world's known cobalt reserves, half of its manganese, and more than 20% of its graphite.[21] Yet, China has remained Sub-Saharan Africa's largest trading partner since 2010, and in 2022, had a total two-way trade volume with the region that was $490 billion more than the United States.[22] Additionally, China accounted for 18% of Sub-Saharan Africa's mineral exports, compared to just under 4% directed to the United States.[23] In Sub-Saharan Africa, only two countries have not joined China's BRI, which has been a key source of finance for the region. From 2006 to 2024, Chinese entities provided more than $750 million in large ($100 million or higher) non-bond investments to the mining and energy sectors in Africa.[24] DFC has been identified by U.S. Congress as a key instrument in countering China's growing influence, particularly through initiatives like the Lobito Corridor, the largest U.S. infrastructure investment in Africa to date, supported by the G7's Partnership for Global Infrastructure and Investment.[25] This corridor will connect the Democratic Republic of the Congo and Zambia to global markets via Angola, enabling the export of critical minerals while promoting transparent, sustainable development.

Asia Pacific: Asia Pacific as a region holds immense political importance. In 2024, six of the ten countries with the highest levels of two-way trade with the United States were in Asia Pacific.[26] As such, maintaining market linkages and trade routes is a critical focus— and risk—of the United States in the region. The South China Sea is one of the busiest maritime trade routes in the region, but the stability of the route is at risk given current political tensions, most notably the territorial disputes between China and the Philippines. In 2024, DFC announced the opening of a regional office in Manila, Philippines to facilitate further investment in the area, focusing on infrastructure, critical minerals, and renewable energy.[27] Beyond the South China Sea, Sri Lanka, a key maritime hub in the Indian Ocean, has become the second-largest DFC market in the Indo-Pacific, with nearly $1 billion in commitments as of October 2024.[28] These commitments include a landmark $553 million investment in the West Container Terminal at the Port of Colombo—an effort to expand regional shipping capacity without adding to Sri Lanka's sovereign debt.[29]

Debt Conversions for Nature: A Critical DFC Engagement

One of the most cost-effective products offered by DFC is its political risk insurance (PRI), which provides up to $1 billion in coverage per transaction against losses related to currency inconvertibility, expropriation and other forms of government interference, and political violence.[30] As of October 2024, DFC had 77 active PRI transactions that it had initiated since 2020.[31] These PRI transactions are highly profitable for DFC and therefore for U.S. taxpayers. Since FY2020, the insurance program has had earned revenue far exceeding gross costs every single year and contributed nearly $650 million in total net revenue to U.S. taxpayers (see figure below). This total net revenue equates to more than two-thirds of DFC's entire net revenue throughout this period ($960 million). Following any payout, DFC has the right to recover directly from governments and, to date, has recovered 97% of all claim settlements, including OPIC guaranteed obligations.[32]

DFC Political Risk Insurance Program: Earned Revenue and Gross Costs, FY2020 – FY2024



Sources: U.S. International Development Finance Corporation, "Annual Management Report: Fiscal Year 2024," last accessed 12 June 2025. Available at https://www.dfc.gov/sites/default/files/media/documents/USIDFC%20FY2024%20AMR-508.pdf; U.S. International Development Finance Corporation, "Annual Management Report: Fiscal Year 2022," last accessed 12 June 2025. Available at https://www.dfc.gov/sites/default/files/media/documents/DFC%20AMR%20FY%202022_508%20Compliant%20Document.pdf.

As a part of its PRI product line, DFC has developed an innovative program, debt conversions for nature, in partnership with private sector investors and debt-constrained developing countries. This program allows countries to refinance a portion of their sovereign debt held by private investors through new bonds or loans backed by DFC PRI, in exchange for long-term commitments to conservation and improved natural resource governance. The program, which originated during the first Trump administration, has been highly effective in protecting critical natural resources, supporting U.S. national and economic security interests, and generating income for U.S. taxpayers. The PRI coverage provided by DFC mitigates against risks associated with sovereign debt non-payment, making these debt refinancing deals attractive to investors and lenders and allowing new issuances to obtain high investment grades (Aa2 by Moody, AA by Fitch).

To date, DFC has supported five of the nine debt conversions for nature that have taken place globally since 2016 (see Appendix).[33] Collectively, DFC's five debt conversions have refinanced more than $2 billion and generated more than $1.5 billion in funding for natural resource management and conservation. These debt conversions have involved leading U.S. banks, like Bank of America and JP Morgan, and U.S. institutional investors, such as North Carolina-based Nuveen, Georgia-based Invesco, and Tennessee-based Alliance Bernstein, demonstrating how U.S. financial tools can mobilize private capital for strategic outcomes. To date, there have been no insurance claims related to these deals, meaning that they have all generated net revenue for U.S. taxpayers.

BELIZE'S DEBT CONVERSION FOR MARINE CONSERVATION

In November 2021, The Nature Conservancy (TNC) and the Government of Belize, with PRI support from DFC, completed a groundbreaking $364 million debt conversion for marine conservation.[34] This transaction allowed Belize to repurchase $553 million of its external debt—about a quarter of its total public debt—at a 45% discount. Overall, the transaction reduced Belize's debt by $189 million and improved its credit rating from Selective Default to B-. The deal also secured a commitment to protect 30% of Belize's marine territory, generating $180 million in conservation funding.

This debt conversion for nature has provided critical capacity to a key U.S. ally in Central America. Belize's strategic location in Central America makes it a transit country for narcotics and other regional logistics.

More than half of the government's spending from this deal has gone toward fisheries governance and maritime enforcement, helping deter illegal fishing and trafficking—issues with direct implications for U.S. border security and migration pressures. Since the deal was closed, over $2 million has been allocated to Belize's Coast Guard, vastly increasing the country's capacity to patrol its large maritime territory.[35] These investments have included the creation of an innovative Drone Squadron, trained by U.S. Air Force pilots, which currently deploys four sophisticated drones to replace fuel-intensive boat patrols. In 2025 alone, the Drone Squadron confiscated 26 gillnets, nearly three times the total number of gillnets confiscated in all of 2024. In addition, nearly 5,000 manual patrols have also been conducted since the close of the deal. Maritime transit of illegal drugs remains a top priority for the United States and this maritime enforcement directly complements broader priorities of the U.S. Department of Defense aimed at stability and security of maritime domains in Central America.[36]

The improved governance also supports U.S. private sector engagement in sustainable seafood, eco-tourism, and marine technology. In 2023, seafood represented about 8% of Belize's total export by value, with the United States serving as the country's top buyer and purchasing roughly 70% of these seafood exports.[37] In 2024 alone, the United States imported $14.9 million worth of fish and seafood products from Belize, accounting for 18% of the value of all imports from Belize.[38] These nearly $15 million in imports support a significant amount of economic activity across t—he United States, estimated at $47 million in sales revenue and $25 million in value-added in 2024.[39]

ECUADOR'S DEBT CONVERSION FOR THE AMAZON

In December 2024, TNC and the Republic of Ecuador completed the first ever terrestrial and freshwater-focused debt conversion for nature, facilitated by DFC's PRI, allowing Ecuador to repurchase $1.5 billion in external commercial debt.[40] The transaction reduced Ecuador's debt stock by $527 million and will generate $460 million for conservation throughout a 17-year timeframe. The transaction was widely recognized at various awards, including the Global Capital Latin America Bond Awards 2025, the Environmental Finance Sustainable Debt Awards 2025, and the Digital Banker Global Sustainable Finance Awards 2025. This most recent Ecuador debt conversion complements an earlier deal sponsored by

Pew Bertarelli Ocean Legacy that generated $460 million for conservation of the Galápagos Islands.[41]

This transaction is also a key financing mechanism for the Biocorredor Amazónico (BCA) project, a collaboration between Ecuador and TNC that was established by Executive Decree No. 859 in September 2023. The BCA seeks to protect 1.8 million hectares of new areas in the Amazon rainforest, improve management of 4.6 million hectares of existing protected areas, and provide new protections for 18,000 kilometers of rivers. As the first terrestrial and freshwater-focused debt conversion for nature, the transaction also aims to directly benefit and support Indigenous Peoples and local communities to strengthen their capacity to manage and conserve their territories and improve their livelihoods.

This terrestrial-freshwater debt conversion impacts areas and issues that are of critical importance to the United States. Organized crime in Ecuador has increased drastically over the last five years, and as of 2024, there were 22 organized "narco-terrorist" groups operating in the country that have expanded operations into illegal logging and gold mining, which often take place on Indigenous lands.[42] Alongside this rise in organized crime, economic activity contracted by more than 2% in Ecuador in 2024, and since 2019 an additional 100,000 Ecuadorian-born people live in the United States—a 25% increase from 2019 to 2023.[43] As this terrestrial-freshwater debt conversion for nature in Ecuador works to support both conservation and local livelihoods, dual outcomes can also be achieved related to organized crime and migration.

LOOKING AHEAD

TNC, alongside partner organizations, has developed a robust pipeline of debt conversions for nature that prioritize strategic markets globally. This pipeline of projects focuses on regions such as Sub-Saharan Africa and Asia Pacific, providing a tangible means of countering China's influence in these regions.

Additionally, future debt conversions have the potential to be multi-purpose projects, addressing conservation and biodiversity challenges alongside food security and economic development, for example. Multi-purpose debt conversions could unlock broader development and conservation outcomes, reinforcing U.S. leadership and innovation while building resilience in strategic locations globally.

The current Debt for Nature Coalition pipeline of projects dovetails with the current U.S. administration's priorities by advancing a global agenda for a "safer, stronger, more prosperous" America.[44]

- These projects all have the potential to reduce migration pressures and conflict risks (e.g., by addressing wildlife trafficking and food insecurity) and bolster U.S. economic interests via supply chain resilience and expanded export and investment markets.
- Many of the identified countries for future projects contain critical mineral reserves, which often sit within ecologically vital natural systems. The natural landscapes that surround these natural resources serve as the "infrastructure behind the infrastructure."

With DFC's reauthorization, the United States has a strategic opportunity to develop integrated country or regional approaches anchored in common environmental and social safeguards. These integrated approaches would combine DFC's PRI for debt conversions for nature or for multi-purpose debt conversions with DFC loans or equity projects.

CONCLUSION

DFC has emerged as a powerful engine for advancing U.S. interests abroad while delivering tangible returns to U.S. taxpayers. Through its innovative use of PRI, DFC has facilitated the mobilization of billions of dollars in private capital, as well as generated nearly $650 million in net revenue for U.S. taxpayers, accounting for more than two-thirds of the agency's total net revenue since FY2020. Debt conversions for nature stand out as a uniquely effective and innovative PRI product line.

These transactions—five of which have been supported by DFC to date—have refinanced more than $2 billion in sovereign debt and unlocked more than $1.5 billion for conservation. They have done so without a single insurance claim, underscoring their financial prudence and resilience against political and economic shocks. Beyond financial returns for U.S. taxpayers, these deals deliver a suite of co-benefits:

1. They strengthen environmental governance,
2. Support local livelihoods, and
3. Reinforce U.S. economic and national security interests.

Debt conversions for nature exemplify how PRI can be deployed to mitigate risk and to catalyze strategic, nature-positive investments that align with U.S. foreign policy goals. As DFC awaits reauthorization, expanding support for these transactions represents a high-impact, fiscally responsible path forward. Doing so will enable the United States to scale a proven model that enhances global stability, counters geopolitical rivals, and drives U.S. prosperity and security.

Appendix

Summary of All Debt Conversion for Nature Transactions to Date ($USD Millions)

Country	Year	Project Sponsor	Creditors	Instrument	Arranger	Project Duration	Debt Tendered	New Debt	Cash Conservation Funding	Endowment Principal	Endowment Investment Return	Total Funding Unlocked
DFC-SUPPORTED DEBT CONVERSIONS FOR NATURE												
Belize	2021	TNC	Eurobond (entirety)	PRI DFC	Credit Suisse	20	$553	$364	$84	$27	$70	$180
Gabon	2023	TNC	Eurobonds (partial)	PRI DFC	Bank of America	15	$500	$500	$75	$50	$38	$163
Ecuador (Galapagos)	2024	Pew Bertarelli Ocean Legacy Project	Eurobonds	PRI DFC and Inter-American Development Bank guarantee	Credit Suisse	19	$1,628	$656	$223	$100	$127	$450
Ecuador (Terrestrial and Freshwater)	2024	TNC	Eurobonds (partial)	PRI DFC and Inter-American Development Bank partial credit liquidity guarantee	Bank of America	17	$1,530	$1,000	$324	$76	$68	$460
El Salvador	2024	El Salvador & Catholic Relief Services	Eurobonds	PRI DFC and Inter-American Development Bank partial credit liquidity guarantee	JP Morgan	20	$1,031	$1,000	$200	$150	N/A	$350
					DFC-supported total		**$5,242**	**$3,520**	**$906**	**$403**	**$303**	**$1,603**
OTHER DEBT CONVERSIONS FOR NATURE												
Seychelles	2016	TNC	Bi-Lateral Debt/Paris Club	Private loan and grants	Did not involve commercial debt	20	$22	$15	$5	$3	$3	$12
Barbados I	2022	TNC	Eurobond and Local Debt	Co-guarantee Inter-American Development Bank and The Nature Conservancy	Credit Suisse and Canadian Imperial Bank of Commerce	15	$151	$147	$23	$17	$10	$50
The Bahamas	2024	TNC	Eurobonds (partial) and bank facility	Partial credit guarantee (Inter-American Development Bank), collateralized guarantee (Builders Vision), and commercial credit insurance (AXA XL)	Standard Chartered	15	$300	$300	$112	$12	$8	$132
Barbados II	2024	Inter-American Development Bank and Green Climate Fund	Domestic Debt	European Investment Bank and Inter-American Development Bank co-guarantee	Inter-American Development Bank and Canadian Imperial Bank of Commerce Caribbean	20	$293	$297	$125	N/A	N/A	$125
					Other total		**$766**	**$759**	**$265**	**$32**	**$21**	**$319**
					Total across all debt conversions for nature		**$6,008**	**$4,279**	**$1,171**	**$435**	**$324**	**$1,922**

NOTE: Total funding unlocked is the sum of cash conservation funding, endowment principal, and endowment investment return. Figures may not sum correctly due to rounding. The Investment return on the endowment is calculated using the assumption of 7% p.a for The Nature Conservancy projects.

Source: The Nature Conservancy

ENDNOTES

1 OECD Data Explorer, DAC2B: Other official flows (OOF) and export credits, last accessed 2 July 2025. OECD Data Explorer, DAC2A: Aid (ODA) disbursements to countries and regions, last accessed 2 July 2025; U.S. Bureau of Economic Analysis, National Income and Product Accounts, Table 1.1.9, last accessed 2 July 2025; AidData. 2023. Global Chinese Development Finance Dataset, Version 3.0, available at https://www.aiddata.org/data/aiddatas-global-chinese-development-finance-dataset-version-3-0; and World Bank, World Integrated Trade Solutions Data, last accessed 30, June, 2025. Available at https://wits.worldbank.org/Default.aspx?lang=en.

2 In 2018, the year the DFC was established, U.S. official financial flows to developing countries totaled $317 million, compared to $2.2 billion in 2022. Source: OECD Data Explorer, DAC2B: Other official flows (OOF) and export credits, last accessed 1 July 2025.

3 U.S. International Development Finance Corporation, "Annual Management Report: Fiscal Year 2024," last accessed 12 June 2025. Available at https://www.dfc.gov/sites/default/files/media/documents/USIDFC%20FY2024%20AMR-508.pdf; U.S. International Development Finance Corporation, "Annual Management Report: Fiscal Year 2022," last accessed 12 June 2025. Available at https://www.dfc.gov/sites/default/files/media/documents/DFC%20AMR%20FY%202022_508%20Compliant%20Document.pdf; and U.S. International Development Finance Corporation, "Transaction Data," last accessed June 9, 2025. Available at https://www.dfc.gov/our-impact/transaction-data.

4 The DFC's PRI was used in Belize (2021), Ecuador (2023 and 2024), El Salvador (2024), and Gabon (2023). Debt conversions for nature also occurred in Seychelles (2016), Barbados (2022 and 2024), and The Bahamas (2024).

5 World Nuclear News, "Ukraine Secures U.S. Funding for Storage Facility," 15 February 2018. Available at: https://www.world-nuclear-news.org/Articles/Ukraine-secures-US-funding-for-storage-facility.

6 Conservation International, The Nature Conservancy, The Pew Charitable Trusts, Re:wild, The Wildlife Conservation Society, and World Wildlife Fund have a formed a coalition on sovereign debt conversions for nature. For more information, see: https://www.debtfornature.org/.

7 U.S. Congressional Research Service, "U.S. International Development Finance Corporation: Overview and Issues," January 10, 2022, R47006. Last accessed 11 June 2025. Available at: https://www.congress.gov/crs_external_products/R/PDF/R47006/R47006.7.pdf.

8 Note that these figures are based on the U.S. Government's fiscal year which runs from October 1 through September 30. Source: U.S. International Development Finance Corporation, "Transaction Data," last accessed June 9, 2025. Available at https://www.dfc.gov/our-impact/transaction-data; U.S. International Development Finance Corporation, "Annual Management Report: Fiscal Year 2024," last accessed 12 June 2025. Available at https://www.dfc.gov/sites/default/files/media/documents/USIDFC%20FY2024%20AMR-508.pdf; U.S. International Development Finance Corporation, "Annual Management Report: Fiscal Year 2022," last accessed 12 June 2025. Available at https://www.dfc.gov/sites/default/files/media/documents/DFC%20AMR%20FY%202022_508%20Compliant%20Document.pdf.

9 Parks, B. C., Malik, A. A., Escobar, B., Zhang, S., Fedorochko, R., Solomon, K., Wang, F., Vlasto, L., Walsh, K. & Goodman, S. 2023. *Belt and Road Reboot: Beijing's Bid to De-Risk Its Global Infrastructure Initiative.* Williamsburg, VA: AidData at William & Mary. Available at: https://www.aiddata.org/publications/belt-and-road-reboot; and OECD Data Explorer, DAC2B: Other official flows (OOF) and export credits, last accessed 1 July 2025.

10 World Nuclear News, "Ukraine Secures U.S. Funding for Storage Facility," 15 February 2018. Available at: https://www.world-nuclear-news.org/Articles/Ukraine-secures-US-funding-for-storage-facility; and U.S. DFC, "Fact Sheet: President Donald J. Trump Secures Agreement to Establish United States-Ukraine Reconstruction Investment Fund, press release, May 1, 2025. Available at: https://www.dfc.gov/media/press-releases/fact-sheet-president-donald-j-trump-secures-agreement-establish-united-states.

11 AidData. 2023. Global Chinese Development Finance Dataset, Version 3.0. Available at https://www.aiddata.org/data/aiddatas-global-chinese-development-finance-dataset-version-3-0.

12 The Organization for Economic Co-Operation and Development tracks international development finance by donor country and recipient provided in the form of both Official Development Assistance (ODA) and Other Official Flows (OOF). ODS includes government aid in the form of, for example, grants and technical loans, that promotes economic development and welfare in developing countries. ODA must include a grant element of at least 25%. OOF includes all other official sector transactions that do not meet ODA criteria such as market rate loans, risk insurance, and equity investments. Developing countries are defined as countries listed as low- or middle-income by The World Bank. We focus on 2020, and not 2021, the latest year for which all data are available, due to Covid-19 response efforts in 2021 that are not reflective of historical trends.

13 The six remaining G7 countries are: United Kingdom, Japan, France, Canada, Germany, and Italy.

14 Note that some low- and middle-income countries are ineligible under the BUILD Act and that, in limited cases, DFC can support upper-middle income and high-income countries. Source: https://www.congress.gov/crs_external_products/R/PDF/R47006/R47006.7.pdf; U.S. International Development Finance Corporation, "Transaction Data," last accessed June 9, 2025. Available at https://www.dfc.gov/our-impact/transaction-data. For the purposes of this document, Latin America includes Mexico and all countries in Central and South America; Sub-Saharan Africa as defined by the World Bank "Sub-Saharan Africa" regional grouping; and Asia Pacific as "South Asia" and "East Asia & Pacific" in the World Bank regional groupings. See World Bank, "The World by Region," last accessed 16 July 2025. Available at: https://datatopics.worldbank.org/world-development-indicators/images/figures-png/world-by-region-map.pdf.

15 In 2022, China's two-way trade with South America totaled $350.68 billion while the United States' two-way trade totaled $247.92 billion. Total imports and exports, by country, were downloaded to create regional-level estimates. Source: World Bank, World Integrated Trade Solutions Data, last accessed 30, June, 2025. Available at https://wits.worldbank.org/Default.aspx?lang=en.

16 In 2019, the United States provided $362 million in OOF aid to Latin America, which rose to 2.8 times these levels by 2020, with total OOF aid of over $1 billion. In contrast, China's OOF contributions to the region declined by $4.4 billion over this same period, from $32.97 billion in 2019 to $28.57 billion in 2020. Source: https://data-explorer.oecd.org/vis?lc=en&pg=0&fs%5b0%5d=Topic%2C1|Development%23DEV%23|Official Development Assistance %28ODA%29%23DEV_ODA%23&fs%5b1%5d=Topic%2C2|Development%23DEV%23|Official Development Assistance %28ODA%29%23DEV_ODA%23|Flows by provider and recipient%23DEV_ODA_FPR%23&fc=Topic&snb=7&df%5bds%5d=dsDisseminateFinalDMZ&df%5bid%5d=DSD_DAC2%40DF_DAC2B&df%5bag%5d=OECD.DCD.FSD&df%5bvs%5d=1.4&dq=.MEX..USD.V%2BQ&lom=LASTNPERIODS&lo=5&to%5bTIME_PERIOD%5d=false&vw=tb OECD Data Explorer, DAC2B: Other official flows (OOF) and export credits, last accessed 8 August 2025.

17 These figures do not include foreign-born individuals from Mexico. As of 2023, there were nearly 11 million foreign-born Mexicans in the United States, nearly 23% of all foreign-born individuals. Foreign born individuals include naturalized U.S. citizens, lawful permanent immigrants, refugees and asylees, and those residing in the United States without authorization. Source: Migration Policy Institute, "Countries of Birth for U.S. Immigrants, 1960-Present," last accessed 24 June 2025. Available at https://www.migrationpolicy.org/programs/data-hub/charts/immigrants-countries-birth-over-time?width=900&height=850&iframe=true.

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19 See, for example: U.S. International Development Finance Corporation, "DFC Approves $1.4 Billion for Projects that Advance Development Impact Across Africa, Asia, Eastern Europe, and Latin America and the Caribbean," press release, June 13, 2022. Available at https://www.dfc.gov/media/press-releases/dfc-approves-14-billion-projects-advance-development-impact-across-africa-asia.

20 In fiscal year 2024, DFC engaged in 177 transactions, 71 of which were in Sub-Saharan Africa. Source: U.S. International Development Finance Corporation, "Transaction Data," last accessed June 9, 2025. Available at https://www.dfc.gov/our-impact/transaction-data.

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22 Total imports and exports, by country, were downloaded to create regional-level estimates. Source: World Bank, World Integrated Trade Solutions Data, last accessed 30, June, 2025. Available at https://wits.worldbank.org/Default.aspx?lang=en.

23 These figures are for 2022, the most recent year for which trade data are available. In 2022, China imported $10.7 trillion worth of minerals from Sub-Saharan Africa. For the same year, the United States imported just under $800 billion. Source: The World Bank, World Integrated Trade Solution, "Sub-Saharan Africa Mineral Exports by Country and Region in US$ Thousand 2022," last accessed 27 June 2025. Available at: https://wits.worldbank.org/CountryProfile/en/Country/SSF/Year/2022/TradeFlow/Export/Partner/all/Product/25-26_Minerals.

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