

**Congress of the United States**  
**Washington, DC 20515**

December 15, 2022

The Honorable Janet Yellen  
Secretary  
United States Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220

Dear Secretary Yellen:

We write to express grave concern regarding the expansion of the Chinese Communist Party's (CCP) influence in Latin America, specifically as it relates to the Treasury Department's funding of the Inter-American Development Bank's (IDB) private sector arm, IDB Invest.

As you know, the IDB aims to drive economic development in Latin America, and IDB Invest finances private sector projects to spur this activity. Since China joined the IDB as a member country in 2008, it has used the organization to gain favor and influence in the Western Hemisphere—and it has been alarmingly successful. From 2010-2020, Chinese engineering and construction companies won \$1.7 billion in IDB-funded contracts, making it the organization's fourth-largest recipient of IDB deals despite being the bank's smallest shareholder.<sup>1</sup> Over that same time period, U.S. firms won only \$249 million in contracts while our country remained the bank's largest shareholder.<sup>2</sup>

Moreover, the projects funded by IDB Invest are those that would shore up American security and supply chains in the Western Hemisphere. They span agriculture<sup>3</sup>, energy<sup>4</sup>, manufacturing<sup>5</sup>, telecommunications<sup>6</sup>, and more. Clearly, the CCP has much to gain by maintaining an active presence within the IDB and by continuing to benefit from IDB Invest contracts. In fact, it was recently reported that IDB Invest approved a \$130 million loan for a Brazilian solar energy project with Huawei Technology Company as its main equipment supplier.<sup>7</sup> While many in the Biden Administration have espoused the need to take stronger action to counter Chinese influence, the process of executing on this rhetoric is clearly lacking.

America's participation in organizations like the IDB is supposed to ensure that the United States helps shape on-the-ground development in line with American values, increased accountability, and effectiveness in the countries they operate. As such, we urge you to take steps to ensure U.S. taxpayer dollars are not being used to prop up the CCP in any region, especially our own hemisphere. Additionally, we respectfully request responses to the following questions as soon as possible.

1. What steps is the Treasury Department taking to ensure taxpayer contributions to the IDB and IDB Invest are not being used to benefit the CCP and harm U.S. economic and national security interests?

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<sup>1</sup> <https://www.ft.com/content/e4bae811-8452-4f63-a1df-5baea103eaaf>

<sup>2</sup> <https://www.ft.com/content/e4bae811-8452-4f63-a1df-5baea103eaaf>

<sup>3</sup> <https://www.idbinvest.org/en/projects/marfrig-global-foods-0>

<sup>4</sup> <https://www.idbinvest.org/en/projects/casablanca-pv-solar-power-project>

<sup>5</sup> <https://www.idbinvest.org/en/projects/alen-supply-chain>

<sup>6</sup> <https://www.idbinvest.org/en/projects/pti-ecuador>

<sup>7</sup> <https://thehill.com/opinion/national-security/3636167-congress-should-block-treasury-from-financing-chinas-interests-in-americas-backyard/>

2. What safeguards does the Treasury Department have in place to ensure that U.S. taxpayer contributions to multilateral organizations do not flow to CCP-controlled companies?
3. What can the Treasury Department do to displace Chinese participation in the IDB in favor of increased U.S. participation or participation from allied countries?
4. Is the Administration taking steps to ensure that positive efforts within the IDB and IDB Invest to support Taiwan, and improve US engagement in the region, are supported by U.S. officials within the institution?

Sincerely,



Bill Hagerty  
United States Senator



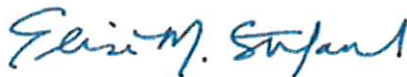
Marco Rubio  
United States Senator



Tom Cotton  
United States Senator



Mike Johnson  
Member of Congress



Elise Stefanik  
Member of Congress



Mike Gallagher  
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Michael Waltz  
Member of Congress