# Development Assistance

Minimum Requirement F.Y. 2022

### \$4.2 billion

F.Y. 2021 Enacted



The World Bank estimates that nearly **40 to 60 million people** have been pushed into extreme poverty because of COVID-19, undermining decades of progress.

#### DESCRIPTION

Development Assistance (D.A.) supports poverty reduction and promotes the development of resilient, democratic societies. D.A. increases global stability, opens new markets, and generates trade opportunities. It advances democracy, governance, and peace—while promoting a path to recipient self-reliance and resilience.

#### WHAT DOES IT BUY?

Funds support need-based development programming, including economic livelihoods, food security, water and sanitation, and basic education.

#### WHY IS IT IMPORTANT?

- D.A. supports water, sanitation, and hygiene programs in the lowest-income countries. Water is essential to health and food production. Coupled with poor hygiene, the lack of adequate <u>water and sanitation</u> is a leading cause of disease and death worldwide.
- Expands financial services to the poor by sustainably using credit, savings, insurance, and other products to improve people's ability to participate in their local economy and better cope with risk.
- Provides children with safe and equitable access to quality education so that they develop the necessary skills to join the workforce. The programs work to ensure pathways to self-reliance for the individual and the community.
- Promotes activities that help countries and communities prepare for and adapt to climate change, invest in renewable energy sources, conserve natural resources, and support sustainable landscapes—mitigating the effects of climate change and decreasing carbon emissions.

#### WHY SHOULD AMERICANS CARE?

- D.A. promotes American prosperity through investments that expand markets for U.S. exports, create a level playing field for U.S. businesses, and support more stable, resilient, and democratic societies.
- D.A. advances economic prosperity, demonstrates American generosity, and promotes a path to recipient self-reliance and resilience.

#### **COVID-19 IMPACTS**

- The World Bank estimates that nearly <u>40 to 60 million</u> <u>people</u> have been pushed into extreme poverty because of COVID-19, undermining decades of progress.
- The COVID-19 crisis is expected to have increased poverty by <u>8.1% in 2020</u> relative to 2019 (an increase from 8.4% to 9.1%).

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#### WHAT MORE COULD BE DONE?

- Increased funding would support new or increased programming that alleviates extreme poverty. Funds could be used to reduce infant mortality further; improve and expand education; spur economic growth; promote stewardship of the environment and natural resources; and support democracy, good governance, and human rights.
- Development work requires sustained efforts to reach lasting results. Additional funds could improve countries' long-term prospects to achieve self-reliance.

#### FUNDING HISTORY



