

**STRATEGIC ALIGNMENT:
THE IMPERATIVE OF RESOURCING
THE INDO-PACIFIC STRATEGY**

A MAJORITY STAFF REPORT

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LETTER OF TRANSMITTAL

In 2014, I released a Senate Foreign Relations Committee Majority staff report titled “Rebalancing the Rebalance: Resourcing U.S. Diplomatic Strategy in the Asia-Pacific Region,” which examined the Obama administration’s progress in reorienting the United States’ national security strategy towards the Asia-Pacific. In that report, I argued that the rebalance was the right decision for the United States and our national security interests, but in order to be successful, the Administration must be willing to expend political capital to ensure that the strategy is fully and adequately resourced.

Nine years, two administrations, and numerous strategies later, the recommendations made in this report are regrettably very similar.

The U.S. government needs to approach the Indo-Pacific region with a well-resourced, whole-of-government approach that synchronizes the military-security elements with diplomatic, economic, and civil society elements so that all move in concert with one another to ensure the greatest chance of success.

I believe that President Biden’s Indo-Pacific Strategy, released one year ago, adopts this whole-of-government approach. If fully equipped with the tools that it needs to be successful, this strategy will underpin the United States’ leadership in the most consequential and dynamic region of the world in the 21st century.

In order to achieve this, we must be willing to make tough decisions. First, the Administration must make tradeoffs to ensure that funding aligns with its strategy. Reallocating funding within the international affairs Function 150 account will be necessary, but will not be sufficient. The Administration must expend the political capital necessary to end decades of underfunding diplomacy and development agencies and to ensure that they are equipped both to advance U.S. interests in Asia and to compete with the People’s Republic of China globally. Second, the Administration must actively cultivate Congress as a full partner in modernizing U.S. diplomatic and development tools and to shore up bipartisan support investment in the Indo-Pacific. Finally, the Administration needs to advance an ambitious, substantive economic agenda that expands opportunities for U.S. businesses and leverages the United States’ unique advantages in working with and through our allies and partners.

In the 117th Congress, the Administration and Congress worked together to pass landmark legislation to invest in our domestic competitiveness. In the 118th Congress, I stand ready to work with the Executive Branch and my colleagues on the Hill to ensure that we do the same for American leadership abroad. Strategically aligning our resources and improving the institutional capacity of our diplomatic and development agencies are essential to realizing the promise of the Indo-Pacific Strategy and ensuring that the United States is prepared to tackle the challenges ahead.

Sincerely,

ROBERT MENENDEZ, *Chairman*
Senate Foreign Relations Committee

EXECUTIVE SUMMARY

In February 2022, President Biden released his Indo-Pacific Strategy (IPS) “to strengthen our long-term position in and commitment to the Indo-Pacific” in response to the region’s increasing importance to the U.S. and to China’s growing influence and aggressive behavior.¹ The IPS builds on similar efforts of the previous three administrations and offers a long-term vision for a “free and open, connected, prosperous, secure and resilient” Indo-Pacific based on “unprecedented cooperation” between the U.S. and its allies and partners both within and outside the region.²

The strategy presents five broad goals to achieve its vision: advancing a free and open Indo-Pacific; building connections within and beyond the region; driving regional prosperity; bolstering regional security; and developing resilience to transnational threats. It also lists ten core “lines of effort” to be implemented within 24 months to help realize these goals.

The IPS’s vision is commendable, and President Biden and others at the highest levels of his Administration are deeply engaged in implementing the strategy. In the year leading up to the release of the IPS and in the months after, the Administration made significant progress in a number of areas. This report offers recommendations as to how the Administration should sharpen the strategy’s aims and better ensure adequate resourcing of its efforts.

KEY RECOMMENDATIONS

- *Adequately Resource the Strategy:* The Biden administration must ensure the IPS has the funds it needs for success. Despite four successive administrations identifying Asia as a priority region for U.S. attention and assistance, none have made the necessary tradeoffs to ensure that resources are allocated in a manner commensurate with such prioritization. The Administration must significantly increase funding for diplomatic and development agencies across the U.S. government, and dedicate a larger portion of the Department of State operating budget and U.S. foreign assistance to advance priorities in the Indo-Pacific. To further IPS goals, it must also incentivize other U.S. agencies like the U.S. Agency for International Development (USAID), the Millennium Challenge Corporation (MCC), the U.S. International Development Finance Corporation (DFC), the U.S. Trade and Development Agency (USTDA), and the Export-Import Bank to increase grants, loans, and other financing programs in the Indo-Pacific while leveraging International Financial Institutions (IFIs).

¹The White House, *Indo-Pacific Strategy of the United States*, Feb. 11, 2022.

²*Id.*

- *Cultivate Congress as a Key Partner:* Congress should be made an active partner to ensure sufficient allocation of resources to the Indo-Pacific, to provide new authorities if and when needed, and to engage in effective oversight. The Administration should provide Congress with a full, detailed, and prioritized list of its plans for implementing the IPS, updated as necessary. The plan should include associated resourcing requirements as well as data that can be used to set benchmark resource allocations to the Indo-Pacific. Finally, the Administration should provide Congress with a list of designated officials in each department who are responsible for implementing the IPS.
- *Advance Economic Integration:* The IPS must include a substantive and action-oriented economic agenda that is responsive to our allies' and partners' calls for increased U.S. economic engagement. This includes: (1) pressing for concrete deliverables from the Indo-Pacific Economic Framework for Prosperity (IPEF) that offer meaningful benefits for IPEF members; (2) taking full advantage of the U.S.' hosting this year's Asia Pacific Economic Cooperation (APEC) Leaders' Meeting by showcasing what the U.S. private sector can deliver, particularly in energy infrastructure and digital technology; (3) stepping up consultations with like-minded partners on sensitive export control issues; and (4) prioritizing a meaningful trade program with Taiwan under the U.S. Taiwan Initiative on 21st Century Trade while not precluding Taiwan's future inclusion in IPEF.
- *Democracy and Human Rights:* At the center of the IPS lies the promotion of democracy and human rights. By advancing these universal values, which are vital to long-term stability and prosperity, the Administration will underscore its commitment. Such efforts will also demonstrate that the U.S. envisions a future for the region that embraces democracy and human rights across the diverse political and social context in the Indo-Pacific.
- *Bolster Deterrence through Security and Non-Security Efforts:* While the IPS was right to focus on non-military tools of national power, the roles that non-military agencies play on security issues need to be clearly defined. This will be important in reassuring U.S. partners of the strategy's broader trade, economic, and diplomatic aims and to avoid the perception that it contributes to an unnecessary intensification of great power rivalry. This includes: (1) clarifying what "integrated deterrence" in the Indo-Pacific means and explain how the Department of State, USAID, and economic agencies' unique roles, resources, and authorities contribute to integrated deterrence; (2) pursuing coordinated efforts to deter coercive PRC actions against Taiwan and other regional partners, including through the Association of Southeast Asian Nations (ASEAN) and the Quadrilateral Security Dialogue ("the Quad"), combined planning activities with partners such as Japan, Korea, Australia, the Philippines, and India; and (3) establishing communications channels with Beijing to reduce the risk of miscalculation and

to provide openings for engagement on opportunities for conflict de-escalation and cooperation on issues like climate change, illegal drugs, and nonproliferation.

- *Expand Investment in Public Diplomacy Efforts and People-to-People Ties:* To advance our values in the Indo-Pacific region, the U.S. must leverage its comparative advantage through expanding people-to-people ties. The U.S. must also improve our ability to counter disinformation, misinformation, and propaganda. The Administration should: (1) reassess the funding, impact, and policy coordination among entities involved in public diplomacy, information sharing, and countering disinformation; (2) strengthen collaboration between American and regional students by shortening visa-processing times and addressing barriers to working in the U.S. after graduation; (3) provide additional scholarships and administrative support to increase the scope and scale of professional education programs such as the U.S.-ASEAN and U.S.-Pacific Institutes for Rising Leaders; and (4) cultivate regional expertise at home by expanding funding for U.S. students, academics, and experts to develop expertise on the Indo-Pacific, including through public-private partnerships.
- *Prioritize Strategic Investments:* The PRC's Belt and Road Initiative and the Digital Silk Road have expanded worldwide with the aim of growing PRC investments and resource acquisition abroad. This has increased the number of countries indebted to China and expanded the PRC's sphere of influence. To compete globally, the U.S. and our partners must strive to provide alternative financing and economic development projects. The U.S. should not seek to challenge every investment, but should prioritize based on our strategic interests, taking into account strategic locations and strategic sectors such as clean energy, transportation and shipping infrastructure, and digital infrastructure.
- *Deepen Engagements with Allies and Partners:* Many of the most important IPS efforts will require deepening engagement with our network of allies and partners across the region. The Administration should: (1) leverage opportunities to make U.S.-Japan-Republic of Korea (ROK) trilateral cooperation more meaningful and resilient; (2) follow through on the Pacific Partnership Strategy by prioritizing and resourcing its commitments related to climate change resilience; (3) continue efforts to routinize the Quad through a consistent tempo of meetings and preparatory consultations and by deepen cooperation among working groups; (4) bolster U.S.-ASEAN ties by prioritizing bilateral engagement with ASEAN members and the institution itself; (5) advance the Australia-United Kingdom-United States trilateral security partnership (AUKUS) and renewal of the Compacts of Free Association (COFA) by working closely with Congress to facilitate congressional consideration of any agreements; and (6) encourage a stronger democratic India as our two nations deepen cooperation on issues such as defense, emerging technology and maritime security.

BACKGROUND

The global economic and strategic center of gravity has shifted decisively to the Indo-Pacific, and its importance to the U.S. has grown commensurately. The region is home to more than half of the world's population, accounts for 60 percent of its GDP, and is expected to contribute to two-thirds of global economic growth in coming years.³ Two-way trade between the U.S. and countries in the Indo-Pacific amounted to \$1.75 trillion in 2020, and three million American jobs are directly dependent on U.S. economic ties to the region.⁴

At the same time, the rise of the PRC as an economic and military power is reshaping the ways in which the U.S. perceives and pursues its interests in the region. With an economy already roughly equal in size to that of the U.S. by some measures, levels of trade that make it the top economic partner of many countries in the region, an increasingly powerful military, growing technological prowess, expansive investments in regional infrastructure—including coal-fired power plants—and a clear willingness to use economic and military coercion to achieve its ambitions, the PRC has been asserting itself in the Indo-Pacific and on the global stage. The PRC's efforts constitute a significant challenge to American interests, regional stability and global greenhouse gas emissions reductions.

Across four administrations, the U.S. has sought to effectively respond to China's rise and to the increasing importance of the Indo-Pacific. While U.S. approaches have evolved over time, they have all shared several essential elements. As early as 2001, the George W. Bush administration identified the rise of China as the most serious threat to U.S. long-term interests.⁵ In 2004, it issued a Global Posture Review, which called for an enhanced American force posture in the Asia Pacific to counter the PRC's growing ambitions.⁶ That same year, the Bush administration completed an interagency Asia strategy that sought to shape Beijing's decision-making by working with allies and partners to dissuade the PRC from achieving regional hegemony.⁷

The Obama administration followed with its 2011 strategy to “rebalance” to Asia.⁸ Composed of integrated economic, military, and diplomatic programs and policies, the strategy was designed to address the negative aspects of the PRC's rise and to ensure our regional partners' resilience. Dr. Kurt Campbell, one of the strategy's foremost architects, characterized the rebalance as “bolstering traditional alliances, forging new partnerships, engaging regional institutions, diversifying military forces, defending democratic values, embracing economic statecraft, and developing a truly multifaceted and comprehensive approach to an increasingly assertive and capa-

³*Id.*

⁴*Id.*

⁵Nina Silove, “The Pivot before the Pivot: U.S. Strategy to Preserve the Power Balance in Asia,” *International Security*, Vol. 40(4), Apr. 1, 2016, at 57.

⁶Robert Critchlow, *U.S. Military Overseas Basing: New Developments and Oversight Issues for Congress*, Congressional Research Service, Oct. 31, 2005.

⁷Nina Silove, “The Pivot before the Pivot: U.S. Strategy to Preserve the Power Balance in Asia,” *International Security*, Vol. 40(4), Apr. 1, 2016, at 61-66.

⁸Mark Manyin et al., *Pivot to the Pacific? The Obama Administration's “Rebalancing” Toward Asia*, Congressional Research Service, Mar. 28, 2012.

ble China.”⁹ Importantly, this strategy was also informed by the 2009 National Intelligence Council report released on the Indo-Pacific region’s vulnerability to climate change. The report found that “[t]here is overwhelming evidence that climate change will impact a variety of sectors in Southeast Asia and Pacific Islands through 2030.”¹⁰

While the Obama administration’s strategy included modest changes to military posture and increased high-level diplomatic engagement, the centerpiece of the strategy was the Trans-Pacific Partnership (TPP), a trade agreement among 12 countries in the Indo-Pacific (not including the PRC), which together constituted 40 percent of the global economy. The TPP aimed to set the rules for expanded regional trade and investment.¹¹ In 2016, the Obama administration completed TPP negotiations, but the agreement did not have sufficient congressional support for passage and it was not ratified.¹²

The Trump administration characterized Beijing as a strategic competitor across economic, political, and military domains. The Administration’s 2017 National Security Strategy called the PRC a challenge to “American power, influence, and interests, attempting to erode American security and prosperity.” The 2018 National Defense Strategy stated: “China is a strategic competitor using predatory economics to intimidate its neighbors while militarizing features in the South China Sea.”¹³ The Trump administration’s declassified 2018 U.S. Strategic Framework for the Indo-Pacific called for the U.S. to maintain “strategic primacy in the Indo-Pacific region and promote a liberal economic order while preventing China from establishing new, illiberal spheres of influence, and cultivating areas of cooperation to promote regional peace and prosperity.”¹⁴ In 2019, the Department of State issued a report entitled “A Free and Open Indo-Pacific: Advancing a Shared Vision,” which outlined a strategy for enhancing U.S. engagement with regional allies and partners in the Indo-Pacific, increasing U.S. support for infrastructure development in the region, championing good governance, and upgrading military ties to deter adversaries.¹⁵ However, these strategies were undermined by President Trump’s attempts to dramatically reduce federal resources to non-military agencies and his unpredictable and damaging behavior toward U.S. allies and partners. An account of the Trump administration’s assault of American diplomacy can be found in a Senate Foreign Relations Committee Democratic staff report “Diplomacy in Crisis:

⁹Kurt Campbell, *The Pivot: The Future of American Statecraft in Asia*, at 7 (June 7, 2016).

¹⁰“Southeast Asia and Pacific Islands: The Impacts of Climate Change to 2030: A Commissioned Research Report”. NIC 2009-06D, National Intelligence Council, Aug. 2009.

¹¹Office of the U.S. Trade Representative, “Trans-Pacific Partnership: Summary of U.S. Objectives,” Oct. 4, 2015.

¹²Mike DeBonis et al., “The Trans-Pacific Partnership is Dead, Schumer Tells Labor Leaders,” *The Washington Post*, Nov. 10, 2016.

¹³The White House, National Security Strategy of the United States of America, Dec. 18, 2017; U.S. Department of Defense, National Defense Strategy of the United States of America, Jan. 19 2018.

¹⁴U.S. National Security Council, U.S. Strategic Framework for the Indo-Pacific, Jan. 5, 2021.

¹⁵U.S. Department of State, A Free and Open Indo-Pacific: Advancing a Shared Vision, Nov. 4, 2019.

The Trump Administration’s Decimation of the State Department” published in July 2020.¹⁶

The Biden administration’s Indo-Pacific Strategy, released in February 2022, is premised on views similar to those of prior administrations from both political parties. It recognizes the Indo-Pacific’s increasing importance as well as the PRC’s growing influence, aggressive behavior, and intentions. The IPS’s goal is to achieve “an Indo-Pacific that is free and open, connected, prosperous, secure, and resilient” and in order to “realize that future, the U.S. will strengthen our own role while reinforcing the region itself.”¹⁷ To that end, the IPS also recommends diplomatic, economic, and military efforts for the Indo-Pacific that are broadly similar to those of its predecessors.¹⁸

The IPS recognizes that cooperation with allies and partners is critical to the strategy’s success. It states: “the essential feature of this approach is that it cannot be accomplished alone: changing strategic circumstances and historic challenges require unprecedented cooperation with those who share in this vision.”¹⁹ Indeed, U.S. partners both within the Indo-Pacific and beyond have offered their own approaches that complement the IPS. These include Japan’s Free and Open Indo-Pacific concept; India’s Act East policy; South Korea’s New Southern Policy, ASEAN’s Outlook on the Indo-Pacific, Taiwan’s New Southbound Policy, the United Kingdom’s Indo-Pacific Tilt; France’s Indo-Pacific Strategy; Germany’s policy guidelines on the Indo-Pacific; Canada’s Indo-Pacific Strategy; and the European Union’s Strategy for Cooperation in the Indo-Pacific.²⁰ All of these strategies recognize that the Indo-Pacific’s changing strategic and economic landscape poses risks to regional peace and stability as well as the existing rules-based international order.

REALIZING THE INDO-PACIFIC STRATEGY

Adequately Resource the Indo-Pacific Strategy

Driving new resources to the Indo-Pacific will be critical to the IPS’s success. Though the Biden administration has not yet produced a public list of specific programs and policies within the strategy’s “core lines of effort,” its budget allocations for foreign assistance and non-foreign assistance program operations to the Indo-Pacific compared to previous years, as well as the percentage of assistance allocations to the region could indicate if the resources the

¹⁶ Senate Foreign Relations Committee Democratic Staff Report, *Diplomacy in Crisis: The Trump Administration’s Decimation of the State Department*, July 28, 2020.

¹⁷ The White House, *Indo-Pacific Strategy of the United States*, Feb. 11, 2022.

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ See, e.g., Ministry of Foreign Affairs of Japan, “Japan’s Effort for a ‘Free and Open Indo-Pacific,’” Mar. 2021, <https://www.mofa.go.jp/files/100056243.pdf>; Dhruva Jaishankar, “Acting East: India in the Indo-Pacific,” Brookings Institutions, Oct. 24, 2019; John Nilsson-Wright & Yu Jie, “South Korean Foreign Policy Innovation Amid Sino-U.S. Rivalry,” Chatham House, July 22, 2021; Association of Southeast Asian Nations, ASEAN Outlook on the Indo-Pacific, June 23, 2019; Hunter Marston & Richard Bush, “Taiwan’s Engagement with Southeast Asia is Making Progress Under the New Southbound Policy,” Brookings Institute, July 30, 2018; Rahul Roy-Chaudhury, “Understanding the UK’s ‘tilt’ towards the Indo-Pacific,” International Institute for International Studies, Apr. 15, 2021; French Ministry of Europe and Foreign Affairs, France’s Indo-Pacific Strategy, Feb. 2022; Frederic Grare, “Germany’s New Approach to the Indo-Pacific,” Carnegie Endowment, Oct. 15, 2020; Global Affairs Canada, Canada’s Indo-Pacific Strategy, Nov. 2022; European Union, EU Strategy for Cooperation in the Indo-Pacific, Feb. 21, 2022.

Administration seeks for the Indo-Pacific region are commensurate with the ambitions of the IPS.

The Administration's FY2023 request for foreign assistance for the Indo-Pacific constituted only a marginal increase (3.8 percent) over FY2022 allocations and the share of assistance directed to the region remains under eight percent of overall foreign aid spending (see Figures 1 and 2). Since FY2014, the Department of State's allocations for the Indo-Pacific for non-foreign assistance program operations (e.g., diplomatic programs and public diplomacy) have never amounted to more than one-fifth of total spending globally (see Figure 4). The information available on the activities of the MCC (see Figure 7), Ex-Im Bank (see Figure 8), DFC (see Figure 5), and USTDA (see Figure 6) aimed at the Indo-Pacific predate the launch of the IPS.

Given the importance of the Indo-Pacific to the U.S., the Administration should direct more substantial funding to the region, including by raising the percentage of overall foreign assistance provided. While the Administration appears to be hard at work developing activities across many of the IPS's "core lines of effort," it has failed to adequately consult with Congress. Assessing the IPS's full resourcing needs will continue to be challenging without more detailed, programmatic information on the Administration's efforts.

Recommendations on Resourcing

The IPS's success depends on adequate resourcing. While four successive administrations have identified Asia as a priority region, they have not expended the political capital necessary to meaningfully expand and modernize U.S. diplomatic and development agencies, or to make the necessary tradeoffs to ensure that resources are allocated in a manner commensurate with the region's strategic importance. To achieve this goal, the Administration should cultivate Congress as a key partner in the effort. Congress should receive information to inform effective oversight, justify new authorities, and understand the strategic case for allocating additional resources to the Indo-Pacific.

- *Seek additional resources and allocate a larger portion of foreign assistance to the Indo-Pacific.* While the Indo-Pacific represents 60 percent of global GDP and more than half of the world's population, the Administration's FY2023 assistance request for the region amounts to \$1.7 billion. This is only incrementally more than requested in the previous year and represents only 7.7 percent of the overall foreign assistance budget (see Figures 1 and 2). Even accounting for the value of long-standing assistance to key partners in the Middle East and Europe, this foreign assistance allocation to the Indo-Pacific is incommensurate with its strategic and economic importance (see Figure 2).
- *Invest a higher percentage of the Department of State's operating budget in the Indo-Pacific.* The Department of State's operations budget, which supports overseas posts and domestic operations, is similarly underweighted in the Indo-Pacific. The FY2023 request for the region was less than 20 percent of the overall request (see Figure 4). Those allocations have remained

relatively flat since FY2014 (see Figures 3 and 4). If the Administration is serious about elevating the importance of the Indo-Pacific and is committed to the breadth of efforts outlined in the IPS, this proportion must increase.

- *Incentivize other U.S. agencies to increase their grants, loans, and other financing programs in the Indo-Pacific.* While the USTDA, DFC, and Export-Import Bank are generally demand-driven in terms of the funds they offer, they can seek to attract applications through outreach in priority sectors or regions. In recent years, these agencies' funds for activities in the Indo-Pacific represent a far smaller portion of their overall funding than is suggested by the economic importance of the region, and in some cases, the monies mobilized in the Indo-Pacific have declined in relative or absolute terms (see Figure 5 for DFC and Figure 6 for USTDA). For example, the MCC has worked in only seven Indo-Pacific nations since its inception in FY2003 and currently has active compacts only with Mongolia, Nepal and Timor-Leste. As part of its IPS implementation guidance for the Indo-Pacific Strategy, the White House should require each of these agencies to report how they intend, over the next 24 months, to expand their Indo-Pacific portfolios. As MCC's program constraints limit its operations to low and lower-middle income countries (LICs and LMICs), MCC should continue to work with Congress to expand its country candidate pool.
- *Address impediments to increasing the number of Peace Corps Volunteers in the Indo-Pacific and expanding to additional countries in the region.* Peace Corps Volunteers offer an important means of demonstrating U.S. commitment to countries in the Indo-Pacific and strengthening people-to-people ties. As shown in Figure 9, while Volunteer levels in the Pacific Islands peaked in 2017 and have since declined, the number of Volunteers in the Indo-Pacific has remained somewhat steady over the past decade. While the Administration has announced that the Peace Corps will return to Fiji, Tonga, Samoa, and Vanuatu, it is unclear how many Volunteers will be sent when Peace Corps returns to historic Volunteer levels.²¹ The Administration has also said that it will explore expanding the Peace Corps to additional Pacific Island countries, though no timeline has been given.²² That exploration should be expedited and coupled with an interagency strategy and appropriate resources to address fiscal and security concerns so that Volunteers should be sent to new countries as soon as possible.
- *Continue to work closely with allies and partners to provide infrastructure investment and development options to Indo-Pacific countries.* Beyond its individual efforts, the U.S. is working with other countries to drive resources to the Indo-Pacific. For example, as an alternative to the PRC's Belt and Road Initiative (BRI), in June 2022, the G7 announced the launch of the Partnership for Global Infrastructure and Investment (PGII),

²¹The White House, "Fact Sheet: President Biden Unveils First-Ever Pacific Partnership Strategy," Sept. 29, 2022.

²²*Id.*

to mobilize \$600 billion in private capital by 2027.²³ PGII has the potential to offer values-driven, transparent infrastructure opportunities as opposed to those of the BRI, which have often been plagued by poor governance, non-transparency, and corruption.²⁴ The Administration should continue to partner with countries such as Japan to provide high-quality infrastructure options in the region. The U.S. should redouble efforts to work with partners to provide alternatives on the digital infrastructure side as well.

- *Ensure that the U.S. leverages International Financial Institutions to further its IPS goals.* The Administration should use its leadership positions at the World Bank, the International Monetary Fund, the Multilateral Development Banks, and the G7 to showcase the benefits of the U.S.-led international order. This includes fostering economic development, ensuring global economic stability, combatting climate change, and reducing poverty around the world. The U.S. should align its voice and vote at these institutions with the goals of the Indo-Pacific Strategy to ensure that we are able to effectively communicate the tangible benefits of our global economic leadership versus the strategic and economic risks that can result from becoming heavily indebted to the PRC.
- *Provide Congress with a full, detailed, and prioritized list of the Administration's plans for implementing the IPS and its associated resourcing requirements.* If Congress is to appropriate funds for ambitious IPS activities, it needs significantly greater detail about the Administration's priorities, plans, and intentions to increase operational spending, program spending, and financing to the Indo-Pacific.
- *Provide Congress with data for resource allocation benchmarks.* Resourcing the Indo-Pacific Strategy will require that the agencies administering funds and programs are matched by an adequate number of personnel. While the Congress and the Congressional Research Service made a concerted attempt to obtain data on personnel allocations to the Indo-Pacific from all the key agencies involved in the IPS, little information was obtained. Figure 10 and Table 1 show the information provided by USAID. If Congress is going to authorize funds commensurate with the region's importance, it will require more detailed information from which to benchmark current Administration efforts. To the extent that there are internal impediments to collecting and analyzing this data, the Administration should prioritize efforts to overcome these challenges, and inform Congress of those efforts.
- *Identify designated officials at each department and agency responsible for the implementation of the IPS and ensure that they have a meaningful voice in determining relevant staffing and resource allocations.* Almost 20 federal departments and

²³The White House, "U.S.-Indonesia-EU Joint Statement on Partnership for Global Infrastructure and Investment," Nov. 15, 2022.

²⁴Jonathan Hillman, "Corruption Flows Along China's Belt and Road," Center for Strategic and International Studies, Jan. 18, 2019.

agencies are involved in an ongoing Interagency Policy Committee process led by the National Security Council to carry out the IPS. However, only the Department of State and USAID have designated officials to coordinate IPS efforts in which these agencies are engaged. Given the scope of efforts under their jurisdiction, it is particularly important that the Department of Commerce, the Department of Energy, the Department of the Treasury, the U.S. Trade Representative, the International Development Finance Corporation, the Department of Defense, and the Joint Staff designate IPS coordinators expeditiously.

Advance U.S. Leadership on Trade and Economic Integration

When President Trump formally withdrew from the TPP in 2017, doubts about America’s commitment to the Indo-Pacific grew precipitously, to the PRC’s benefit.²⁵ The remaining members of the TPP forged ahead to create the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), with the hope that the U.S. might eventually join.²⁶ The PRC formally applied to join the CPTPP in 2021.²⁷

Rather than pursue joining the CPTPP, the Biden administration has offered a new economic initiative that signals the U.S.’ intention to enhance its economic engagement in the Indo-Pacific. During his May 2022 visit to Japan, President Biden announced the formation of the Indo-Pacific Economic Framework for Prosperity (IPEF) with 12 countries from the Indo-Pacific, not including the PRC.²⁸ Shortly thereafter, Fiji joined as well.²⁹ IPEF will cover a broad range of other issues under four pillars: trade; supply chains; clean economy; and fair economy, with member countries given the choice of which pillars to join.³⁰ The Office of the U.S. Trade Representative leads the first pillar, while the Department of Commerce facilitates the latter three.³¹

The aims of the four IPEF pillars were defined in September 2022 at IPEF’s first in-person ministerial meeting.³² Notably, within the trade pillar, member countries committed to promoting trade facilitation and digital trade, advancing food security and good regulatory practices, and ensuring that labor and environmental issues remained at the core of discussions.³³ On supply chains, the focus is to identify and increase investment in critical sectors and goods, establish an information-sharing and crisis response mecha-

²⁵Yuka Hayashi, “U.S. on Sidelines as China and Other Asia-Pacific Nations Launch Trade Pact,” *Wall Street Journal*, Jan. 1, 2022.

²⁶James McBride et al., “What’s Next for the Trans-Pacific Partnership (TPP),” Council on Foreign Relations, Sept. 20, 2021.

²⁷Joanna Shelton, “Look Skeptically at China’s CPTPP Application,” Center for Strategic and International Studies, Nov. 18, 2021.

²⁸The White House, “FACT SHEET: In Asia, President Biden and a Dozen Indo-Pacific Partners Launch the Indo-Pacific Economic Framework for Prosperity,” May 23, 2022.

²⁹The White House, “Statement by National Security Advisor Jake Sullivan on Fiji Joining the Indo-Pacific Economic Framework for Prosperity,” May 26, 2022.

³⁰The White House, “FACT SHEET: In Asia, President Biden and a Dozen Indo-Pacific Partners Launch the Indo-Pacific Economic Framework for Prosperity,” May 23, 2022.

³¹The White House, “On-the-Record Press Call on the Launch of the Indo-Pacific Economic Framework,” May 23, 2022.

³²Aidan Arasasingham et al., “IPEF Comes into Focus at LA Ministerial,” Center for Strategic and International Studies, Sept. 12, 2022.

³³Office of the U.S. Trade Representative, “U.S. and Indo-Pacific Economic Framework Partners Announce Negotiation Objectives,” Sept. 9, 2022.

nism, and strengthen supply chain logistics.³⁴ The clean economy pillar states that countries will seek “to advance cooperation on clean energy and climate-friendly technologies, as well as mobilize investment and promote usage of low- and zero-emissions goods and services.”³⁵ And the fair economy pillar will focus on “preventing and combatting corruption, curbing tax evasion, and enhancing transparency.”³⁶ The first negotiating round of IPEF was held in Brisbane, Australia in December 2022.³⁷

Recommendations to Advance Economic Integration

If the IPS is to succeed, it must include a substantive and action-oriented economic agenda. This engagement should be responsive to the demand signals of our allies and partners in the region for increasing U.S. economic engagement in the region.

- *Ensure IPEF’s longevity.* IPEF, the main economic element of the IPS, is the U.S.’ first major foray into shaping the region’s economic architecture since the U.S. withdrawal from the Trans-Pacific Partnership in 2017. Regional support expressed for IPEF at this early stage indicates that, over time, IPEF has the potential to meaningfully contribute to regional economic integration. However, the Administration must ensure that IPEF is developed in a manner that demonstrates the U.S.’ long-term commitment to regional economic integration and provides stability and dependability to the U.S. private sector and IPEF partner countries. To ensure the longevity of IPEF, the Administration must work with Congress to arrive at a common understanding of its scope, approval and implementation. Absent such a process, it will not be possible to build an agreement that is as meaningful and durable as U.S. interests require.
- *Prioritize a meaningful trade program with Taiwan.* Taiwan’s exclusion from IPEF sent an unfortunate signal, particularly in light of the fact that half the Members of the House and Senate expressed support for Taipei’s participation.³⁸ The Administration should prioritize negotiating a meaningful agreement under the U.S.-Taiwan Initiative on 21st-Century Trade, which was launched alongside IPEF, while not precluding the possibility of Taiwan’s future inclusion in IPEF.³⁹
- *Take advantage of the U.S. hosting the APEC Leaders Meeting in 2023.* The U.S. APEC host year is an opportunity to showcase what the U.S. private sector can deliver and to drive value for U.S. companies that want to increase their exports to the region. The Administration should use these meetings over the

³⁴ *Id.*

³⁵ *Id.*

³⁶ *Id.*

³⁷ Office of the U.S. Trade Representative, “Joint USTR and Department of Commerce Readout of the First Indo-Pacific Economic Framework Negotiating Round,” Dec. 15, 2022.

³⁸ See, e.g., “Menendez, Risch Lead 50 Colleagues in Letter to POTUS Championing Taiwan’s Inclusion in Proposed Indo-Pacific Economic Framework (IPEF),” U.S. Senate Committee on Foreign Relations Press Release, May 18, 2022; Steven Chabot, “Chabot and Taiwan Caucus Urge Commerce, USTR to Include Taiwan in the Indo-Pacific Economic Framework,” Office of Congressman Steve Chabot Press Release, Mar. 31, 2022.

³⁹ Office of the U.S. Trade Representative, “U.S. and Taiwan Announce the Launch of the U.S.-Taiwan Initiative on 21st-Century Trade,” USTR Press Release, June 1, 2022.

course of the year to highlight U.S. capacity in energy transformation necessary to address the climate crisis and digital technology and to reduce barriers for small and medium-sized businesses. The U.S. host year is also an opportunity for the Administration to press IPEF members to complete IPEF negotiations in time for the leaders' summit in late 2023.

- *Promote secure supply chains in ways that are respectful of allies' and partners' concerns.* The COVID-19 pandemic and Russia's war against Ukraine have underscored the fragility of global supply chains. The Biden administration has worked bilaterally with partners and through multilateral fora, such as the G7 and the Quad, to address these fragilities. At the same time, the Administration has undertaken unprecedented and far-reaching policies to sustain U.S. competitiveness in advanced technologies and prevent the PRC's malign use of those technologies.⁴⁰ These actions, combined with other "re-shoring" and "near shoring" efforts, may have a compelling strategic logic but have often been unsettling to U.S. allies and partners who have felt under-consulted.⁴¹ While the Biden administration has rightly prioritized securing supply chains, it has also invested in revitalizing its relationships with like-minded partners. Therefore, it should work to step up its consultations with partners on these sensitive issues. In addition to economic and security interests, it should explain how the policies that grow and secure U.S. supply chains, including in semiconductors, critical minerals and clean energy, and also grow cooperation that benefits our partners and allies in the long-term.⁴²
- *Continue to promote public-private-partnerships through the Indo-Pacific Business Forum.* In January 2023, the Biden administration co-hosted the fifth Indo-Pacific Business Forum in Japan. Focused on economic recovery and sustainable and inclusive growth, the Forum provided an opportunity for the private sector to synchronize their efforts with U.S. government and partner governments to maximize results and accelerate investments in these U.S. government-funded projects.⁴³ The private sector plays a critical role in addressing today's most pressing challenges—from the climate crisis, to food and energy insecurity, to the effects of the COVID-19 pandemic—and the Administration should seek to fully realize opportunities for public-private-partnerships in these and other areas.

Promote Democracy and Human Rights

The IPS' core line of effort on supporting good governance and accountability in the Indo-Pacific reflects the new national security focus on corruption. While corruption is a regional problem, includ-

⁴⁰ Implementation of Additional Export Controls: Certain Advanced Computing and Semiconductor Manufacturing Items; Supercomputer and Semiconductor End Use; List Modification, 87 Fed. Reg. 62186, Oct. 13, 2022.

⁴¹ See, e.g., Cagan Koc & Debby Wu, "Dutch Foreign Minister Says U.S. Can't Dictate Approach to China Exports," *Bloomberg*, Nov. 18, 2022.

⁴² Harput, Halit, "What Policy Initiatives Advance Friend-Shoring," St. Gallen Endowment for Prosperity Through Trade, Aug. 24, 2022.

⁴³ Department of State Factsheet, *2023 Indo-Pacific Business Forum Promotes Inclusive and Sustainable Growth in the Indo-Pacific*, Jan. 12, 2023.

ing in the PRC, and PRC regional economic engagement often exacerbates corruption challenges.

PRC investment through the Belt and Road and Digital Silk Road Initiatives “abets corruption and democratic backsliding in host countries,” according to a 2021 Council on Foreign Relations study.⁴⁴ The report notes that “major infrastructure projects provide ample opportunities for corruption, and PRC government practices magnify these opportunities. Opaque lending terms and contracts and closed bidding processes typify these projects. This secrecy and lack of accountability enable corrupt political elites to award contracts to their allies and divert funds toward their supporters.”⁴⁵ Such corruption can work in Beijing’s favor by linking officials’ personal financial interests to specific PRC projects rather than a system that awards contracts on the basis of merit.

Though good governance and accountability support democracy, the IPS is less focused on promoting democracy directly. To be sure, the IPS report mentions support for democratic institutions and democratic governance as part of its objective to “advance a free and open Indo-Pacific.”⁴⁶ But there are only two references to democracy within the IPS “core lines of effort”, and both are in reference to Burma.

Human rights, meanwhile, are mentioned in the IPS in reference to North Korea and the PRC as well as in an introductory paragraph covering America’s history in the region, but the core lines of effort are silent on how to advance human rights elsewhere across the Indo-Pacific.

The ASEAN is particularly sensitive to a U.S. strategy that places too much weight on democracy and human rights when many ASEAN countries have problematic records on these issues. Yet, by downplaying human rights and democracy in the IPS, the Administration undercuts its claims about the centrality of these issues to U.S. foreign policy and it also opens itself up to questions about the strength of its commitments to them.

Recommendations to Promote Democracy and Human Rights

If the IPS is to succeed, U.S. values, including democracy and human rights, must be a core tenant of the strategy.

- *Make human rights and democracy promotion a fundamental line of effort of the IPS.* The focus on good governance and accountability rather than democracy and human rights in the IPS likely reflects the Administration’s concern that several Indo-Pacific countries may be less open to U.S. overtures if they are pressed too hard on these issues. However, including human rights and democracy directly would underscore the U.S.’ commitment to universal rights and focus the Administration’s efforts to advance those priorities within a diverse set of political and social contexts across the Indo-Pacific. It would also demonstrate to countries in the region that the U.S. and

⁴⁴ Jennifer Hillman & David Sacks “China’s Belt and Road: Implications for the U.S.,” *Council on Foreign Relations*, Mar. 2021.

⁴⁵ *Id.*

⁴⁶ The White House, *Indo-Pacific Strategy of the United States*, Feb. 11, 2022.

its partners envision a future for the Indo-Pacific in which human rights and democracy are central elements.

Bolster Deterrence through Security and Non-Security Efforts

The U.S. and its allies and partners must respond robustly to the security challenges posed by the PRC. Deterring its military adventurism is critical to maintaining peace and stability in the Indo-Pacific. The PRC's aggressive actions in response to Speaker Pelosi's visit to Taiwan in August 2022 have brought the threats posed by China's military into sharp focus. However, if the U.S. concentrates on defense measures at the expense of broader trade, economic, diplomatic, and other initiatives, many in the region may perceive that the strategy amounts to little more than an intensification of great power rivalry. State may also feel that this undermines their interests and increases the risk of conflict. Maintaining an appropriate balance of security and non-security efforts in the region will require leadership at the highest levels of the Biden administration, and close consultation with Congress, as China's rapid military build-up will continue to demand attention.

Indeed, China now has the world's largest navy, the biggest air force in Asia, and missile capabilities that are aimed at deterring and denying the U.S. from projecting its military to the western Pacific in a military contingency.⁴⁷ Beijing is also engaged in the largest nuclear force expansion in its history.⁴⁸ Moreover, unlike the U.S., which has its military dispersed around the globe with only a fraction of its naval and air assets in the western Pacific, China's armed forces are focused geographically in the region, giving Beijing an advantage should a conflict arise.

Beijing's actions indicate that risk of a conflict over Taiwan may be increasing. Chinese President Xi Jinping has made Taiwan's "reunification" with mainland China a principal component China's "national rejuvenation."⁴⁹ Greater PRC military capabilities, growing Chinese nationalism, and the Chinese Communist Party (CCP) leadership's more ominous tone regarding Taiwan during the 20th Party Congress contribute to expectations that Xi will intensify efforts toward unification.⁵⁰ In Taipei and in Washington, attention is increasingly focused on the aggressive military, economic, and cyber actions against Taiwan.

Even before Beijing launched military drills after Speaker Pelosi's visit to Taiwan in August 2022, the PRC military was making almost daily incursions into Taiwan's air defense identification zone and engaging in dangerous maneuvers near Taiwanese vessels.⁵¹ Additionally, in June 2022, China declared sovereignty over the Taiwan Strait, despite the Strait's long-established legal status

⁴⁷ Mallory Shelbourne, "China Has World's Largest Navy With 355 Ships and Counting, Says Pentagon," *U.S. Naval Institute News*, Nov. 3, 2021; John Xie, "China Is Increasing Taiwan Airspace Incursions," *VOA*, Jan. 6, 2021.

⁴⁸ Shannon Bugos, "Pentagon Sees Faster Chinese Nuclear Expansion," *Arms Control Association*, Dec. 2021.

⁴⁹ David Sacks, "What Xi Jinping's Major Speech Means For Taiwan," *Council on Foreign Relations*, July 6, 2021.

⁵⁰ Emily Feng, "China's Communist Party moves to solidify Xi Jinping's power in leadership shuffle," *NPR*, Oct. 22, 2022.

⁵¹ "Chinese Incursions Highest Since 1996," *Taipei Times*, Jan. 4, 2020.

as an international waterway.⁵² China has also taken increasingly coercive steps against companies and countries that do not fall in line with its view of PRC jurisdiction over Taiwan, including imposing a trade embargo in 2021 on Lithuania for welcoming a Taiwan representative office to Vilnius.⁵³

In the face of the PRC's reckless and coercive behavior, the U.S. must continue to stand with Taiwan for moral, economic, and strategic reasons. Taiwan is a vibrant democracy that shares American interests and values. The U.S. has an important stake in ensuring that Beijing does not force the island into unification with China. Taiwan also accounts for more than half of global semiconductor production and almost all of the world's most advanced chips.⁵⁴ A disruption in this supply would have significant implications for the global economy.⁵⁵ Meanwhile, nearly half of the world's container ships pass through the Taiwan Strait, and as of August 2022, 88 percent of the largest of those vessels transited the waterway.⁵⁶ Strategically, if the U.S. were to abandon Taiwan, Washington would lose credibility with our allies and partners throughout the Indo-Pacific and beyond. This would undermine regional peace and stability and the PRC would feel emboldened to impose its will on the Indo-Pacific.

In May 2022, the PRC signed a security agreement with the Solomon Islands. In a November 2019 interview, Robson Tana Djokovic, the Chief of Staff to the Solomon Islands' Prime Minister, Manassef Sogavare, cited the country's vulnerability to the effects of climate change and the need to build resilience capacities as motivation for their pivot to China for assistance.⁵⁷ The perception that the U.S. and our allies were not offering alternatives also contributed to the Solomon Islands decision to cut ties with Taiwan and allow closer security cooperation with the PRC.⁵⁸

The IPS describes integrated deterrence as "more tightly integrat[ing] our efforts across warfighting domains and the spectrum of conflict to ensure that the U.S., alongside our allies and partners, can dissuade or defeat aggression in any form or domain."⁵⁹ If "integrated deterrence" of all the levers of U.S. power, diplomacy, and influence will be the U.S. response to growing security challenges prompted by the PRC, then it is imperative that the U.S. modernize and fully-fund the nonmilitary elements of its national power. The U.S. must also ensure that our partners are doing the same, in league and in concert with the United States.

The Biden administration's emphasis on cooperation with allies and partners is a recognition that the U.S. needs greater support from them in order to maintain a balance of power with the PRC in the Indo-Pacific. The U.S. has for years relied on a "hub and

⁵²"U.S. Rebuffs China by Calling Taiwan Strait an International Waterway," *Reuters*, June 14, 2022.

⁵³Andrew Higgins, "In an Uneven Fight With China, a Tiny Country's Brand Becomes Toxic," *The New York Times*, Feb. 21, 2022.

⁵⁴Chris Miller, "The Chips that Make Taiwan the Center of the World," *Time*, Oct. 5, 2022.

⁵⁵Yimou Lee et al., "T-DAY: The Battle for Taiwan," *Reuters*, Dec. 27, 2021.

⁵⁶Kevin Varley, "Taiwan Tensions Raise Risks in One of Busiest Shipping Lanes," *Bloomberg*, Aug. 2, 2022.

⁵⁷Ashley Westerman, "Some Pacific Island Nations Are Turning to China, Climate Change is a Factor," *NPR News*, Nov. 23, 2019.

⁵⁸Zoe Liu, "What the China-Solomon Islands Pact Means for the U.S. and South Pacific," *Council on Foreign Relations*, May 4, 2022.

⁵⁹The White House, Indo-Pacific Strategy of the United States, Feb. 11, 2022.

spoke” system of bilateral alliances with Japan, Korea, Australia, the Philippines, and Thailand as fundamental to regional security. However, the threat demands a more networked and cross-sectoral approach among allies and partners to supplement, one that leverages respective strengths, allocates resources more efficiently, and allows for more effective coordination, including in domains not directly associated with warfighting.

Growth in U.S. security assistance to the Indo-Pacific has come almost entirely from the short-term legal and funding authorities exercised by the Department of Defense, instead of the longer-term, more strategic programs undertaken by the Department of State. The Department of Defense has, since 2001, attempted to duplicate a number of Department of State security assistance authorities and roles, expending a global security assistance budget that has significantly exceeded that of the Department of State without sufficient foreign policy oversight and expertise from the Department of State itself. Meanwhile, the Department of State’s budget for global security assistance has not appreciably increased and almost entirely earmarked to three countries outside the Indo-Pacific over the same period. The Department of State’s influence over security assistance and security cooperation has diminished, with real consequences for U.S. power and influence abroad.

With the enactment of the Taiwan Enhanced Resilience Act (TERA) in 2022, the State Department now has the authority, for the first time, to provide Foreign Military Financing to Taiwan. If fully funded, such support, when combined with Taiwan’s own investments, could catalyze timely and important near-term acquisitions that will increase its ability to deter PRC aggression in the Taiwan Strait.

Recommendations to Improve Deterrence

The IPS was right to focus on non-military tools of national power, but the roles that non-military agencies play on security issues in the region need to be better explained and translated into reality.

- *Reinforce that U.S. strategy toward the region is not principally military in nature.* The IPS wisely leads with non-military tools of U.S. influence in the region. While the U.S. faces a deteriorating security environment in the Indo-Pacific, it is important that the Administration not focus too narrowly on defense at the expense of broader trade, economic, diplomatic, and other initiatives, lest partners in the region view the strategy as contributing to an unnecessary intensification of great power rivalry that undermines their interests.
- *Bolster deterrence through security and non-security efforts.* While the IPS was right to focus on non-military tools of national power, the roles that non-military agencies play on security issues need to be clearly delineated so that they can be better explained and translated into reality. This will be particularly important in reassuring partners of the strategy’s broader trade, economic, and diplomatic aims and avoid the perception that it contributes to an unnecessary intensification of great power rivalry. First and foremost, the Administration

should clarify what “integrated deterrence” in the Indo-Pacific means. The Administration should also explain how the Department of State, USAID and economic agencies’ unique roles, resources, and authorities contribute to integrated deterrence, and how the programs and activities of the Department of Defense should be coordinated with and integrated into these efforts.

- *Prioritize climate funding for the Indo-Pacific.* With significant vulnerability to climate change—particularly in the Pacific Islands—the PRC has seized the opportunity to provide climate-related support to these countries. The USAID-led President’s Emergency Plan for Adaptation and Resilience (PREPARE) provides a formidable alternative to PRC investments for countries in dire need of foreign assistance to combat the effects of climate change. It should be fully resourced and deployed strategically in the Indo-Pacific region.⁶⁰
- *Restore State’s leadership role in providing security assistance in the Indo-Pacific.* To realize, longer-term, strategic partnerships on security assistance in the Indo-Pacific, the Department of State needs a significant increase in security assistance funding that can be directed to partners in the region. Nowhere is this more urgent than in the case of Taiwan. The Administration should prioritize bolstering financial and political support to Taiwan through the TERA and obtain full funding of these authorities. The Administration should also continue to engage candidly with Taiwan to ensure that it invests wisely in its self-defense capabilities and consult closely with Congress about threats to Taiwan and capability gaps that the U.S. and our partners could help to fill.
- *Pursue coordinated efforts to deter coercive PRC actions against Taiwan.* The Biden administration has taken steps to reassure Taiwan about U.S. commitments as defined by the Three Joint Communiqués, the Taiwan Relations Act, and the Six Assurances—although mixed messages from administration officials have undermined some of these efforts.⁶¹ The Administration should pursue coordinated efforts to deter coercive PRC actions against Taiwan and other regional partners, including through ASEAN and the Quad, and it should strengthen its consultations and combined planning activities with partners, including Japan, Korea, Australia, the Philippines, and India.
- *Seek to sustain communication channels with Beijing.* The Administration should continue to press for more direct lines of communication between key military and civilian officials of the U.S. and China. Such channels of communication between Washington and Beijing have atrophied since 2016.⁶² Sustaining these channels has important benefits. First, it reduces the risk of miscalculations over Taiwan or other potential

⁶⁰ U.S. Agency for International Development, “Action Plan Released for the President’s Emergency Plan for Adaptation and Resilience (PREPARE),” Sept. 15, 2022.

⁶¹ Phelim Kine, “Biden Leaves No Doubt: ‘Strategic Ambiguity’ Toward Taiwan is Dead,” *Politico*, Sept. 19, 2022.

⁶² Barbara Usher, “Why U.S.-China Relations are at Their Lowest Point in Decades,” *BBC*, July 24, 2022.

flashpoints in the Indo-Pacific. And second, it provides openings to engage with Beijing on opportunities for deconfliction or cooperation on issues such as climate change, combatting illegal drugs, nonproliferation, and counterterrorism.

Invest in Public Diplomacy Efforts and Expand People-to-People Ties

The U.S. is the global leader in higher education, and U.S. colleges and universities attract some of the world's most talented and resourceful international students, approximately 70 percent of whom are from Asia.⁶³ Education has historically been a significant U.S. export and source of soft power. In the 2019-2020 academic year, before the full effects of COVID-19 were felt, international students contributed almost \$40 billion to the U.S. economy and supported more than 400,000 jobs.⁶⁴ International students attending schools in the U.S. are often exposed to American democracy and the free expression of ideas which can be life-changing, especially for those from countries with authoritarian governments. International students who rise to positions of influence within their home countries or remain in the U.S. after their studies create important links between the U.S. and the region.

The number of Indo-Pacific students studying in the United States remains much lower than pre-pandemic levels (see Figure 13). Since taking office, President Biden has eased travel restrictions and expanded the degrees that allow international students to qualify for a three-year work permit after graduation.⁶⁵ In July 2022, Secretary Blinken said that "continuing to nurture a vibrant community of international students is a foreign policy imperative."⁶⁶ His remarks were accompanied by a joint statement by the Departments of State, Education, Commerce and Homeland Security, which laid out principles for encouraging international students, researchers, and scholars to study in the U.S. as well as Americans to study abroad.⁶⁷

The U.S. must use all public diplomacy tools at its disposal to further its IPS goals. To promote U.S. values, the Agency for Global Media (USAGM) broadcasts news and information "to inform, engage, and connect people around the world in support of freedom and democracy."⁶⁸ In Asia, USAGM oversees the Voice of America (VOA), Radio Free Asia (RFA), and the Open Technology Fund (OTF).⁶⁹ VOA focuses on explaining U.S. perspectives in a global context, while RFA broadcasters offer news and information in places where local media is repressed or in a nascent stage, and OTF supports global internet freedom technologies. VOA allocates the largest proportion of its budget to the Indo-Pacific region, while Radio Free Asia has consistently received less funding than the

⁶³ Karin Fischer, "The U.S. Attracts Fewer International Students, Loses Billions in Revenue," *NPR*, Aug. 9, 2021.

⁶⁴ "New NAFSA Data Show First Ever Drop in International Student Economic Value to the U.S.," National Association of Foreign Student Advisers, Nov. 16, 2022.

⁶⁵ Suzanne Monyak, "U.S. Expands Work Program to Retain More Foreign STEM Students," *Roll Call*, Jan. 24, 2022.

⁶⁶ U.S. Department of State, "Joint Statement of Principles in Support of International Education," accessed Nov. 22, 2022.

⁶⁷ *Id.*

⁶⁸ U.S. Agency for Global Media, "Who We Are," accessed Nov. 22, 2022.

⁶⁹ *Id.*

other regional broadcasters (see Figures 11 and 12 and Tables 2 and 3).⁷⁰

To counter PRC disinformation campaigns, the IPS should use the Department of State's Global Engagement Center, whose mission is to "recognize, understand, expose, and counter foreign state and non-state propaganda and disinformation efforts aimed at undermining or influencing the policies, security, or stability of the U.S., its allies, and partner nations."⁷¹ The IPS should enhance interagency coordination with U.S. Combatant Commands working in this space, including: the U.S. Southern Command that undertakes internet-based Military Information Support Operations (MISO) efforts to counter global threats⁷² and the U.S. Indo-Pacific Command that undertakes MISO "to support a diversity of voices in the information space, to deter aggression and malign actions, to build partner-nation capacity, and to assist partner-nation counter-terror operations, counter-recruitment efforts, and counter-radicalization programs."⁷³

Recommendations to Expand Public Diplomacy Efforts

If the IPS is going to be successful, the U.S. must capitalize and expand upon the success that people-to-people programs offer in creating positive perceptions of the U.S. around the world. Furthermore, the U.S. must improve our ability to project information and awareness campaigns about positive U.S. policies and relationships in the region and develop and execute a more coordinated effort to counter disinformation, misinformation, and propaganda.

- *Assess funding, impact, and policy coordination among U.S. government entities involved in public diplomacy, including countering disinformation.* The U.S. has a number of entities engaged in different aspects of the information space, including USAGM, the Global Engagement Center, and Military Information Support Operations (MISO). The Administration should use the IPS to enhance effectiveness and coordination among these entities to increase their coherence and messaging impact as well as assess how agencies overlap with USAGM.
- *Reinforce welcoming students from the Indo-Pacific to the U.S. as a core IPS line of effort.* The Administration should take further steps to encourage educational exchanges as a core line of effort under the IPS: shortening visa processing times for international students; addressing barriers to working in the U.S. after graduation; offering scholarships; and increasing the scope and scale of professional education programs like the U.S.-ASEAN and U.S.-Pacific Institutes for Rising Leaders.⁷⁴

⁷⁰ "U.S. Agency for Global Media (USAGM)," USASpending.gov, accessed Nov. 22, 2022, <https://www.usaspending.gov/agency/us-agency-for-global-media?fy=2022>.

⁷¹ U.S. Department of State, "Global Engagement Center: Core Mission and Vision," accessed Nov. 22, 2022.

⁷² U.S. Southern Command, "Military Information Support Operations," accessed Nov. 21, 2022.

⁷³ U.S. Indo-Pacific Command, "Useful Theater Information," accessed Nov. 21, 2022.

⁷⁴ The White House, "FACT SHEET: U.S.-ASEAN Special Summit in Washington, DC," May 12, 2022; The White House, "FACT SHEET: Roadmap for a 21st-Century U.S.-Pacific Island Partnership," Sept. 29, 2022.

- *Cultivate regional expertise at home.* Expanding funding for U.S. students, academics, and experts to research and study in the Indo-Pacific will be important to building and sustaining regional expertise. Expanding funding, including through public-private partnerships, to organizations like the Council of American Overseas Research Centers, the Boren Fellowship and Fulbright for the Indo-Pacific will be important for achieving this goal.

Deepen Engagements with Allies and Partners

The U.S. alliances that were built in Asia after World War II are critical components of U.S. security posture in the Indo-Pacific—as are security relationships with India, New Zealand, Indonesia, Vietnam, Malaysia, Singapore, Taiwan, Mongolia, Palau, the Federated States of Micronesia, and the Marshall Islands. These arrangements have supported regional stability and helped facilitate the Indo-Pacific’s peace and prosperity.

The Biden administration has been careful in its messaging to avoid presenting the IPS as forcing countries to pick sides between the U.S. and the PRC. As Secretary Blinken said in his speech on U.S. policy toward China in May 2022, “This is not about forcing countries to choose. It’s about giving them a choice.”⁷⁵ That message should be reinforced and clarified. The U.S. offers the rule of law rather than coercion; support for civil society, human rights, and democracy rather than authoritarianism; and good governance, transparency, and accountability rather than corruption. Prioritizing host country-led development activities that provide high-quality outcomes without transactional caveats sets the U.S. apart from the PRC. It also increases resilience and prosperity among nations in the Indo-Pacific region.

The frequency and quality of the Administration’s engagement with allies and partners have demonstrated the strength of President Biden’s commitment to them and to the IPS. For example, in September 2021, President Biden hosted the first-ever in-person Quad Leaders’ Summit, which focused on increasing production and access to vaccines to end the COVID–19 pandemic; promoting high-standards infrastructure; addressing climate change; working jointly on emerging technologies, space, and cybersecurity; and enhancing people-to-people exchange.⁷⁶ On a visit to Korea and Japan in May 2022, largely in pursuit of the IPS, Biden participated in a second in-person Quad Leaders’ Summit in Tokyo, which expanded on many of the same themes as the first, and included the launch of the Indo-Pacific Partnership for Maritime Domain Awareness.⁷⁷ Before that trip, the President hosted the U.S.-ASEAN Special Summit, held for the first time in Washington D.C., and recently attended the ASEAN Summit in Cambodia.⁷⁸ Furthermore, in September, the Administration hosted the first-ever U.S.-Pacific

⁷⁵ U.S. Department of State, “The Administration’s Approach to the People’s Republic of China,” May 26, 2022.

⁷⁶ The White House, “FACT SHEET: Quad Leaders’ Summit,” Sept. 24, 2021.

⁷⁷ The White House, “FACT SHEET: Quad Leaders’ Tokyo Summit 2022,” May 23, 2022.

⁷⁸ The White House, “FACT SHEET: U.S.-ASEAN Special Summit in Washington, DC,” May 12, 2022; Joshua Kurlantzick, “Reflections on the ASEAN Summit and the ASEAN-U.S. Summit in Cambodia,” Council on Foreign Relations, Nov. 15, 2022.

Island Country Summit at the White House, where it unveiled the “Pacific Partnership Strategy.”⁷⁹

IPS programs and policies have and should be developed in close consultation with countries in the region. The U.S. should therefore continue to engage governments and populations of the Indo-Pacific on an ongoing basis to gain an understanding of how to meet their needs. By fully considering the interests and aspirations of Indo-Pacific partners in adapting and implementing the IPS going forward, the U.S. will increase the chance that the strategy gains the necessary buy-in to succeed.

Recommendations to Deepen Ties

The Indo-Pacific Strategy rightly recognizes that the U.S.’ rich network of allies and partners across the region is a source of strength. Many of the most important IPS efforts, therefore, will require continuous work to deepen engagement with these allies and partners.

- *Explore ways to make U.S.-Japan-ROK trilateral cooperation more meaningful and resilient.* Even as the U.S. is working closely with Japan and Korea to modernize each bilateral alliance, it is also working trilaterally with the two countries to improve coordination in the face of threats posed by North Korea. But the potential for greater U.S.-Japan-ROK cooperation extends beyond North Korea to the broader Indo-Pacific. Efforts in that respect may offer something of a proof-of-concept for networking the current alliance system. In July 2022, Washington and Tokyo launched the U.S.-Japan Economic Policy Consultative Committee (EPCC)—a “2+2” economic meeting including the Secretaries of State and Commerce and their counterparts, the Japanese Ministers of Foreign Affairs and of Economy, Trade and Industry—aimed at “countering threats to economic security and to the rules-based international economic order.”⁸⁰ Given Korea’s shared interest in the EPCC’s aims, as well as the country’s leadership in key technologies central to economic and technological security, the U.S. and Japan should consider inviting Korea to join the EPCC or meet in the “2+2+2” format to address specific economic security issues.
- *Follow through on the U.S.’ extensive commitments outlined in the Pacific Partnership Strategy.* In September 2022, President Biden hosted the U.S.-Pacific Islands Country Summit, at which assembled leaders signed the Declaration on U.S.-Pacific Partnership.⁸¹ The White House also released a Pacific Partnership Strategy with ten accompanying lines of effort.⁸² This document rightly prioritizes many of the issues of greatest concern to Pacific Island countries, such as investment in climate change resilience efforts, support for marine conservation, bolstered health architecture, and promotion of economic oppor-

⁷⁹The White House, “FACT SHEET: President Biden Unveils First-Ever Pacific Partnership Strategy,” Sept. 29, 2022.

⁸⁰U.S. Department of State, “Joint Statement of the U.S.-Japan Economic Policy Consultative Committee: Strengthening Economic Security and the Rules-Based Order,” July 29, 2022.

⁸¹The White House, “Declaration on U.S.-Pacific Partnership,” Sept. 29, 2022.

⁸²The White House, *Pacific Partnership Strategy*, Sept. 2022.

tunity.⁸³ As some Pacific Island leaders have criticized U.S. administrations for failing to follow through on commitments to the region, it is important that the Biden administration, in consultation with Congress, adequately prioritize and resource these efforts. The U.S. should finalize negotiations and enhance consultations with Congress regarding the Compacts of Free Association for the Marshall Islands, the Federated States of Micronesia, and Palau, which are set to expire in 2023 with the Marshall Islands and Micronesia and in 2024 with Palau.⁸⁴ Successful conclusion of these agreements is a prerequisite for continued U.S. credibility in the Pacific Islands.

- *Expand the Partners in the Blue Pacific (PBP) initiative.* In June 2022, the Biden administration announced PBP, which brings together the U.S., Australia, Japan, New Zealand, and the United Kingdom to ameliorate the existential threat climate change poses to the Pacific Island Countries.⁸⁵ Focusing on six pillars, the PBP takes a collaborative, multi-sectoral approach to building resilience in Pacific Island countries.⁸⁶ Initiatives like the PBP are critical to these countries' survival as sea levels rise. Climate change devastates economic well-being and eliminates physical land, infrastructure and cultural heritage sites. President Biden must continue to build support among new partners—like Canada, Germany, France, the European Union, the Republic of Korea, and India—who are newly-engaged.⁸⁷ The Administration should leverage new USG-led programs such as the “Resilient Pacific Blue Economy Program” to crowd in new public-private investment in our Pacific Island partner countries.
- *Routinize the Quad.* The Biden administration has invested heavily in the Quadrilateral Security Dialogue, which has become a versatile and important new element of the Indo-Pacific diplomatic and security architecture, engaged in issues from vaccine provision to critical and emerging technologies. New initiatives within the Quad can take years to mature, and the Administration should continue to invest patiently in the dialogue. The Quad is an informal body without a secretariat, budget, or binding commitments by its members.⁸⁸ This informality has allowed for flexibility and appeals to its members—particularly India. The Quad does not need a formal secretariat, but as its ambitions and agenda continue to grow, the Administration should continue to take steps to institutionalize a more routine tempo of meetings, preparatory consultations,

⁸³ *Id.*

⁸⁴ U.S. Department of the Interior, “Compacts of Free Association,” Office of Insular Affairs, accessed Nov. 21, 2022.

⁸⁵ The White House, “FACT SHEET: Roadmap for a 21st-Century U.S.-Pacific Island Partnership,” Sept. 29, 2022.

⁸⁶ The six pillars are as follows: “climate change resilience, adaptation, and disasters; secure and resilient technology and connectivity; protection of the ocean and environment; people centered development; resources and economic development; and political leadership and regionalism.”

⁸⁷ *Id.*

⁸⁸ Patrick Gerard and Benjamin Rimland, “Defining the Diamond: The Past, Present, and Future of the Quadrilateral Security Dialogue,” Center for Strategic and International Studies, Mar. 16, 2020.

and structured working groups. Moreover, there have been proposals for “Quad-Plus” arrangements that go beyond the dialogues to date on health security; the Quad may be sufficiently mature that countries such as South Korea or France could be invited to Quad-Plus dialogues on certain issues.⁸⁹

- *Deepen U.S.-ASEAN ties.* The Joint Vision Statement from the 2022 ASEAN-U.S. Special Summit outlined a wide range of areas in which the U.S., ASEAN, and its member states will partner. These include health security, economic ties, maritime cooperation, technology, climate change, security, and people-to-people connectivity.⁹⁰ Even though engagements with ASEAN often move at a slow pace, it is important that senior administration leaders continue to participate in ASEAN’s major gatherings and that the U.S. government remains attentive to the diverse array of interests and concerns expressed by member countries. The Administration should prioritize building up ASEAN as an institution and bilateral engagement with ASEAN member states.
- *Advancing AUKUS in the near term.* The Administration’s September 2021 announcement of the ambitious Australia-United Kingdom-U.S. Partnership has been followed by interagency efforts to determine a path to realize this goal.⁹¹ The Administration should work closely with Congress throughout this process and ensure that thorough consultations, including on safeguards, are prioritized to facilitate congressional consideration of any agreement. Because capabilities will likely not be delivered for some time, it will also be important to identify areas where the AUKUS partnership can deepen trilateral cooperation on security issues in the near-to-medium term.
- *Support a strong and democratic India.* The U.S. and the PRC vie for the position of India’s largest trading partner, with India’s Ministry of Commerce and Industry reporting in June 2022 that trade with the U.S. exceeded that of China, an important marker in the increasingly close ties between Washington and New Delhi.⁹² Indeed, the relationship between the world’s two largest democracies has been on an upward trajectory for more than two decades, overcoming Cold War antagonism and division over India’s nuclear program and the country’s testing of a nuclear device in 1998. Security ties have deepened dramatically in recent years as both countries are increasingly concerned about the implications of a more assertive China. The U.S. and India are now a Major Defense Partners and the two countries have launched a new Initiative on Critical and Emerging Technologies to enhance cooperation on quantum computing, 5G and 6G networks, space, semiconduc-

⁸⁹ Jyotsna Mehra, “An Evolving Agenda for the Quad,” The Stimson Center, June 7, 2022.

⁹⁰ The White House, “ASEAN-U.S. Special Summit 2022, Joint Vision Statement,” May 13, 2022.

⁹¹ The White House, “FACT SHEET: Implementation of the Australia—United Kingdom—U.S. Partnership (AUKUS),” Apr. 5, 2022.

⁹² “U.S. Becomes India’s Largest Trade Partner, is China Trade Decoupling?,” *The Economic Times*, updated June 21, 2022.

tors, biotech, and artificial intelligence.⁹³ Even as the Administration rightly treats India as an important security partner, it will need to address the very real complications of India's continued ties with, and dependence on, Russia for defense equipment and its recent downward trend of democratic values and institutions.

CONCLUSION

The IPS reflects the U.S.' growing reliance on the Indo-Pacific for U.S. prosperity and security and on "the fact that the Indo-Pacific faces mounting challenges, particularly from the People's Republic of China (PRC)." The Biden administration was correct not to make its Indo-Pacific strategy solely about competition with the PRC, but if it is to succeed, it has to grapple with the realities of this competition for the U.S. and the challenges it poses for our regional allies and partners.

The IPS states, "We will also seek to manage competition with the PRC responsibly. We will cooperate with our allies and partners while seeking to work with the PRC in areas like climate change and nonproliferation."⁹⁴ Responsible management of the China challenge and working with allies and partners to address coercive PRC activities are key distinctions of the Biden administration's IPS and are critical to the policy's long-term success. This can and should include deeper dialogues with allies and partners on the full spectrum of challenges from enhancing supply chain security, to providing quality infrastructure alternatives, to growing their support for bolstering Taiwan's military and economic resilience.

Responsible management of this challenge also means working with the PRC where we can. Unfortunately, after Speaker Pelosi's trip to Taiwan, the PRC unilaterally suspended discussions with the U.S. on climate change, illegal drugs, and other transnational issues.⁹⁵ Reviving those discussions, and ensuring they achieve tangible results, would demonstrate that the U.S. and China can address critical matters of mutual interest even amid heightened tensions.

Bipartisan support for the main objectives of the IPS and its underlying premise regarding the growing importance of the Indo-Pacific remains strong, given the close parallels to Indo-Pacific strategies offered by previous administrations of both parties over the past two decades, but should not be taken for granted. Maintaining bipartisan support for the IPS will require the Administration to engage more closely with Congress, as well as with the U.S. public, to explain the rationale behind the strategy, and the benefits to the American people of prioritizing U.S. funding and engagement in this dynamic region.

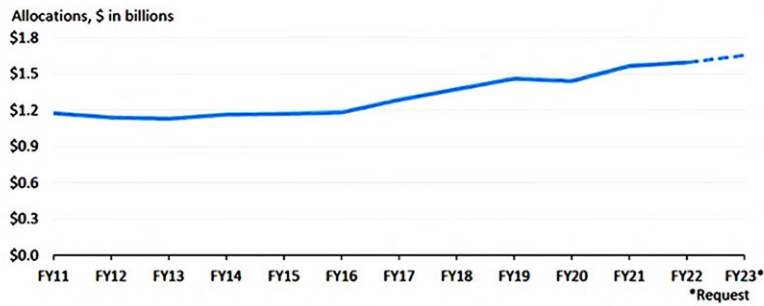
⁹³ U.S. Department of Defense, "Joint India-U.S. Statement on the Visit of Secretary of Defense Carter to India," U.S. Department of Defense, Dec. 8, 2016; The White House, "Readout of President Biden's Meeting with Prime Minister Modi of India," May 24, 2022. The White House, "FACT SHEET: United States and India Elevate Strategic Partnership with the Initiative on Critical and Emerging Technology (iCET)," Jan. 31, 2023.

⁹⁴ The White House, *Indo-Pacific Strategy of the United States*, Feb. 11, 2022.

⁹⁵ Johnson Lai, "China Halts Climate and Military Dialogue with the U.S. over Pelosi's Taiwan Visit," *Politico*, Aug. 5, 2022.

FIGURES AND TABLES

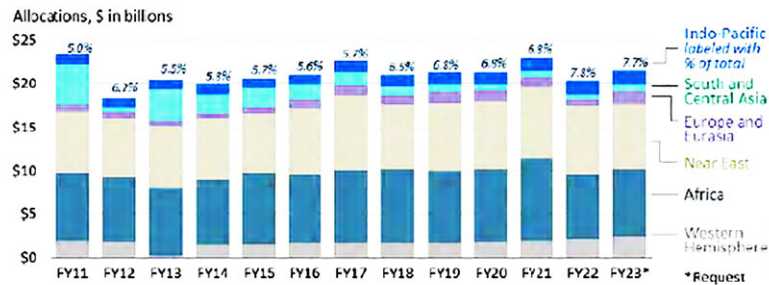
Figure 1. U.S. Foreign Assistance to the Indo-Pacific
(in current U.S. dollars)



Source: Created by CRS using annual Department of State, Foreign Operations and Related Programs (SFOPS) Congressional Budget Justifications, FY2013-FY2023. FY2022 estimate compiled by CRS from the FY2022 653(a) Report.

Notes: FY2022 totals are estimated. Allocations do not include monies from all SFOPS appropriations accounts. Humanitarian accounts, for example, such as International Disaster Assistance and Migration and Refugee Assistance, may not be reflected in reporting of annual allocations as they are considered “global” and are allocated throughout the fiscal year for which they are appropriated based on U.S. priorities and humanitarian needs. The data do not include monies allocated to areas or functions that are not country- or region-specific (e.g., agency bureaus, programmatic functions, or global initiatives).

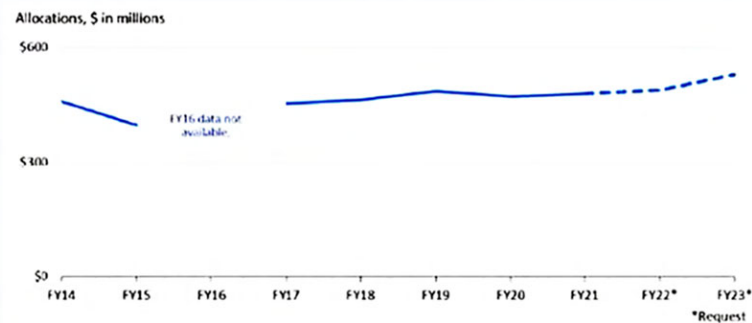
**Figure 2. U.S. Foreign Assistance to the Indo-Pacific Region
as Compared to Other Regions**
(in current U.S. dollars)



Source: Created by CRS using annual Department of State, Foreign Operations and Related Programs (SFOPS) Congressional Budget Justifications, FY2013-FY2023. FY2022 estimate compiled by CRS from the FY2022 653(a) Report.

Notes: FY2022 totals are estimated. South and Central Asia (SCA) region does not include countries that fall into the Indo-Pacific category but would be considered to be SCA per the U.S. Department of State. Allocations do not include monies from all SFOPS appropriations accounts. Humanitarian accounts, for example, such as International Disaster Assistance and Migration and Refugee Assistance, may not be reflected in reporting of annual allocations as they are considered "global" and are allocated throughout the fiscal year for which they are appropriated based on U.S. priorities and humanitarian needs. Levels in the figure do not include monies allocated to areas or functions that are not country- or region-specific (e.g., agency bureaus, programmatic functions, or global initiatives).

Figure 3. Department of State Overseas Programs and Public Diplomacy Funding Allocations for the Indo-Pacific, FY2014 Actual – FY2023 Request
(in current U.S. dollars)



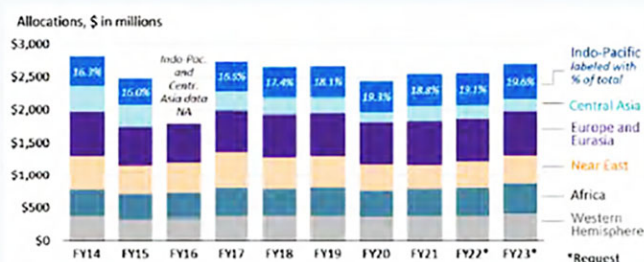
Source: CRS calculations derived from U.S. Department of State Congressional Budget Justifications (CBJs), FY2016–FY2023, available at <https://www.state.gov/plans-performance-budget/international-affairs-budgets/>.

Notes: “Overseas Programs” comprises allocations for non-foreign assistance program operations implemented by both overseas posts and Department of State operating units in the U.S. provided through the Diplomatic Programs appropriations account. “Public Diplomacy” comprises public diplomacy allocations provided through the Diplomatic Programs appropriations account.

There is no Bureau of Indo-Pacific Affairs at the Department of State. As requested, “Indo-Pacific” in this figure includes funding allocations for all countries within the area of responsibility of the U.S. Indo-Pacific Command (USINDOPACOM). USINDOPACOM’s area of responsibility includes all countries in the Department of State Bureau of East Asian and Pacific Affairs’ jurisdiction and some countries in the Bureau of South and Central Asian Affairs’ jurisdiction (Bangladesh, Bhutan, India, Maldives, Nepal, and Sri Lanka).

The Department of State’s FY2018 CBJ documents do not provide adequate data for CRS to calculate FY2016 allocations by country.

Figure 4. Department of State Overseas Programs and Public Diplomacy Funding Allocations for the Indo-Pacific and Other World Regions, FY2014 Actual – FY2023 Request
(in current U.S. dollars)



Source: CRS calculations derived from U.S. Department of State Congressional Budget Justifications (CBJs), FY2016-FY2023, available at <https://www.state.gov/plans-performance-budget/international-affairs-budgets/>.

Notes: "Overseas Programs" comprises allocations for non-foreign assistance program operations implemented by both overseas posts and Department of State operating units in the U.S. provided through the Diplomatic Programs appropriations account. "Public Diplomacy" comprises public diplomacy allocations provided through the Diplomatic Programs appropriations account.

"Europe and Eurasia" data reflect funding allocations for the Department of State's Bureau of European and Eurasian Affairs. "Near East" data reflect funding allocations for the Bureau of Near Eastern Affairs. "Africa" data reflect funding allocations for the Bureau of African Affairs. "Western Hemisphere" data reflect funding allocations for the Bureau of Western Hemisphere Affairs.

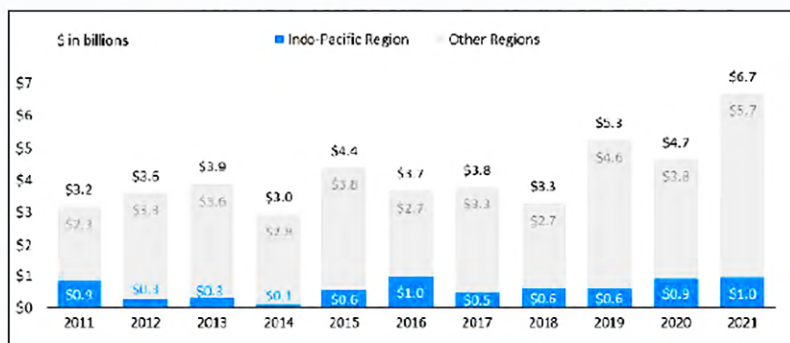
There is no Bureau of Indo-Pacific Affairs at the Department of State. As requested, "Indo-Pacific" in this figure includes funding allocations for all countries within the area of responsibility of the U.S. Indo-Pacific Command (USINDOPACOM). USINDOPACOM's area of responsibility includes all countries in the Department of State Bureau of East Asian and Pacific Affairs' jurisdiction and some countries in the Bureau of South and Central Asian Affairs' jurisdiction (Bangladesh, Bhutan, India, Maldives, Nepal, and Sri Lanka).

There is no Bureau of Central Asian Affairs at the Department of State. As requested, "Central Asia" in this figure includes funding allocations for the following countries within the Bureau of South and Central Asian Affairs' jurisdiction: Afghanistan, Kazakhstan, Kyrgyzstan, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan.

Some offices located in the Bureau of South and Central Asian Affairs maintain responsibility for both Indo-Pacific and Central Asian countries (for example, the Office of the Assistant Secretary and the Office of Regional Affairs). For these offices, CRS tallied half of the annual allocation provided in the CBJ to the Indo-Pacific and half to Central Asia.

The Department of State's FY2018 CBJ documents do not provide adequate data for CRS to calculate FY2016 allocations by country.

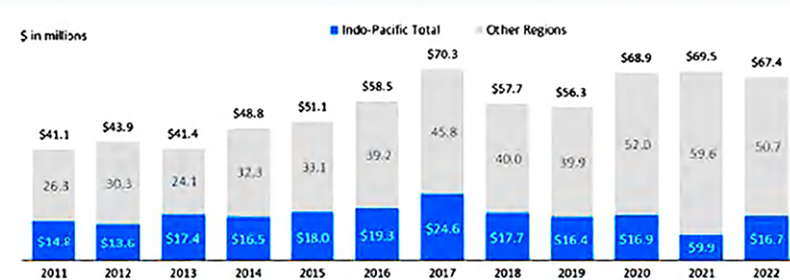
Figure 5. DFC and OPIC: New Commitments in the Indo-Pacific and Other Regions, FY2011 – FY2021



Source: CRS, based on data from DFC and OPIC annual and other official reports, and CRS correspondence with DFC, July 15, 2022.

Notes: DFC succeeded OPIC in late 2019. The Indo-Pacific region includes both country-specific and regional commitments (based on the DFC/OPIC categorization of Indo-Pacific projects, which may include countries outside of the client-provided definition of the Indo-Pacific). "Other Regions" reflect country-specific, other regional, and worldwide commitments.

Figure 6. USTDA: Funds Obligated in the Indo-Pacific and Other Regions, FY2011 – FY2022



Source: CRS, based on data reported by USTDA in annual reports.

Notes: The Indo-Pacific region includes both country-specific and regional fund obligations (based on TDA's regional categorization, which may include countries outside of this report's definition of the Indo-Pacific). "Other Regions" includes funding in other regions (country-specific and region-wide) and worldwide funding.

Figure 7. Millennium Challenge Corporation Compacts in the Indo-Pacific Region



Source: Millennium Challenge Corporation, "Where We Work," accessed 1/26/23.

Notes: The Millennium Challenge Corporation was created in 2004.

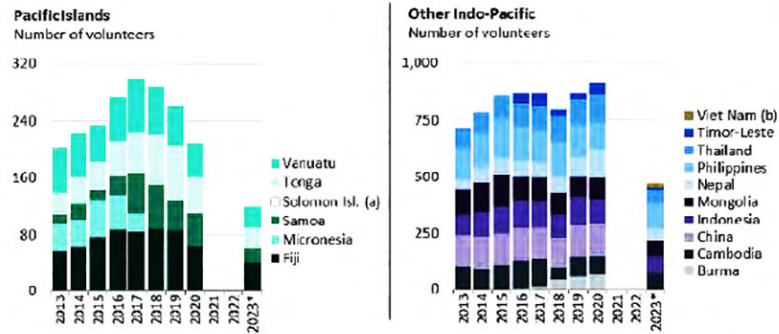
Figure 8. Export-Import Bank: Value of Authorized Transactions in the Indo-Pacific and Other Regions, FY2011 – FY2021



Source: CRS, based on data reported by Export-Import Bank in annual reports and authorizations data available on data.exim.gov.

Notes: The Indo-Pacific total includes only country-specific commitments. The data do not include any transactions listed by Export-Import Bank as involving "Multiple – Countries," which may include some transactions involving countries in the Indo-Pacific.

Figure 9. Peace Corps Volunteers, Indo-Pacific Region



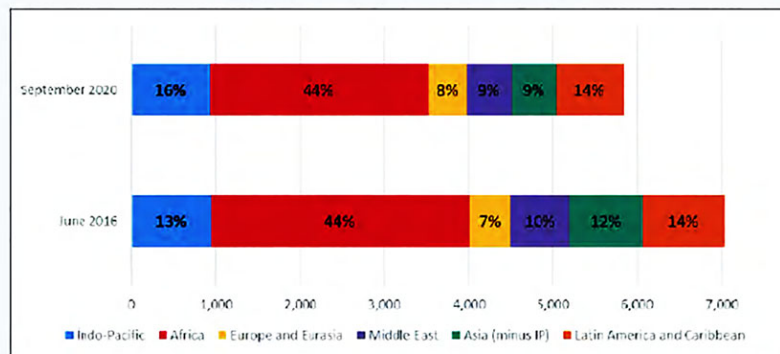
Source: Peace Corps, "Volunteer On Board Strength - By Post, Age Group, Race-Ethnicity, and Sector - FY2009-FY2021," 2022; Peace Corps, "Congressional Budget Justification, FY2023," May 2022.

Notes: Scales differ across the two geographic areas. Volunteer levels reported at the end of the fiscal year except for 2020, which are as of the global evacuation order in March 2020. Overseas operations remained suspended throughout 2021. Volunteers began returning to other overseas posts in FY2022, but not to the Indo-Pacific region. FY2023 figures are as proposed in the FY2023 Congressional Budget Justification.

(a) Peace Corps Solomon Islands closed in 2000. In 2019, Peace Corps announced it would return to the country, but has not projected fielding volunteers in FY2022 or FY2023.

(b) The first 10 Peace Corps volunteers arrived in Viet Nam in October 2022.

Figure 10. USAID Overseas Presence

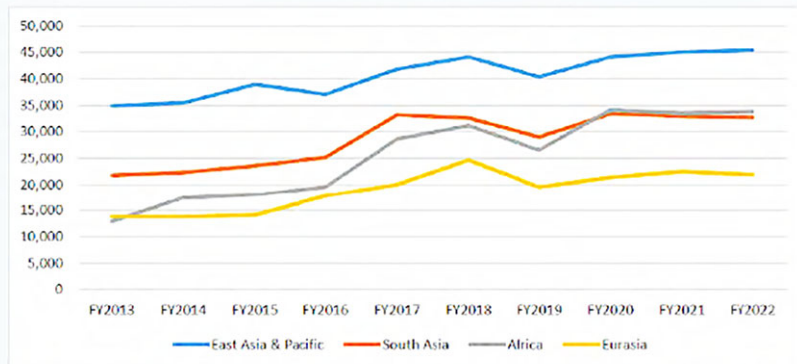


Source: Created by CRS using USAID's 2016 Staffing Report to Congress and USAID's 2020 Human Capital and Talent Management (HCTM) Recurring Staffing Pattern report.

Notes: Levels include staff assigned to overseas posts from USAID's Bureaus for Policy, Planning and Learning (PPL) and Democracy, Conflict, and Humanitarian Assistance (DCHA). The figure includes U.S. Direct Hires (i.e., Civil and Foreign Service Officers) and Foreign Service Nationals; it does not include contractors.

Figure 11. VOA Total Programming Including Division and Overseas Bureaus Funding by Region, FY2013–FY2022

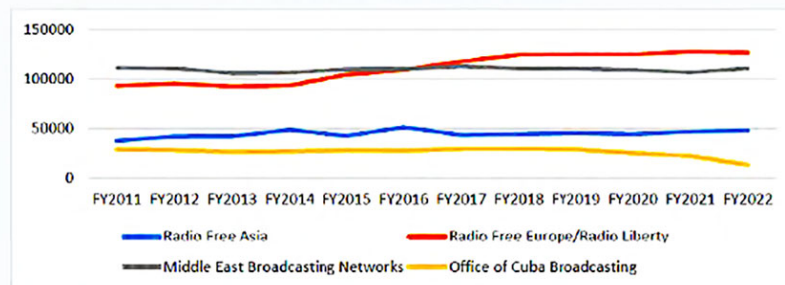
(in thousands of current U.S. dollars)



Source: Created by CRS using annual Broadcasting Board of Governors and U.S. Agency for Global Media Congressional Budget Justifications for FY2015 through FY2023.

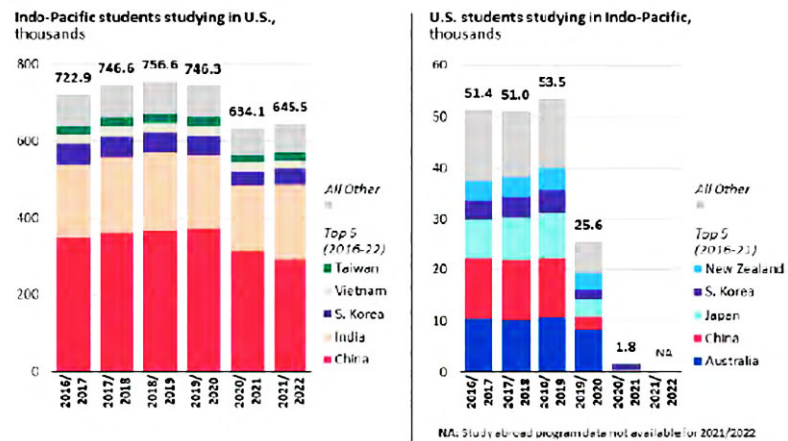
Figure 12. USAGM Regional Broadcaster Total Funding, FY2011–FY2022

(in thousands of current U.S. dollars)



Source: Created by CRS using annual Broadcasting Board of Governors and U.S. Agency for Global Media Congressional Budget Justifications for FY2013 through FY2023.

Figure 13. Indo-Pacific Students Studying in the U.S. and U.S. Students Studying in Indo-Pacific Region



Source: Chart created by CRS. Data from OpenDoors and the 2022 OpenDoors Report on International Educational Exchange.

Data on international students studying in the U.S. by country of origin can be found here:
<https://opendoorsdata.org/data/international-students/>.

Data on U.S. students studying abroad by destination can be found here:
<https://opendoorsdata.org/data/us-study-abroad/all-destinations/>.

**Table 1. USAID Overseas Presence in the Indo-Pacific Region
as compared to other Regions**

	June 2016	September 2020
Grand Total	7,030	5,841
Africa	3,062	2,596
Europe and Eurasia	490	446
Middle East	705	537
Asia (minus IP)	863	536
Latin America and the Caribbean	966	799
Indo-Pacific	944	927
Bangladesh		128
Burma	42	49
Cambodia	68	62
China	1	
Fiji		1
India	95	90
Indonesia	179	107
Japan	2	1
Laos		9
Mongolia	3	2
Nepal	101	90
Papua New Guinea		3
Philippines	128	119
Sri Lanka	30	37
Timor-Leste	28	24
Vietnam	65	70
RDM/A	202	135

Source: USAID's 2016 Staffing Report to Congress and USAID's 2020 Human Capital and Talent Management (HCTM) Recurring Staffing Pattern report.

Notes: RDM/A = Regional Development Mission/Asia. Includes staff assigned to overseas posts from USAID's Bureaus for Policy, Planning and Learning (PPLE) and Democracy, Conflict, and Humanitarian Assistance (DCHA). The table includes U.S. Direct Hires (i.e., Civil and Foreign Service Officers) and Foreign Service Nationals; it does not include contractors.

Table 2. VOA Total Programming Including Division and Overseas Bureaus Funding by Region, FY2013 – FY2022

(in thousands of current U.S. dollars)

Fiscal Year	East Asia and Pacific Division	South Asia Division	Africa Division	Eurasia Division
FY2013	34,907	21,757	12,902	13,795
FY2014	35,465	22,315	17,415	13,809
FY2015	38,941	23,548	17,960	14,099
FY2016	37,075	25,188	19,524	17,773
FY2017	41,791	33,214	28,658	20,016
FY2018	44,103	32,626	31,159	24,658
FY2019	40,354	29,009	26,541	19,546
FY2020	44,133	33,396	34,140	21,366
FY2021	45,066	32,950	33,504	22,517
FY2022	45,422	32,743	33,819	21,881

Source: Created by CRS using annual Broadcasting Board of Governors and U.S. Agency for Global Media Congressional Budget Justifications for FY2015 through FY2023. Note: FY2022 funding data is based on USAGM's estimated/requested funding levels as provided in its FY2023 budget request.

Table 3. USAGM Regional Broadcaster Total Funding, FY2011 – FY2022*(in thousands of current U.S. dollars)*

Fiscal Year	Radio Free Asia	Radio Free Europe/ Radio Liberty	Middle East Broadcasting Networks	Office of Cuba Broadcasting
FY2011	37,438	92,660	111,073	28,416
FY2012	41,674	95,174	110,343	27,977
FY2013	41,759	92,097	105,699	26,293
FY2014	48,355	93,171	106,178	26,692
FY2015	42,230	103,942	109,408	28,070
FY2016	51,025	108,904	109,720	27,573
FY2017	43,109	117,388	112,600	28,938
FY2018	44,013	124,038	110,312	29,144
FY2019	45,195	124,511	110,060	28,749
FY2020	44,166	124,578	108,866	24,866
FY2021	46,616	127,310	106,590	22,014
FY2022	47,603	126,500	110,312	12,973

Source: Created by CRS using annual Broadcasting Board of Governors and U.S. Agency for Global Media Congressional Budget Justifications for FY2013 through FY2023. Note: FY2022 funding data is based on USAGM's estimated/requested funding levels as provided in its FY2023 budget request.

