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## U.S. International Climate Finance: FY2025

### U.S. International Climate Finance

Over the past several decades, to substantially varying degrees, the United States has delivered financial and technical assistance for climate change initiatives in the developing world through a variety of bilateral and multilateral channels, with appropriations enacted by Congress and implemented by the executive agencies. This “climate finance” is funded primarily through programs at the Department of State, the Department of the Treasury, and the U.S. Agency for International Development (USAID). Funds for these programs, when pursued, have been requested in the President’s budget under the International Affairs function (Function 150) and funded through the annual State, Foreign Operations, and Related Programs (SFOPS) appropriation. Many activities have been funded at agency subaccount levels, with allocations left to the discretion of the agencies under congressional consultation. Some additional international assistance may also be funded at other federal agencies (e.g., U.S. Environmental Protection Agency; National Aeronautics and Space Administration; National Science Foundation; and Departments of Agriculture, Commerce, and Energy).

U.S. international development assistance for climate change initiatives is cross-cutting in scope; and climate finance is a fungible category. Thus, the definition of, and the emphasis on, climate finance has changed over time and across U.S. Administrations and Congresses. This report looks at the status of U.S. climate finance for fiscal year (FY) 2025. Typically, the U.S. government has divided climate finance into three main programmatic areas, some of which overlap with other development areas:

- **Adaptation:** programs that aim to assist with reducing vulnerability to climate change impacts and building climate resilience.
- **Clean Energy:** programs that aim to reduce greenhouse gas emissions from energy generation and use.
- **Sustainable Landscapes:** programs that aim to reduce greenhouse gas emissions from deforestation.

Congress oversees U.S. international development assistance for climate change initiatives. Congressional committees of jurisdiction have included, but are not limited to, the House Committees on Foreign Affairs, Financial Services, and Appropriations, and the Senate Committees on Foreign Relations and Appropriations. Congress undertakes several activities regarding climate finance, including (1) authorizing federal agency programs and multilateral fund contributions, (2) appropriating funds for those authorizations, (3) providing guidance to the agencies on authorized programs and appropriations, and (4) overseeing U.S. interests in the programs.

### The Biden Administration’s International Climate Finance Plan

With Executive Order (E.O.) 14008, “Tackling the Climate Crisis at Home and Abroad,” of February 1, 2021 (86 *FR* 7619), President Biden directed that climate change “shall be an essential element of United States foreign policy and national security.” As called for by the E.O., the United States released the *U.S. International Climate Finance Plan* in April 2021. According to the plan, “climate finance” refers to “the provision or mobilization of financial resources to assist developing countries to reduce and/or avoid greenhouse gas (GHG) emissions and to build resilience and adapt to the impacts of climate change.” The plan defines climate finance to encompass not only congressionally appropriated funding, but also export credit, development finance, and bilateral and multilateral publicly leveraged private-sector investment.

The plan includes a strategy for international climate finance with a 2025 horizon; summarizes steps and instruments through which the U.S. government would mobilize climate finance; and outlines how the U.S. government plans to support climate-aligned finance flows more broadly. In it, the Administration pledges to double U.S. annual climate finance by 2024, relative to funding levels during the second half of the Obama Administration (FY2013-FY2016, during which average annual climate finance was approximately \$2.9 billion). This includes a pledge to triple adaptation funding. In September 2021, speaking at the U.N. General Assembly, President Biden doubled the pledge again, to \$11.4 billion annually by 2024. In December 2023, the Biden Administration reported that “[i]n 2023, preliminary estimates suggest that U.S. climate finance will exceed \$9.5 billion, on track to meet the President’s pledge.”

### FY2025 Budget Request and Authority

For FY2025, the Biden Administration’s SFOPS budget request specified approximately \$3.0 billion in direct and indirect climate finance from State and USAID accounts and \$0.3 billion in direct climate finance from Treasury accounts (**Table 1**). The request claims the congressionally appropriated funding would “support the President’s \$11.0 billion commitment for international climate finance,” with additional finance arising from loans, loan guarantees, insurance products, and other financial instruments intended to leverage private-sector investment.

In March 2024, President Biden signed P.L. 118-47, the Further Consolidated Appropriations Act, 2024. Funds appropriated by Congress for climate finance in FY2024 totaled not less than about \$0.9 billion, although some discretionary spending in larger accounts may be categorized as climate-related by the agencies in future reporting (**Table 2**).

**Table I. Climate Finance in the Biden Administration’s FY2025 Budget Request**  
(in millions of U.S. dollars)

Agency	Program/Fund	Request
U.S. Department of State and U.S. Agency for International Development (Direct) <sup>a</sup>	Sustainable Landscapes	\$337.2
	Adaptation	\$509.8
	Clean Energy	\$515.1
U.S. Department of State and U.S. Agency for International Development (Indirect)	(Including Peace and Security; Democracy, Human Rights, and Governance; Global Health; Education; Agriculture/Food Security; Other Economic Growth; Environment; and Disaster Risk Reduction)	\$1,669.2
U.S. Department of the Treasury (Direct)	Global Environment Facility <sup>b</sup>	\$127.7
	Green Climate Fund <sup>c</sup>	\$0.0
	Clean Technology Fund	\$150.0
U.S. Department of the Treasury (Indirect)	(Including Multilateral Development Banks; Food Security; Debt Restructuring; and Technical Assistance)	Unspecified subaccount level funding
Other Agencies	(Including Peace Corps; Millennium Challenge Corporation; Trade and Development Agency; Export-Import Bank; and Development Finance Corporation)	Unspecified subaccount level funding
<b>Climate Finance (Total)</b>		<b>Not less than \$3,309.0</b>

**Source:** U.S. Department of State, “Congressional Budget Justification: Department of State, Foreign Operations, and Related Programs, Fiscal Year 2025” and “Supplementary Tables, Fiscal Year 2025,” <https://www.state.gov/fy-2025-international-affairs-budget/>.

**Notes:** For a discussion of U.S. climate finance commitments, see CRS In Focus IF10763, *U.S. International Climate Finance: A Primer*.

- “U.S. Department of State and U.S. Agency for International Development (Direct)” includes requested contributions for some international organizations, including \$15.0 million for the Intergovernmental Panel on Climate Change / UN Framework Convention on Climate Change; \$51.9 million for the Montreal Protocol Multilateral Fund; and \$1.0 million for the World Meteorological Organization.
- The State Department has reported: “Because the Global Environment Facility (GEF) supports multiple environmental goals, only 85 percent of GEF funding is included in the climate finance totals.” Thus, **Table I** shows \$127.7 million of the \$150.2 million GEF request.
- The State Department did not include a discretionary FY2025 budget request for contribution to the Green Climate Fund out of Treasury’s accounts. It did, however, include a request for mandatory resources to invest “\$3.0 billion over four years to support the Second Replenishment of the Green Climate Fund (FY2025-FY2028). These funds would be appropriated to State and USAID.”

**Table 2. Climate Finance in P.L. 118-47—Further Consolidated Appropriations Act, 2024**  
(in millions of U.S. dollars)

Agency	Program/Fund	Funding Levels
<b>Multilateral Assistance: Title V (Subtotal)</b>		<b>\$252.7</b>
U.S. Department of the Treasury	Global Environment Facility	\$127.7
	Clean Technology Fund	\$125.0
<b>Bilateral Economic Assistance: Title III (Subtotal)</b>		<b>\$679.3</b>
U.S. Department of State and U.S. Agency for International Development, among other development agencies	Sustainable Landscapes	Not less than \$175.8
	Adaptation	Not less than \$256.5
	Clean Energy	Not less than \$247.0
<b>Climate Finance (Total)</b>		<b>Not less than \$931.9</b>

**Source:** [Congress.gov](https://www.congress.gov).

**Notes:** The act stipulates further these funds include support for carrying out the purposes of the Electrify Africa Act (P.L. 114-121) and implementing the Power Africa initiative and may be made available for U.S. contributions to the Adaptation Fund and the Least Developed Countries Fund. Because the Global Environment Facility (GEF) supports multiple environmental goals, only 85% of GEF budget authority (\$127.7 million of the \$150.2 million appropriation) is included in the climate finance totals. Totals may not add due to rounding.

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