

## Treasury International Programs

### Program Summary

Dollars in thousands

Budget Activity	FY 2014 Enacted	FY 2015 Enacted	FY 2016 Request	Of which, payment toward unmet commitments
<b>International Monetary Fund (IMF)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$62,000</b>	<b>\$0</b>
<b>Multilateral Development Banks (MDBs)</b>	<b>\$2,075,449</b>	<b>\$1,999,804</b>	<b>\$2,188,353</b>	<b>\$246,472</b>
International Development Association (IDA)	\$1,355,000	\$1,287,800	\$1,290,600	\$0
Multilateral Debt Relief Initiative (MDRI) for IDA	\$0	\$0	\$111,000	\$111,000
International Bank for Reconstruction and Development (IBRD)	\$186,957	\$186,957	\$192,920	\$5,964
Inter-American Development Bank (IDB and FSO)	\$102,000	\$102,020	\$102,020	\$0
Multilateral Investment Fund (MIF)	\$6,298	\$3,378	\$0	\$0
African Development Fund (AfDF)	\$176,336	\$175,668	\$227,500	\$32,500
Multilateral Debt Relief Initiative (MDRI) for AfDF	\$0	\$0	\$13,500	\$13,500
African Development Bank (AfDB)	\$32,418	\$32,418	\$34,118	\$1,700
Asian Development Bank (AsDB)	\$106,586	\$106,586	\$5,608	\$5,608
Asian Development Fund (AsDF)	\$109,854	\$104,977	\$166,086	\$76,200
North American Development Bank (NADB)	\$0	\$0	\$45,000	\$0
<b>Food Security</b>	<b>\$163,000</b>	<b>\$30,000</b>	<b>\$74,930</b>	<b>\$1,930</b>
Global Agriculture and Food Security Program (GAFSP)	\$133,000	\$0	\$43,000	\$0
International Fund for Agricultural Development (IFAD)	\$30,000	\$30,000	\$31,930	\$1,930
<b>Environmental Trust Funds</b>	<b>\$428,280</b>	<b>\$401,000</b>	<b>\$548,563</b>	<b>\$31,700</b>
Green Climate Fund (GCF)	\$0	\$0	\$150,000	\$0
Clean Technology Fund (CTF) <sup>1</sup>	\$209,630	\$184,630	\$170,680	\$0
Strategic Climate Funds (SCF) <sup>1</sup>	\$74,900	\$49,900	\$59,620	\$0
Global Environment Facility (GEF)	\$143,750	\$136,563	\$168,263	\$31,700
ESF Statutory Transfer <sup>2</sup>	\$0	\$29,907	\$0	\$0
<b>Treasury Office of Technical Assistance</b>	<b>\$23,500</b>	<b>\$23,500</b>	<b>\$28,000</b>	<b>\$0</b>
<b>TOTAL</b>	<b>\$2,690,229</b>	<b>\$2,454,304</b>	<b>\$2,901,846</b>	<b>\$280,102</b>

<sup>1</sup> FY 2014 Enacted includes \$25 million provided under sec. 7060(c)(8) of the Consolidated Appropriations Act, 2014.

<sup>2</sup> Provided by sec. 7060(c)(8) of the Consolidated and Further Continuing Appropriations Act, 2015.

## **Summary**

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### **International Monetary Fund**

Treasury is seeking appropriations and authorization language within the FY 2016 request for the International Monetary Fund (IMF). In 2010, G-20 Leaders and the IMF membership decided on a set of quota and governance reforms designed to strengthen the IMF's critical role within the international system. The 2010 reforms are an important step toward modernizing IMF governance to better reflect countries' economic weights in the global economy, while preserving U.S. leadership and veto power.

The proposed appropriations and authorization language would reduce U.S. participation in the IMF's New Arrangements to Borrow (NAB) by approximately \$59 billion and increase the U.S. quota by an equal amount, for no net change in the overall U.S. financial commitment to the IMF. The proposal also authorizes the United States to accept an amendment to the IMF Articles of Agreement that will facilitate changes in the composition of the IMF Executive Board while preserving U.S. influence in the Board.

Completing the IMF reforms is a national security and economic policy priority for the United States. The Administration is proposing a discretionary funding approach, but we are prepared to work with Congress on other feasible approaches to get legislation passed as soon as possible, including mandatory funding approaches.

### **Multilateral Development Banks**

Treasury's request provides \$366 million for annual general capital increase (GCI) commitments at the multilateral development banks (MDBs). FY 2016 is the first year that scheduled funding will not be required for the Asian Development Bank (AsDB) GCI, though funding is included for our unmet

AsDB commitments. In addition, FY 2016 is the final year of scheduled payments for the ongoing GCIs at the World Bank's International Bank for Reconstruction and Development (IBRD) and Inter-American Development Bank (IDB). GCI payments for the African Development Bank (AfDB) are scheduled to continue through FY 2019.

A new initiative in this request is a GCI for the North American Development Bank (NADB), which finances environmental infrastructure on the U.S.-Mexican border. Our request includes the first of five \$45 million installments in paid-in capital for the GCI. In addition to a total of \$1.3 billion in callable capital, plus matching funds from the Government of Mexico, this request would support a doubling of the NADB's capital over five years. The President announced the NADB capital increase at this year's meeting of the High-Level Economic Dialogue, reflecting a strong U.S. commitment to deepen engagement with Mexico. NADB is well respected in the border region and has helped communities in both the United States and Mexico access critical infrastructure such as wastewater services. In recent years, NADB has provided renewable energy to residents in border states and has promoted new private sector investment in the sector along the border. Without a capital increase, NADB will lack the financial resources needed to continue supporting these important investments. Mexico announced its support for a capital increase in March 2014.

Our request also provides \$1.6 billion to fully meet our annual replenishment commitments to the World Bank's International Development Association (IDA), the African Development Fund (AfDF), and the Asian Development Fund (AsDF).

## **Food Security**

The request includes \$43 million for the Global Agriculture and Food Security Program (GAFSP), the multilateral component of the President's Feed the Future initiative. This amount is enough to match \$86 million in new commitments from other donors, in line with the United States' pledge to provide \$1 for every \$2 provided by other donors, up to a total U.S. contribution of \$475 million. In addition, the request includes the first payment of \$30 million towards the new replenishment of the International Fund for Agricultural Development (IFAD).

## **Environment and Clean Energy**

Our request includes \$150 million toward the U.S. pledge to the Green Climate Fund (GCF), providing a total of \$500 million when combined with \$350 million requested through the Department of State. Joining other nations, the United States pledged \$3 billion – not to exceed 30 percent of total confirmed pledges – to this new \$10 billion fund, which will support the transition of developing countries to a more sustainable development path. The GCF will also mobilize private sector resources toward clean and reliable energy and toward increased resilience. It will build on the best practices and lessons learned from the Climate Investment Funds (CIFs), to which the previous Administration pledged \$2 billion with bipartisan support. Our request includes \$230 million to fully meet the remainder of this commitment to the CIFs. It also fully funds the annual replenishment commitment to the Global Environment Facility (GEF) at \$137 million and includes \$32 million to pay down our unmet commitments.

## **Unmet Commitments**

U.S. unmet commitments, which now exceed \$1.5 billion, erode U.S. credibility, pose a threat to our ability to shape the policy

priorities of the MDBs and related funds, and in some cases hamper the ability of these entities to deliver results. Our FY 2016 request would reduce these unmet commitments by \$280 million. In making allocations, we have maximized paying down those unmet commitments that are most damaging to U.S. credibility and to the programming capacity of the entities. We have also sought to avoid incurring new unmet commitments.

Specifically, the FY 2016 request allocates \$33 million for unmet commitments at the AfDF. Our nearly \$180 million in unmet commitments to the AfDF severely constrain the AfDF's overall programming capacity. Paying down our unmet commitments would demonstrate our sustained support for this institution, which is a key partner in reducing poverty in Africa. AfDF makes critical contributions to Power Africa and other international efforts to address Africa's massive infrastructure needs. AfDF works to combat the Ebola epidemic and assists many of the poorest and most fragile countries in the world.

The request also includes \$76 million to pay down our unmet commitments to the AsDF. Our over \$300 million in unmet commitments constrain the AsDF's commitment capacity. Paying down some of our unmet commitments would increase AsDF assistance, including to support Afghanistan through the political and military transitions, promote energy sector reform in Pakistan, bolster the democratic transition in Burma, and help Central Asia reduce its economic dependence on Russia.

Our FY 2016 request also includes funding for our unmet commitments to the Multilateral Debt Relief Initiative (MDRI). MDRI provides 100 percent cancellation of eligible debt owed to IDA and AfDF by

countries reaching the completion point under the Heavily Indebted Poor Countries (HIPC) initiative. With no funding appropriated in FY 2014 or FY 2015, the unmet U.S. commitments to MDRI at IDA and AfDF have climbed to \$300 million. In this request, we have included \$111 million for IDA and \$14 million for AfDF. The United States was the leading advocate for the creation of MDRI, which was established to identify sustainable debt solutions to the severe financial difficulties faced by in the world's poorest countries. The U.S. share of the cost of MDRI is projected to grow rapidly in the future, reaching an annual amount of over \$300 million from FY 2021 through FY 2029, after which the cost will decline until MDRI ends in FY 2044.

government approach for the U.S. Strategy for Engagement in Central America.

The FY 2016 request includes \$13 million for our unmet IBRD, AfDB, and AsDB commitments in order to prevent a permanent loss of shareholding at those institutions. In addition, the request includes \$2 million toward unmet commitments at IFAD and, as noted above, \$32 million at the GEF.

### **Treasury Office of Technical Assistance**

Our request includes \$28 million for the Treasury Office of Technical Assistance (OTA). This amount approximately restores prior levels, with an increase of nearly \$5 million over the FY 2015 enacted level. The requested increase reflects a strong and increasing demand for OTA assistance to support U.S. economic and security priorities in Central America, Africa, Asia, Ukraine and other conflict zones. The request also allows for a modest but important expansion of OTA's work in priority areas, including infrastructure finance and domestic resource mobilization, which helps partner countries generate revenue and manage their resources more effectively. OTA will coordinate with the Department of State, USAID, and other government agencies in the whole of