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U.S. Department of the Treasury
International Programs
Congressional Justification for Appropriations
FY 2021

FY 2021 Executive Summary

The Administration's FY 2021 Budget requests $1.59 billion for Treasury Department International Programs in FY 2021. In recognition of the Administration's prioritization of national defense and security as well as a streamlined Federal Government that makes the best possible use of taxpayer dollars, the Budget supports critical investments in international financial institutions and debt relief, while ensuring that U.S. contributions are set at an appropriate level relative to our partner countries. These investments by Treasury's International Programs strengthen U.S. national security, economic growth, and influence by advancing a more secure, economically prosperous, and democratic world. In recent years, Treasury has driven shareholder support for the implementation of key reforms at the multilateral development banks (MDBs) aimed at improving governance, development effectiveness, and financial discipline, and Treasury continues to pursue additional major reforms at several of the institutions. These include improving monitoring and evaluation, strengthening independent compliance functions, adopting mechanisms to improve financial sustainability, and increasing the allocation of lending to the world's poorest countries.

International Monetary Fund – New Arrangements to Borrow

The Administration requests authorization to extend U.S. participation in the International Monetary Fund's (IMF) New Arrangements to Borrow (NAB) from December 16, 2022, the date when the current congressional authorization expires, until December 31, 2025 and to increase U.S. participation in the NAB from $39 to $78 billion. The terms of the NAB require the IMF to approve an extension at least one year prior to its current expiration date of November 16, 2022. U.S. participation in the NAB is an exchange of monetary assets and consequently does not result in any budgetary outlays. The request includes the necessary legislative language in the General Provisions found in the Department of State and Other International Programs chapter of the FY 2021 President's Budget Appendix.

Multilateral Development Banks

The FY 2021 Budget requests $1.48 billion for the MDBs. The MDBs play key roles in the effort to increase global economic growth and reduce poverty, which advances U.S. foreign policy objectives of sustaining peace and stability, promoting security, and combatting terrorism.

International Bank for Reconstruction and Development (IBRD): $206.5 million towards the second of up to six installments for the IBRD general and selective capital increases.

International Development Association (IDA): $1,001.4 million in support of IDA programs over the nineteenth replenishment (IDA-19; World Bank FY 2021 – FY 2023), including towards the first of three installments to IDA-19.

International Finance Corporation (IFC): No funding is requested in FY 2021. The Administration requests authorization to vote in favor of resolutions to allow other shareholders to contribute additional capital, while preserving U.S. veto power over future capital increases.

African Development Bank (AfDB): $54.6 million for the first of eight installments to subscribe to the United States' share of the paid-in portion of the seventh general capital increase.

African Development Fund (AfDF): $171.3 million in support of AfDF programs over the fifteenth replenishment period (AfDF-15; AfDB FY 2020 – FY 2022), including towards the first of three installments to AfDF-15.

Asian Development Fund (AsDF): $47.4 million in support of AsDF programs over the eleventh replenishment (AsDF-12; FY 2018 – FY 2021), including towards the fourth of four installments to AsDF-12.

North American Development Bank (NADB): The FY 2021 Budget requests "program limitation language" to allow the Secretary of the Treasury to subscribe to the full amount of $1.275 billion in callable capital shares that Congress authorized under the United States-Mexico-Canada Agreement Implementation Act (USMCA Act). The Budget is not requesting new funding for NADB in FY 2021.

Environmental Trust Funds

The FY 2021 Budget requests no funding for environmental trust funds in FY 2021.

Global Environment Facility (GEF): While the GEF remains a priority, no funding is requested in FY 2021 since FY 2019 and FY 2020 appropriations place the United States on track to meet its pledge of $273.2 million to the GEF seventh replenishment (GEF-7; FY 2019 – FY 2022).

Technical Assistance – Office of Technical Assistance

The FY 2021 Budget requests $33 million for Treasury's Office of Technical Assistance (OTA). This includes $3 million in additional resources to strengthen the program's monitoring and evaluation system in accordance with the Foreign Aid Transparency and Accountability Act. Funding will help ensure that OTA is able to respond quickly and sustainably to growing demand for technical assistance in areas that are priorities for the United States. Such areas include: supporting our national security agenda by combating terrorist financing and financial crimes, reducing countries' dependence on foreign financial aid through improved domestic resource mobilization, and creating the conditions for private sector-led economic growth. This consists of improving the climate for private sector investment in infrastructure projects in developing and transitional countries.

Debt Restructuring – Heavily Indebted Poor Countries (HIPC) Initiative

The FY 2021 Budget requests $78 million for bilateral debt restructuring and relief in support of the HIPC Initiative.

Somalia Debt Relief through Heavily Indebted Poor Countries (HIPC) Initiative: $78 million to support U.S. bilateral debt restructuring and relief for Somalia as part of the HIPC Initiative.

Summary Tables
Summary of Appropriations and Request
Treasury International Programs
FY 2019 – FY 2021

(in dollars)

	FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request	FY 2020 to FY 2021	
				$ Change	% Change
Multilateral Development Banks (MDBs)	**1,348,122,159**	**1,522,205,000**	**1,481,243,752**	**-40,961,248**	**-2.7%**
International Development Association (IDA)	1,097,010,000	1,097,010,000	1,001,400,000	-95,610,000	-8.7%
Int'l Bank for Reconstruction and Development (IBRD)	0	206,500,000	206,500,000	0	0.0%
African Development Fund (AfDF)	171,300,000	171,300,000	171,300,000	0	0.0%
African Development Bank (AfDB)	32,417,159	0	54,648,752	54,648,752	NA
Asian Development Fund (AsDF)	47,395,000	47,395,000	47,395,000	0	0.0%
Food Security	**30,000,000**	**30,000,000**	**0**	**-30,000,000**	**-100.0%**
Int'l Fund for Agricultural Development (IFAD)	30,000,000	30,000,000	0	-30,000,000	-100.0%
Environmental Trust Funds	**139,575,000**	**139,575,000**	**0**	**-139,575,000**	**-100.0%**
Global Environment Facility (GEF)	139,575,000	139,575,000	0	-139,575,000	-100.0%
Treasury Office of Technical Assistance (OTA)	**30,000,000**	**30,000,000**	**33,000,000**	**3,000,000**	**10.0%**
Debt Restructuring	**0**	**15,000,000**	**78,000,000**	**63,000,000**	**420.0%**
Highly Indebted Poor Countries Initiative	0	0	78,000,000	78,000,000	NA
Tropical Forest Conservation Act	0	15,000,000	0	-15,000,000	-100.0%
TOTAL	1,547,697,159	1,736,780,000	1,592,243,752	-144,536,248	-8.3%

Note: The 2021 Administration proposal to extend and increase U.S. participation in the IMF's New Arrangements to Borrow acknowledges that U.S. participation in the NAB is an exchange of monetary assets and does not result in budgetary outlays. The request includes the necessary legislative language in the General Provisions found in the Department of State and Other International Programs chapter of the FY 2021 President's Budget Appendix.

Unmet Commitments to Multilateral Development Banks[1]

(in thousands of US dollars)

MDB	FY 2014 Enacted[2]	FY 2015 Enacted[2]	FY 2016 Enacted	FY 2017 Enacted	FY 2018 Enacted	FY 2019 Enacted	FY 2020 Estimate[3]	FY 2021 Request[4]
IDA Core	434,315	436,982	530,321	620,534	485,264	485,264	485,264	485,264
IDA MDRI	78,825	256,655	444,615	643,845	822,665	1,006,855	1,236,345	1,503,865
IBRD	5,964	5,963	5,963					
MIGA	6,867	6,867	6,867	6,867	6,867	6,867	6,867	6,867
AfDF Core	146,018	162,350	178,682	178,682	156,169	156,169	156,169	156,169
AfDF MDRI	40,449	61,585	83,941	112,067	134,377	157,904	172,014	196,711
AfDB	1,700	1,700						
AsDF	326,701	310,501	294,653	284,739	283,943	283,943	283,943	283,943
AsDB	5,609	5,608						
IDB	21,952	21,952	21,940					
MIF	29,088	25,710	25,710	25,710	25,710	25,710	25,710	25,710
IFAD	5,763	5,763	3,833	3,833	3,833	3,833	3,833	3,833
GEF	247,894	211,964	180,264	170,264	134,966	131,951	128,939	128,939
TOTAL	**1,351,144**	**1,513,600**	**1,776,789**	**2,046,540**	**2,053,793**	**2,258,495**	**2,499,084**	**2,791,301**
TOTAL (ex MDRI)	**1,231,870**	**1,195,360**	**1,248,233**	**1,290,628**	**1,096,751**	**1,093,737**	**1,090,725**	**1,090,725**

[1] Unmet commitments represent the difference between the amount of resources that the United States pledged and was authorized to contribute to an MDB, through previous replenishment or capital increase negotiations, and the amount of resources that the United States has actually provided. The level of unmet commitments is influenced by annual appropriations and any credits that the United States earns from early encashment of contributions to an MDB replenishment.

[2] The "enacted" column includes the amount of unmet commitments that the United States had with MDBs after the United States made contributions as provided for in annual appropriations acts and includes any early encashment credits earned by the United States.

[3] This column notes the estimated level at which unmet commitments will stand after the United States makes congressionally appropriated contributions. It does not take into account any early encashment credits that the U.S. might earn.

[4] The "requested" column includes the levels at which Treasury projects U.S. unmet commitments will stand if Congress appropriates funding at the levels requested in the President's FY 2021 Budget.

International Monetary Fund

New Arrangements to Borrow

The International Monetary Fund (IMF) is responsible for promoting the stability of the international monetary and financial system. Through its three main activities—surveillance, technical assistance, and lending—the IMF promotes economic stability and helps prevent and resolve financial crises when they occur, thereby supporting growth and stability around the world. The United States was instrumental in creating the IMF and remains the member with the largest voting share. As the only country with veto power over major IMF decisions, the United States uses its influence to shape the IMF's activities in ways that enhance global financial stability along with our economic and national security interests.

The primary source of IMF lending resources is the quota subscriptions held by its members. The IMF reviews its quota subscriptions every five years. The IMF has two other pools of resources that can be used when needed. The New Arrangements to Borrow (NAB), estimated at $250 billion, is a multilateral borrowing arrangement with 40 member countries, including the United States. The United States' participation in the NAB is estimated at $39 billion, and the United States has a veto over the activation of the NAB or any major changes to its terms or size. U.S. Congressional authority for the NAB expires on December 16, 2022, but the IMF Executive Board must renew the NAB by November 2021, one year prior to its current expiration date of November 16, 2022.

The IMF also has a series of bilateral borrowing arrangements with 40 countries, not including the United States, totaling $440 billion. These arrangements will expire in 2020 if not renewed. If the NAB and bilateral borrowing arrangements were to expire on schedule, without further action, overall IMF resources would decline from about $1.4 trillion to about $650 billion.

In 2019, the United States joined other key countries and IMF leadership in advancing a package of actions on IMF resources and reforms designed to strengthen and define the IMF's role within the international financial system. On January 16, 2020, the IMF Executive Board approved a package that: (1) closed the IMF's current quota review without changes to existing member quota subscriptions; (2) maintained the IMF's overall resources by renewing and expanding the size of the NAB by $250 billion while reducing the IMF's bilateral borrowing agreements by a similar amount; and (3) preserved U.S. veto power over the IMF's sources of lending. This resource package was accompanied by a series of IMF reforms, including modernization of IMF staff compensation and benefits (approved by the Executive Board in December 2019), reforms to streamline lending conditions, and measures to enhance debt transparency and sustainability. In 2020, the United States will press for further reforms to the IMF's policies on debt sustainability and will engage with the IMF to upgrade its enterprise risk management.

The Budget proposes authorization language to extend U.S. participation in the NAB until December 31, 2025 and increase U.S. participation in the NAB from 28,202,470,000 Special

Drawing Rights (SDR) (approximately $39 billion at current exchange rates) to 56,404,940,000 SDR (approximately $78 billion at current exchange rates).

Extending and increasing U.S. participation in the NAB is necessary to prevent a loss of U.S. influence in the IMF and to maintain our ability to shape the global norms and rules that protect U.S. interests.

By increasing U.S. participation in the NAB, the United States achieves two goals: maintaining overall IMF resources at their current, adequate level and securing our veto over the ability of the IMF to access backstop resources. The U.S. share in the larger NAB will remain at 15.5%, thus allowing us to retain our veto over the activation of the NAB. In addition, the revised NAB Agreement includes language that confirms bilateral borrowing can only be tapped if the NAB is activated or if there are no available, uncommitted resources in the NAB. In the absence of a NAB increase, the IMF would likely turn to bilateral creditors—such as China and other emerging markets—to request an increase in resources. Increased IMF reliance on bilateral resources would diminish U.S. control over IMF lending decisions in a crisis.

As a part of negotiations to increase the NAB, the IMF has advanced significant reforms to modernize its institutional framework and engage in key U.S. priorities.

The IMF has long provided an overly generous and outdated system of compensation and expatriate benefits for its staff. During the IMF's year-long review of compensation and benefits, the United States worked closely and regularly with other major shareholders to pass a package of reforms that achieved many new efficiencies. Examples of specific reforms include: reducing the rate of future increases in compensation to better align with the rate of U.S. inflation; flattening pay increases for senior-level employees; reducing incidental allowances for home leave and simplifying the administration of home leave benefits; and eliminating post-secondary education benefits for new hires. Total cost savings are projected to reach $10.5 million per year once all changes are fully implemented.

The United States has also emphasized the need for greater focus by the IMF on raising real median incomes, pursuing economic reform that prioritizes economic growth, and strengthening debt transparency and sustainability among IMF members, and particularly in countries under IMF programs with formal conditionality. As a result, the IMF recently adjusted its framework for loan conditions to help ensure streamlined conditionality that prioritizes a narrow set of reforms with a greater focus on growth-enhancing policies. U.S. engagement has also resulted in IMF programs that require greater transparency of lending by emerging creditors and, in cases where a debt restructuring is necessary, helps ensure countries like China take on their fair share of the cost.

An effective IMF is a good deal for America, for the near-term health of the U.S. economy, for the prosperity of American workers, and for our strategic interests.

Since its creation in 1944, the IMF has played a central role in the international financial system and has strongly supported U.S. national interests. The IMF promotes economic stability and helps prevent and resolve financial crises when they occur, thereby supporting growth and stability around the world. The United States holds the largest voting share in the IMF at16.5%, making us the only country with veto power over major IMF decisions and providing us with a great deal of influence within the IMF. This leadership position has allowed us to influence key policy and lending decisions of the IMF.

The IMF has played a key role in protecting U.S. national economic and security interests:

- Serving as the world's first responder in a financial crisis by providing financial support conditioned on key economic reforms and hands-on policy advice;
- Supporting major trading partners such as Mexico with financial backstops;
- Reviewing countries' exchange rate policies to make the global system more fair; and
- Assessing countries' compliance with the Financial Action Task Force's (FATF) standards on terrorist financing and money laundering to help ensure financial sector stability.

The IMF also provides support and policy advice for major U.S. partners such as Jordan and Ukraine, to help stabilize their fragile economies and allow governments to focus on counter-terrorism cooperation and combating radical extremism. IMF lending to Jordan, for example, provides the resources and a policy framework, conditioned on reforms that the government must take to address underlying economic issues, boost growth, and protect the poor.

Multilateral Development Banks

World Bank Group

The World Bank Group (WBG) is comprised of the International Development Association (IDA), the International Bank for Reconstruction and Development (IBRD), the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA), and the International Centre for Settlement of Investment Disputes (ICSID). The Budget is seeking funding for the first of three installments under IDA's nineteenth replenishment (IDA-19) and for the second payment for the IBRD general and selective capital increases agreed in 2018. No funding is required to implement the IFC capital increase agreed in 2018, but the Administration is requesting authorization to vote in favor of resolutions to allow other shareholders to contribute capital, while preserving U.S. veto power over future capital increases.

International Bank for Reconstruction and Development

FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request
-	$206,500,000	$206,500,000

Treasury requests $206.5 million for the International Bank for Reconstruction and Development (IBRD) for the second of six installments for the IBRD general (GCI) and selective (SCI) capital increases agreed to in 2018. If not paid, the United States will not be able to subscribe to the full amount of shares to which it is entitled, which would result in a loss of U.S. shareholding and voting power. It would also undermine U.S. leadership in the institution.

Program Description

The IBRD is the arm of the WBG that provides financing to creditworthy lower-middle and middle-income countries to promote broad economic growth and reduce poverty. These countries—home to over 70% of the world's poor and 5 billion of the world's 7.7 billion people—utilize the combination of the IBRD's financial resources and strategic advice to meet many development needs.

The work of the IBRD is essential for the World Bank to achieve its Twin Goals by 2030: (1) to decrease extreme poverty to no more than 3% globally; and (2) to promote shared prosperity by fostering income growth among the poorest 40%. IBRD projects reach across a range of sectors, including governance, agriculture, sustainable infrastructure, health and nutrition, and education. The IBRD supports long-term human and social development needs that private creditors are often unwilling to finance. During the World Bank's 2019 fiscal year (July 1, 2018 to June 30, 2019), the IBRD approved $23.1 billion in loans and technical assistance. Latin America and the Caribbean received the largest portion of the IBRD's new lending (24.6%), followed by the Middle East and North Africa (21%).

The IBRD raises resources similar to a conventional bank by issuing debt and on-lending to borrowers at market-linked rates. This model enables the IBRD to provide significantly more capital than if donor countries were to directly provide grant development assistance. In 2018, in response to significant demand among developing countries and the global community to address pressing development challenges, shareholders committed to provide additional capital to the IBRD.

The United States is the largest shareholder in the IBRD, with a 15.45% share of total voting power, followed by Japan and China. The United States is the only country with veto power over amendments to the IBRD Articles of Agreement.

How IBRD Promotes U.S. Interests

The IBRD is the largest development bank in the world and is uniquely positioned to address development challenges in specific countries and key global concerns that impact U.S. national security and economic growth.

- The IBRD provides economic stability for strategically important countries, such as Jordan, Iraq, Ukraine, Indonesia, Egypt, Colombia, and others, by providing a less expensive source of funds to support their overall external financing.
- The IBRD is an important vehicle for U.S. foreign policy priorities in areas like women's economic empowerment, youth education and job training, and reducing violent extremism.
- The IBRD works with borrower countries to pursue pro-growth economic reforms that encourage private sector investment and job creation, as well as expand vital public services in health, education, and sanitation.
- By leveraging international bond markets and funds of other shareholders, the IBRD allows the United States to achieve development goals beyond what it could do on a bilateral basis.
- IBRD investment promotes transparency and high standards for procurement, debt sustainability, and social and environmental safeguards.

In in the context of negotiations on the 2018 capital increase package, IBRD management committed to a series of reforms to improve the efficiency and effectiveness of the institution. These reforms closely align with U.S. national security and economic priorities and are making the World Bank more financially-disciplined, getting it to focus its operations in poorer countries with less access to other sources of finance, and ensuring that it operates more efficiently.

As part of the IBRD reform package, IBRD has adopted a financial sustainability framework that restricts annual lending commitments to those that can be sustained, in real terms, over a rolling ten-year horizon through organic capital accumulation alone. This framework also includes a capital buffer to allow the IBRD to respond to crises without jeopardizing its financial position. The framework increases the transparency and financial discipline of the IBRD and significantly lessens the likelihood of a future capital increase.

In order to direct more resources to countries where scarce development resources are needed most, the World Bank has instituted a policy that requires it to increase its share of annual lending to countries below the IBRD's graduation discussion income threshold to 70% (from an FY 2017 level of 60%). The IBRD has also introduced differentiated loan prices, making it the first multilateral development bank to charge higher loan prices for non-concessional lending to wealthier countries. This practice incentivizes wealthier countries to borrow from markets rather than the IBRD.

The IBRD will approach its graduation policy more rigorously. For all countries above the graduation discussion income threshold ($6,975 gross national income per capita for the World Bank's FY 2019), new Country Partnership Frameworks (CPFs) are to focus primarily on the development gaps preventing the country from graduating and to use less IBRD lending over the course of the CPF.

Finally, the reform and capital package introduced constraints on World Bank staff salaries— the largest driver of increases in the administrative budget. These reforms are helping to ensure a more efficient use of IBRD funds, which is important for a public institution whose purpose is to eliminate global poverty.

Meeting IBRD Commitments

Without continuing to provide funds for the U.S. portion of the GCI and SCI, the United States will risk losing IBRD shareholding, which determines voting power. This loss of shareholding could lead to a loss of U.S. leadership and influence at the World Bank, including, potentially, a loss of U.S. veto power over amendments to the Articles of Agreement. It would also severely undermine progress on the transformative package of reforms that the United States was instrumental in securing as part of the capital increase package.

Achieving and Measuring Results

Over its FY 2019, the World Bank, including the IBRD, achieved the following:

- Provided 13.1 million people with access to clean water and 172 million people with improved sanitation services;
- Provided 161 million people with essential health and nutrition services;
- Completed 24 large-scale learning assessments for primary and secondary school systems to improve learning outcomes;
- Helped 73 countries institutionalize disaster risk reduction in national plans;
- Created new or improved electricity services to 19 million people; and
- Enhanced access to transportation services for 40.4 million people.

Project Examples

Indonesia. Two of the four main causes for mortality of children under five in Indonesia – diarrhea and typhoid – are caused by fecal borne illnesses linked to inadequate water supply and sanitation services to remove human waste. Completed in 2018, the Third Water Supply and Sanitation for Low Income Communities project was supported by a $99 million IBRD loan and sought to reduce childhood mortality by improving access to water and sanitation services in over 22,961 villages. The project improved access to water for 17.2 million people, exceeding the project target of 16 million. It also provided 15.4 million people with basic and improved sanitation. Surveys indicated that 68% the targeted villages had adopted improved hygiene standards and 81% of targeted schools improved their sanitation facilities and hygiene programs.

Egypt. Approved in June 2018, the $530 million Transforming Egypt's Healthcare System project will support growth and prosperity by financing efforts to improve Egypt's healthcare system and build human capital. It will benefit 55 million Egyptians over 5 years by improving 600 primary healthcare facilities and 27 hospitals; scaling up community health programs, including by hiring 500 female doctors and training 2,800 community health workers; screening 53 million citizens and residents for Hepatitis C, non-communicable diseases, and other risk factors; and by treating 2.2 million Hepatitis C patients. The project will also screen 1 million units of blood annually to ensure that they are ready for use in the national blood repository.

International Development Association

FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request
1,097,010,000	1,097,010,000	1,001,400,000

The Budget requests $1,001.4 million in support of IDA programs over the IDA-19 period (FY 2021 – FY 2023), including towards the first of three installments to IDA-19.

Program Description

IDA is the arm of the WBG that makes concessional loans and grants to the world's 73 poorest and most vulnerable countries, of which 32 are considered fragile and conflict affected states. It is the largest source of development finance to these countries and operates across a range of sectors, including health, primary education, clean water and sanitation, governance, infrastructure, and business climate. During the World Bank's fiscal year 2019 (July 1, 2018 to June 30, 2019), IDA supported 268 projects totaling $22.3 billion. The largest share of financing goes to sub-Saharan Africa ($14.1 billion in World Bank FY 2019) and South Asia ($4.8 billion in World Bank FY 2019).

- IDA requires replenishments of resources every three years to continue its activities. IDA's most recent replenishment (IDA-19) was finalized in December 2019 and will allow IDA to make new development commitments of up to $82 billion over three years—a $7 billion increase over the previous replenishment (a 3% increase in real terms). IDA continues to leverage future reflows (equity) by borrowing from markets. IDA is in the process of exploring legal modalities for issuing debt to U.S. investors.

- The United States achieved important policy commitments during the IDA-19 negotiations, including on the financing program and reforms. The IDA-19 replenishment will emphasize themes that support U.S. priorities – jobs and economic transformation; improving governance; women's economic empowerment; and addressing fragility, conflict, and violence. IDA's focus on better governance, reducing the causes of fragility and conflict, improving private sector investment environments, and increasing women's participation in the economy are aligned with U.S. national security and development strategies.

- IDA will implement a new Sustainable Development Finance Policy (SDFP), which will better incentivize sound debt management and transparency. Debt sustainability and transparency among low-income countries is a top priority for the United States and our key allies. Countries that are able to make more informed and transparent borrowing decisions are less likely to take on unsustainable debt that endangers future growth prospects or debt that creates dependence on any particular foreign state, including China and other U.S. competitors.

- The United States pledged $3,004.2 million over three years towards the IDA-19 replenishment. The United States remains the largest IDA donor historically and holds the largest voting share.

- Is cost-effective: every $1 contribution from the United States to IDA-19 will leverages $27 in additional resources – contributions from other donors, internally generated resources (e.g. reflows from previous loans), and market financing.

How IDA Promotes U.S. Interests

The economic development of the world's poorest countries is an important pillar of U.S. national security. IDA supports U.S. economic and national security interests by:

- Reinforcing U.S. and international political and security objectives through economic growth, job creation, and the provision of social services in fragile and conflict-affected countries.

- Advancing reforms that promote private investment, create jobs, and foster market-led economic growth in developing countries, thereby expanding markets for U.S. exports.

- Responding to and limiting the spread of global crises, for example, by providing support to countries affected by famine and health emergencies.

Meeting IDA Commitments

U.S. unmet commitments to IDA replenishments and IDA's Multilateral Debt Relief Initiative (MDRI) amount to approximately $1.72 billion ($485.3 million for IDA replenishments and $1.24 billion for IDA MDRI) in FY 2020. Failing to meet commitments to IDA and MDRI reduces IDA's ability to provide loans and grants. Unmet commitments to IDA also damage U.S. credibility and undermine IDA's ability to deliver on policy goals sought by the United States during the IDA-19 replenishment negotiations, such as a sharper focus on fragile states or efforts to increase debt sustainability among IDA recipients.

A significant share of the U.S. unmet commitments to IDA are accrued through MDRI. Launched in 2006 at the urging of the United States, MDRI provided 100% cancellation of eligible debt to IDA for countries that completed the conditions for debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative. MDRI has allowed scarce resources in low-income countries to be reallocated for poverty-reducing expenditures in areas such as health and education. To prevent a depletion of IDA resources from debt relief, donors committed to compensate IDA for the cancelled debt on a dollar-for-dollar basis.

Full funding of the FY 2021 Budget request for IDA will prevent the accumulation of new unmet commitments on our IDA replenishment pledges. U.S. unmet commitments to MDRI will, however, increase in 2021 by approximately $267.52 million. The U.S. share of the cost of MDRI during the IDA-19 period is $878.8 million.

Achieving and Measuring Results

Since the start of IDA-18 (World Bank FY 2018 – FY 2019), IDA reports achieving the following:

- Provided 172 million people with essential health services;
- Immunized 73 million children;
- Provided access to better water services for 24 million people and 19 million people with improved sanitation systems;
- Delivered new or improved energy connections to 22 million people;
- Recruited or trained more than 5.4 million teachers; and
- Created job opportunities for 15 million people through job-focused interventions.

In 2002, IDA adopted its Results Measurement System (RMS), an online scorecard that is updated annually and provides a snapshot of IDA's performance and results across countries. IDA was the first multilateral development institution to use a framework with quantitative indicators to monitor results and performance. This approach has since been emulated by other development institutions. As part of the IDA-19 replenishment, the United States and other donors supported enhancements to the IDA RMS to ensure data quality, efficiency, and gender disaggregation.

The World Bank's Independent Evaluation Group (IEG) measures the results of a completed IDA project against the indicators that the project set out to achieve. The IEG assigns ratings to completed projects based on the achievement of the projects' intended outcomes and development objectives. Of IDA projects completed during the World Bank's FY 2016 to 2018, IEG rated 81% with outcome ratings of "moderately satisfactory" or above.

Project Examples

Burkina Faso. The Social Safety Nets Project for Burkina Faso Project has helped create the foundations of a social safety system that is able to provide basic services for the poorest households. The World Bank started the project in 2014 with a $50 million IDA grant. As of October 2019, the project has provided direct support to 568,200 people, of which 53% are women. Project components include, setting up a cash transfer system, reforms to improve targeting of the poorest households and mitigate misuse of funds, and a rigorous impact evaluation. After successful implementation for five years, the World Bank expanded the project to additional regions in 2019.

Nepal. The $80 million Livestock Sector Innovation Project seeks to increase productivity and increase incomes of small-hold farmers and small agricultural businesses in Nepal. By the end of in 2023, the project aims to increase sales values by 30% in all targeted livestock sectors through farmer training programs, moving production up the value chain, and improving inputs. Approved in 2017, the project has already supported 33.3 million farmers with direct support to through provision of improved inputs and services, and enhanced the ability of government agencies to enforce regulations to protect the livestock sector.

International Finance Corporation

FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request
-	-	-

No funding is required for the International Finance Corporation (IFC) general and selective capital increases agreed in 2018. However, the Budget is requesting authorization to vote in favor of four resolutions to allow other shareholders to contribute additional capital while preserving U.S. veto power over future capital increases. The resolutions will: (1) authorize a general capital increase; (2) authorize a selective capital increase; (3) convert a portion of the IFC's retained earnings to paid-in capital stock, which will result in the United States increasing its shareholding without any cash contribution; and (4) amend the IFC Articles of Agreement to lower the veto threshold for future capital increases of the IFC from 20% of the voting power to 15%, hence preserving the United States' veto. The United States will not provide any cash contributions to the IFC, lowering U.S. voting power in the IFC from 20.99% to 16.39%, which is more closely aligned with U.S. voting power in the IBRD. Without Congressional authorization, the United States cannot vote for the general and selective capital increases, which will prevent all other IFC shareholders from contributing additional capital and will reduce the IFC's ability to finance projects, especially in low income and fragile countries.

Program Description

The IFC is the arm of the World Bank Group that promotes private sector development in developing countries by making loans and equity investments in private sector projects, mobilizing private capital alongside its own resources, and providing advisory and technical assistance services. Because private sector-led growth and job creation are essential for achieving sustained poverty reduction and shared prosperity, the IFC plays a vital role in achievement of the WBG's Twin Goals and to achieving the Sustainable Development Goals (SDGs).

In its 2019 fiscal year, the IFC approved $8.9 billion from its own resources, and mobilized an additional $10.2 billion from private sector investors for investment in 269 projects in 65 countries. Of this, $5 billion (26%) was invested in the poorest countries (those eligible for funding from the World Bank's IDA). IFC made investments across the globe in 2019, with the largest recipient regions being Latin America and the Caribbean (32.5%), Sub-Saharan Africa (20.9%), East Asia and the Pacific (18.8%), and South Asia (15.7%). The top sectors for IFC investment in 2019 were financial markets (56.3%), infrastructure (11.8%), tourism, retail, and property (5.8%), and agribusiness and forestry (5.6%). The IFC spent $295 million for advisory services in 2019, with sub-Saharan Africa receiving $96.5 million (33%).

In its 2016 *Forward Look* strategy, the WBG committed itself to a coordinated and holistic program of complementary public and private investments to achieve its goals. To enhance its contribution to the WBG's program, in 2017 the IFC adopted a transformative institutional strategy – *IFC 3.0* – which calls for improved and better sequenced collaboration with IDA and IBRD and implementation of new or improved tools to develop markets and maximize the IFC's development impact. These tools include Country Private Sector Diagnostics, greater use of upstream advisory services, improved country strategies, and implementation of the Anticipated Impact Measurement and Monitoring (AIMM) framework.

The 2018 capital increase is the final component of the IFC's effort to enhance its development effectiveness. The capital increase package incorporated important reforms to enhance efficiency, effectiveness, and financial sustainability, including initiatives to control work force costs, process and institutional streamlining efforts, and efforts to increase the diversity of its work force, both in terms of gender and country of origin. The IFC will raise the share of annual investment projects in IDA eligible countries and fragile and conflict-affected states from 21% in 2018 to 40% by 2030. It will also increase investments specifically targeted to empower women.

How IFC Promotes U.S. Interests

The IFC is the world's largest institution specifically dedicated to harnessing the private sector to support economic development and reduce poverty. The United States has a significant stake in the success of the IFC, particularly as it reorients its focus to private sector development in IDA and FCS countries, where the barriers to market development and private sector capital mobilization are significantly greater than in middle income countries. IFC investments benefit the United States by enabling developing countries to develop competitive markets that:

- Create private sector jobs – 90 percent of jobs created in IDA countries are in the private sector;
- Improve the access of the poor to vital goods and services, including housing, food, clothing, shelter, and health care;
- Facilitate access to capital to support sustained investment; and
- Support increased U.S. exports of goods and services.

Meeting IFC Commitments

The IFC capital increase was a key pillar of the 2018 World Bank capital increase agreed to by the United States and other shareholders in 2018. Failure by the United States to vote for the capital increase resolutions would limit the ability of the IFC to support pro-growth private sector development initiatives in the world's poorest and most fragile countries.

Achieving and Measuring Results

The IFC employs a comprehensive system for delivering strong development results. The process begins with Country Private Sector Diagnostics (a new *IFC 3.0* strategy tool), a collaborative tool that assesses constraints to market development and identifies opportunities to maximize the development impact of IFC investments. The tool enables the World Bank Group, governments, and partners to define private sector development challenges and take concrete actions to address them.

The AIMM is the next component in the IFC's system. Introduced in 2017, proposed projects are rated on their expected development impact. This enables the IFC to set ambitious yet achievable targets and to develop a portfolio of projects with the greatest potential development impact. The framework is now operational for all IFC investment and advisory projects. The IFC also uses a multi-tiered results measurement system to monitor and assess project performance and employs a corporate scorecard to monitor institution-wide results.

Evaluations of mature or completed projects are the final link in the impact-assessment framework. Each year, IFC undertakes self-evaluations of a sample of maturing investment operations and completed advisory services projects. These ratings form the basis of performance assessments for IFC overall and feed into sector, thematic, and regional assessments. IFC evaluations are validated by the WBG Independent Evaluation Group. Since 2017, IFC has strategically focused its evaluations to fill knowledge gaps, assess IFC's portfolio-level impacts, and capture useful lessons that inform industry strategies and operations.

Project Examples

Jordan: In 2018, IFC provided a $10 million loan to Tamweelcom, one of the largest microfinance companies in Jordan, to increase outreach to small business owners. This will help address a key challenge for micro-, small- and medium-enterprises (MSMEs), which account for over 70% of private sector employment but only receive 10% of total bank lending. IFC has supported Tamweelcom's creation of a robust risk management framework, which has allowed it to more than double its portfolio and expand outreach from 73,000 to over 93,000 active borrowers. IFC has also supported the development of Tamweelcom's business loan product, which by the end of December 2018 had disbursed over 1,600 loans valued at approximately $24 million.

Mexico: Diabetes has become a health crisis in Mexico, and the number of those suffering from diabetes could grow to at least 30 million in the next decade if the crisis grows unabated. An IFC equity investment of $4 million in 2018 in the Clinicas del Azucar, the largest chain of specialized diabetes clinics in Mexico, is helping it to treat the most vulnerable of these patients. With IFC's support, the company plans to open 100 new and larger clinics across Mexico by 2024 and expand provision of digital services. The IFC's investment helped create 300 jobs, and the company has reduced the cost of privately provisioned diabetes care from $1,000 to $250 a year.

African Development Bank Group

The African Development Bank Group comprises the African Development Bank (AfDB) and the African Development Fund (AfDF). The Budget is seeking funding for the first of eight payments for the AfDB's Seventh General Capital Increase (GCI-7) and for the first of three payments under the AfDF's fifteenth replenishment period (AfDF-15).

African Development Bank

FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request
32,417,159	-	54,648,752

Treasury requests $54.6 million towards the first of eight installments under the AfDB's GCI-7. If not paid, the United States will not be able to subscribe to the full amount of shares to which it is entitled, which would result in a loss of U.S. shareholding and voting power in the institution. U.S. leadership was instrumental in achieving a wide-reaching plan to strengthen the AfDB's financial sustainability, operational quality, and institutional integrity. Failure to subscribe in full would weaken our ability to ensure these reforms are implemented robustly.

Program Description

The AfDB provides public sector financing at market-linked rates to 20 member countries, and provides loans, equity investments, lines of credit, and guarantees to the private sector in all 54 African member countries. The AfDB had approximately $7 billion in approvals in 2019, 70% of which were for public sector projects and 30% to the private sector. Approximately 48% of 2019 approvals were to infrastructure projects (primarily energy and transportation), with other key sectors being finance, agriculture, and social sectors.

- The AfDB is financed by capital contributions from shareholders, borrowing from international capital markets, and retained earnings. Shareholders approved GCI-7 in 2019 to allow the AfDB to expand its support to African countries and the private sector in the face of continued significant development needs on the continent.

- In negotiations on the general capital increase, AfDB Management committed to implement a package of reform commitments, including: an enhanced income model that better controls lending volumes, greater operational selectivity, improving social and environmental safeguards and internal controls, increasing budget discipline, clarifying organizational structure and responsibilities, implementing a quality assurance plan to improve project quality, and strengthening the AfDB's approach to governance and anti-corruption.

- The United States is the largest non-regional shareholder at the AfDB, with 6.4% of total shareholding, and the second-largest shareholder overall, after Nigeria. Every $1 of U.S. paid-in capital for the AfDB has supported approximately $253 in historical lending.

How AfDB Promotes U.S. Interests

AfDB financing supports U.S. national security and foreign policy objectives in Africa in the following ways.

- **Supports U.S. Interests in North Africa:** In 2019, the AfDB provided approximately \$1.2 billion in financing to Tunisia, Morocco, and Egypt, all of which are important U.S. partners in the fight against terrorism. AfDB financing to these countries supports governance and business-climate reforms, infrastructure development, and job creation.

- **Creates Opportunities for U.S. Businesses**: The AfDB plays a critical role in developing and opening African markets for U.S. businesses, in line with the goals of the President Trump's Prosper Africa. AfDB financing develops physical and telecommunications infrastructure that boosts trade, leverages business climate reforms, supports local small and medium enterprises (SMEs), and contributes to the growth of an African middle class of consumers. It also supports improvements in countries' policy environments to drive private sector investment and growth, and it promotes rules and policies around lending that are conducive to U.S. interests.

- **Combats Illicit Finance.** The AfDB is working closely with the United States and African countries to identify and implement specific actions to improve transparency, combat corruption and criminal activity, and increase government accountability in Africa.

Meeting AfDB Commitments

Failure to meet commitments to GCI-7 would result in further dilution of U.S. shareholding and could risk our single-country seat on the Executive Board, where the United States is the only shareholder to have its own seat. It would significantly weaken U.S. credibility and influence at the AfDB and impair our ability to advance key U.S. strategic priorities in Africa.

Achieving and Measuring Results

In 2018, the AfDB Group reports that it:
- Provided 14 million people with improved access to transport, half of them women;
- Provided 8.2 million people with new or improved access to water and sanitation, half of them women;
- Supported improvements in agricultural technologies benefiting 19 million people;
- Constructed or improved 1,800 miles of power distribution and transmission lines; and
- Provided loans and other financial services to 154,000 small businesses.

In 2019, the AfDB Group finalized a review of the implementation of its Development Business Delivery Model, which places a premium on results measurement and institutional performance, and instituted a course correction plan as part of the reform commitments under GCI-7. As part of these commitments, the AfDB is implementing a new Quality Assurance Implementation Plan to drive further improvements in project quality at entry and quality at exit. In 2020, the AfDB

Group will also update its Results Measurement Framework to support the new commitments made under GCI-7 as well as AfDF-15. The Results Measurement Framework tracks and holds the AfDB Group accountable for its performance on 105 quantitative indicators, organized in four interconnected levels: (1) development progress in Africa; (2) the AfDB Group's contribution to development in Africa; (3) the quality of the AfDB Group's development operations; and (4) the AfDB Group's organizational efficiency.

Project Examples

Morocco. Completed in 2018, the $152 million Program of Support for Strengthening Financial Stability and Inclusion improved stability and inclusion in Morocco's financial and retirement sectors, including with regard to banking, insurance, and capital markets.. The project included policy dialogue with the government on the viability of the retirement sector, improving the living conditions of pensioners, and promoting farmers' access to financing.

Namibia. Completed in 2018, the New Port of Walvis Bay Container Terminal Project supported Namibia to establish the port of Walvis Bay as the preferred port for southern and central African logistics operations on the west coast of the continent. In 2013, the AfDB provided $200 million for the expansion of the container terminal, and provision of equipment, including four ship-to-shore cranes. The project included a logistics and capacity building component to complement the port expansion. The port's handling capacity is expected to triple because of this investment.

African Development Fund

FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request
171,300,000	171,300,000	171,300,000

Treasury requests $171.3 million in support of AfDF programs over the AfDF-15 replenishment period (FY 2020 – FY 2022), including towards the first of three installments to AfDF-15.

Program Description

The AfDF provides grants and highly concessional loans to the 37 poorest countries in Africa, of which half are fragile and conflict-affected states. The AfDF approved approximately $2.1 billion in financing in 2019. Approximately 58% of 2019 approvals were to infrastructure projects (mainly energy, transportation, and water supply and sanitation), with other key sectors being agriculture, finance, and social sectors.

- The AfDF is financed by donor countries, including the United States, and requires new donor resources every three years. In December 2019, the United States joined other donors to conclude negotiations on the AfDF-15 replenishment, which totaled $7.7 billion. The United States pledged $513.9 million over three years, which is equivalent to the U.S. pledge to the previous replenishment.

During the AfDF-15 replenishment negotiations, the United States achieved the following reform commitments that will increase AfDF's efficiency and its ability to achieve impact:

- In coordination with the IMF and World Bank, AfDB management is instituting a dynamic application of country Debt Sustainability Analysis, has proposed a stronger allocation incentives around debt sustainability and the provision of grants, and will update the Bank's Non-Concessional Borrowing Policy.

- Management presented a strong case for greater project selectivity, focusing on a two pillar approach that will largely fund infrastructure projects and capacity development to increase the sustainability and effectiveness of infrastructure projects.

- AfDF will apply its cutting-edge fragility diagnostic tools in all AfDF countries, and leading up to the Mid-Term Review, will refine its approach to operations in fragile countries to better address the drivers of fragility.

The United States is historically one of the largest donors to the AfDF and currently has a 5.3% voting share at the AfDF (just behind Japan and Germany). Every $1 in U.S. contributions to AfDF-15 will mobilize nearly $15 in contributions from other donors and internally generated resources.

How AfDF Promotes U.S. Interests

AfDF assistance helps achieve U.S. national security and foreign policy objectives in Africa.

- **Reduces Instability in Fragile States:** Nineteen of the AfDF's 37 recipient countries are fragile and conflict-affected states, including countries such as Mali, Chad, and Niger that are on the front-lines of the fight against terrorism in Sub-Saharan Africa. Over the 2020-2022 period, more than half of the AfDF's financing will be used to combat instability in fragile and conflict affected states, including through projects to strengthen governance and anti-corruption.

- **Reduces Humanitarian and Health Crises:** AfDF financing addresses the root causes of migration flows and humanitarian crises in Africa's poorest countries. The AfDF helps reduce fragility, builds infrastructure, strengthens food security, and supports private-sector led growth and economic diversification, thereby creating jobs for Africa's growing youth population.

- **Complements U.S. Bilateral Support to Africa:** The AfDF's work to enhance economic growth and improve stability and governance helps support U.S. objectives of increasing trade and investment with African partners, including through collaboration with Power Africa and Prosper Africa.

Meeting AfDF Commitments

U.S. unmet commitments to the AfDF replenishments and the AfDF's Multilateral Debt Relief Initiative (MDRI) amount to approximately $328.2 million ($156.2 million for AfDF replenishments and $196.7 million for AfDF MDRI) in FY 2020. These unmet commitments decrease the financial capacity of the AfDF, thereby reducing the funding available to address instability in fragile states, the root causes of migration and humanitarian crises, and health emergencies. They also undermine U.S. credibility and leadership at a time when the AfDB Group is undertaking many critical reforms on which the United States is a leading voice.

Full funding of the FY 2021 Budget request for AfDF will prevent the accumulation of new unmet commitments on our replenishment pledges to AfDF. U.S. unmet commitments to AfDF MDRI will, however, increase in 2021 by approximately $24.7 million. The U.S. share of the cost of AfDF MDRI during the AfDF-15 period is $68 million.

Achieving and Measuring Results

In 2018, the AfDB reported that programs in AfDF countries:

- Built 1,770 miles of power distribution lines;
- Provided 9 million people with improved access to transport;
- Created 1.2 million jobs;
- Provided 8.2 million people with new or improved access to water and sanitation; and
- Supported improvements in agricultural productivity benefiting 19 million people.

AfDF-15 includes a set of 92 commitments for the AfDF to achieve over 2020-2022. These commitments cover the AfDF's development work as well as its institutional efficiency and effectiveness. Each commitment includes at least one measurable indicator; for example, under the energy access target, the AfDF commits to create one million connections to on-grid energy and provide access for one million households to off-grid and decentralized energy access by the end of 2022.

Project Examples

The Gambia and Senegal. The SeneGambia Bridge and two one-stop border posts opened in January 2019 and are reducing transport costs, encouraging trade, and uniting previously separated communities, thanks to AfDF grants and loans totaling about $90 million. The bridge spans the Gambia River and links the two halves of The Gambia, providing a safer, quicker alternative to the ferry crossing. The historic connection now links Senegal to its southern Casamance region, which is separated from the capital and main population center of Dakar by The Gambia. It has enhanced traffic flow between the northern and southern parts of The Gambia and Senegal, and will also increase sub-regional trade and socioeconomic development opportunities on the West African transit corridor between Dakar and Lagos, Nigeria. The border posts reduce customs formalities, enhancing the potential for increased trade and business.

Ethiopia and Kenya. In 2019, the AfDF completed the second phase of a major highway corridor linking major urban areas in Kenya and Ethiopia, to which it contributed $278 million. In the initial phase of this project, the AfDB built 313 miles of road in the corridor completing linkages between Mombasa and the Kenyan towns of Merille and Turbi, through Marsabit. In 2019, the AfDF finished an additional 243 mile segment running through Ethiopia that links Yabelo and Mega to Addis Ababa. The project has reduced travel time between Nairobi and Addis Ababa by 57% and reduced the cost of transporting a 20-foot container from Mombasa to Moyale by 25%. It has benefitted cattle farmers, freight shippers, transport operators, the business community, and subsistence farmers along the road corridor, including women.

Asian Development Bank

The Asian Development Bank comprises the Asian Development Fund (AsDF) and the Ordinary Capital Resources of the Asian Development Bank (AsDB). As there are no outstanding U.S. capital commitments for the Ordinary Capital Resources of the AsDB, the Budget is seeking funding only for AsDF.

Asian Development Fund

FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request
47,395,000	47,395,000	47,395,000

The Budget requests $47.4 million in support of AsDF programs over the eleventh replenishment (AsDF-12; FY 2018 – FY 2021), including towards the fourth of four installments to AsDF-12.

Program Description

The AsDF is a grants-only fund that supports Asia's poorest countries. Eighteen countries are eligible for AsDF grants. AsDF grants help reduce poverty, support economic growth, mitigate and respond to disaster risks, and provide support for fragile and conflict-affected states.

- In 2019, AsDF approvals totaled about $1.6 billion, of which nearly 50% supported infrastructure projects in the energy, water, and transportation sectors.
- During 2017–2020, AsDF will provide up to $200 million in grants for disaster risk reduction and up to $218 million to facilitate faster disaster response and reduce humanitarian expenditures by AsDF countries and donors in the wake of natural disasters in the region.
- The United States pledged $189.6 million over four years to AsDF-12, a 47% decrease from the previous replenishment. This decrease allows for $170 million in savings while allowing the United States to remain the third-largest donor, after Japan and Australia. Every $1 contribution from the United States to AsDF-12 leverages almost $20 in new donor contributions and internally generated resources.

How AsDF Promotes U.S. Interests

AsDF assistance helps achieve U.S. national security and foreign policy objectives in Asia and the Pacific.

- **Assistance for Rohingya Refugees:** The AsDF has provided $100 million in grants to Bangladesh to support basic infrastructure and services for more than 700,000 displaced in Rohingya. AsDF grants help fund projects in the water supply and sanitation, disaster risk management, energy, and roads sectors.

- **Providing a Superior Source of Development Financing for Small States:** In November 2018, the AsDB Board approved a proposed increase in the base allocation of AsDF-eligible countries for 2019 and 2020. The base allocation for AsDF countries will rise from $6 million to $13 million over the remainder of the AsDF-12 implementation period. Given development needs and capacity constraints, small states, including Pacific Island states, are especially vulnerable to unfavorable and non-transparent lending which does not contribute meaningfully to development. An increased base allocation benefits the smallest, poorest countries the most by expanding the pool of available grant financing.

- **Financing Afghanistan's Development**: The AsDF has played an important role helping Afghanistan to develop and rehabilitate its infrastructure, improve trade linkages with neighboring countries, and provide basic services through special allocations for the country.

Meeting AsDF Commitments

The United States has approximately $284 million in unmet commitments to the AsDF, which adversely affect the AsDF and U.S. leadership in the institution. Without fully funding its commitments, the United States risks impairing the ability to shape the direction of AsDF policies and activities, as well its ability to ensure that sufficient concessional finance is available to strategically important countries like Afghanistan. Other AsDF donors have withheld, proportionally, a total of $108.6 million in contributions to previous replenishments in response to U.S. unmet commitments. Full funding of the FY 2021 Budget request for AsDF will prevent the accumulation of new unmet commitments on our replenishment pledges to AsDF.

Achieving and Measuring Results

AsDF reports achieving the following from 2014-2017:

- Connected 114,000 new households to electricity;
- Built or upgraded over 9,300 miles of road;
- Connected 442,000 households with new and improved water supplies;
- Supported nearly 9.5 million students with new or improved educational facilities, of which more than half were female;
- Trained nearly 2 million teachers to improve teaching quality and meet competency standards, of which 67% were female; and
- Provided microfinance accounts to close to 5 million people, of which over three-quarters were female.

The AsDB reports on results through its annual Development Effectiveness Review (DEfR) and Performance Scorecard, which compiles project-level outputs. In particular, the DEfR measures whether projects are effective, completed on time and according to benchmarks, and sustainable after the conclusion of AsDB or AsDF involvement. These standards are used to compile lessons learned and improve future projects.

Results in recent years have shown continued progress on the AsDF's development effectiveness. During 2017, 74% of completed AsDF projects that were validated by the AsDB's Independent Evaluation Department (IED) were rated successful, up from 64% in 2011-2013.

Project Examples

Afghanistan. The AsDF provided a $75 million grant for the Horticulture Value Chain Development Sector Program, creating jobs while also strengthening value chains, reducing waste, and boosting exports. The project will increase Afghanistan's horticultural exports by more than 25%. The project also aims to increase female employment in the sector.

Tonga. The AsDF provided a $2.25 million grant to Tonga through the second phase of a policy-based support Building Macroeconomic Resilience Program. Through the program, Tonga strengthened public financial management to boost tax revenue, adjusted the public service salary structure, raised the performance of the country's public enterprises, and made the investment environment more hospitable to private businesses. The government also embarked on state-owned enterprise reforms to improve their governance standards and financial viability, including the sale of a stake in Tonga Cable Limited to a private Jamaican telecommunications company.

Kyrgyzstan. Approved in 2019, the Naryn Rural Water Supply and Sanitation Development Program provides $13.7 million in finance to support Kyrgyzstan's development of its water supply and sewerage systems. Naryn is a mountainous province and one of the poorest in the Kyrgyz Republic, with a poverty rate of 29% in 2017. Most villages in Naryn have unprotected water sources, and incidences of waterborne diseases are high. The program will improve the health and quality of life of approximately 64,000 people in 31 villages in Naryn by providing inclusive and reliable access to water supply and sanitation services.

North American Development Bank

FY 2018 Enacted	FY 2019 Enacted	FY 2020 Request
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The FY 2021 Budget requests program limitation language to allow the Secretary of the Treasury to subscribe to the full amount of $1.275 billion in NADB callable capital shares that Congress authorized under the United States-Mexico-Canada Agreement Implementation Act (USMCA Act). The Budget is not requesting new funding for NADB in FY 2021.

Program Description

NADB, founded in 1994 by the United States and Mexico, provides financing for environmental infrastructure projects within the areas up to 100 kilometers (62 miles) north and 300 kilometers (186 miles) south of the U.S.-Mexico border. These projects, implemented on both sides of the border, improve the quality of life for residents of the border region, strengthen municipal services, and create new jobs and business opportunities. Key areas of focus include wastewater collection and treatment, air quality improvements, solid waste management, and renewable energy. Prior to being eligible for NADB financing, all projects must be certified for their environmental benefits. NADB is well-respected among states and communities along the border, where it has had a tangible impact on the environment and the lives of the region's residents. In 2019, NADB approved $381 million in new loans and grants for environmental infrastructure projects in the border region.

Under NADB's charter, the United States and Mexico agreed to contribute equally to NADB's authorized capital stock, and each country has a 50% voting share. In 2015, the United States and Mexico agreed to double NADB capital – an increase of $3 billion. The U.S. portion of the increase of $1.5 billion is comprised of $225 million in paid-in shares and $1.275 billion in callable capital shares.

The recently passed United States-Mexico-Canada Agreement Implementation Act (USMCA) authorizes the Secretary of the Treasury to subscribe to the shares allocated to the United States in the 2015 capital increase. This authorization, however, limits any subscription to shares "only to such extent and in such amounts as are provided in advance in appropriations Acts." Congress has appropriated the full $225 million for the U.S. paid-in capital shares – $10 million through the 2016 Consolidated Appropriations Act and $215 million through the USMCA Act. The USMCA Act did not include, however, a program limitation on subscription to callable capital shares. This language is needed to enable the Secretary of the Treasury to subscribe to the authorized callable capital shares. The FY 2016 appropriations act included a program limitation to subscribe to up to $255 million in callable capital, resulting in a shortfall of $1.02 billion. To ensure that the full amount for callable capital authorized in the USMCA is provided for in advance in appropriations Acts, the FY 2021 Budget requests a program limitation that enables the United States to subscribe to additional callable capital shares in the amount of $1.02

billion. Subscription to the full amount of paid-in and callable shares is necessary to demonstrate strong shareholder support for the NADB, which will boost its credit ratings and enable it to achieve maximum impact through investment in environmental infrastructure in the border region.

Environmental Trust Funds

Global Environment Facility

FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request
139,575,000	139,575,000	-

No funding is requested in FY 2021, as the FY 2019 and FY 2020 appropriations place the United States on track to meet its pledge of $273.2 million to the GEF seventh replenishment (GEF-7; FY 2019 – FY 2022). This pledge level will support important international environmental, toxic chemical, and biodiversity conservation activities through the GEF, while pursuing a more balanced share among donor countries as we seek to advance shared priorities.

Program Description

The GEF is a multilateral trust fund that provides grants for environmental projects in developing countries and emerging markets. Currently, the GEF funds projects in 165 countries in areas such as wildlife trafficking, chemical pollution, and conservation of oceans and land.

How GEF Promotes U.S. Interests

The GEF benefits the U.S. economy and environment by addressing many external environmental problems that affect our domestic health, safety, and prosperity. For example, GEF projects:

- Reduce pollution and prevent toxic chemicals such as mercury from making their way into the air, water, and U.S. food supply;

- Support America's logging industry by curbing international illegal logging through sustainable forest management projects, thereby leveling the playing field for lumber and other related products;

- Fight wildlife trafficking and strengthen protected area enforcement, eliminating a source of funding for criminal groups in Africa and the Middle East with the aim of reducing conflicts and promoting national security interests; and

- Conserve fish stocks outside U.S. waters and promote sustainable fishing practices in the Pacific and Atlantic oceans, as well as the Gulf of Mexico, which are critically important to the U.S. food supply chain and a significant revenue source for U.S. fishing companies.

In many countries, GEF investments pave the way for greater business opportunities for U.S. companies by helping to establish new markets and improving the investment climate related to environmental conservation and protection.

Meeting GEF Commitments

Congress appropriated $139.6 million for the GEF in FY 2020, of which $136.6 million was designated for the GEF-7 replenishment. The additional amount of approximately $3 million will be applied to unmet commitments. This will reduce U.S. unmet commitments to the GEF to approximately $128.9 million in FY 2020. The level of U.S. unmet commitments will remain unchanged in FY 2021 under the proposed Budget.

Achieving and Measuring Results

Between the start of GEF-7 in July 2018 and December 2019, the GEF Council has approved a total of 97 projects and 12 programs, totaling $1.48 billion in project financing, which are expected to achieve the following results:

- Protection and sustainable use planning of 1.3 billion hectares of landscapes and seascapes, as well as restoration of 5.6 million hectares of land;
- Co-financing at a rate of nearly $9 for each GEF-7 dollar invested; and
- Reduction or safe disposal of 33,500 metric tons of toxic chemicals, thereby promoting healthy communities, water quality, and food systems.

Every four years, the GEF's Independent Evaluation Office produces a comprehensive evaluation of past project and operational performance. These evaluations influence the programming objectives for the next replenishment period.

Project Examples

Global Wildlife Program ($82 million grant, $483 million in co-financing). This investment seeks to reverse the decline in wildlife populations due to the illegal wildlife trade and to promote wildlife conservation for development by conserving habitat and wildlife; promoting a wildlife-based economy; and combating wildlife trafficking.

Blue Nature Alliance ($23 million grant, $100 million in co-financing). This investment aims to catalyze the conservation of 1.25 billion hectares of ocean ecosystems (3.4% of the global ocean) by supporting new and expanded marine protections and improved management of existing marine protected areas to safeguard the health of oceans globally.

Technical Assistance

Office of Technical Assistance

FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request
30,000,000	30,000,000	33,000,000

Treasury is seeking $33 million for its Office of Technical Assistance (OTA).

Program Description

OTA works with finance ministries, central banks, and related government institutions to support efficient revenue collection, well-planned and executed budgets, judicious debt management, sound banking systems, and strong controls to combat money laundering and other economic crimes. OTA complements the work of Treasury's offices of International Affairs and Terrorism and Financial Intelligence by helping the governments of developing and transitional countries build the human and institutional capacity to implement improvements in economic and terrorist financing policies. OTA also supports partner countries' efforts to more effectively raise their own domestic resources, reducing dependence on foreign assistance. OTA's work is critical for meeting U.S. foreign policy goals, such as private sector-led economic growth, reduced corruption, and increased accountability and transparency. OTA is a small, cost-effective program that leverages a cadre of highly experienced technical advisors who work side-by-side with host country counterparts. Currently, OTA has projects in approximately 50 countries in Latin America, Africa, Europe, Asia, and the Middle East.

Demand for OTA assistance around the world is strong and continues to increase. OTA would use the requested budget resources in FY 2021 to be able to respond quickly and in a sustained way to this growing demand in areas that are priorities for the United States, including combating terrorist financing and financial crimes, reducing countries' dependence on foreign financial aid through improved domestic resource mobilization, and creating the conditions for private sector-led economic growth, including by improving the climate for private sector investment in infrastructure projects in developing and transitional countries. The requested funding would also support important enhancements to OTA's project monitoring and evaluation regime in compliance with Foreign Aid Transparency and Accountability Act of 2016 (FATAA).

How OTA Promotes U.S. National Security

OTA performs an important role in support of U.S. national security by helping developing and transitional countries combat financial crimes, money laundering, and terrorist financing. In addition, OTA's role stabilizes banking systems, develops capital markets, improves the investment climate, including for infrastructure, and improves transparency and accountability in government finances, helping to spur private-sector led economic growth which, in turn, supports the development of foreign markets for U.S. exports.

Achieving and Measuring Results

OTA has a robust system for monitoring and evaluating program performance, from project initiation through execution, to post-project evaluation. At the inception of each project, OTA and the relevant foreign government ministry or central bank identify the high-level aims of the engagement, which are reflected in signed terms of reference. The terms of reference are complemented by a detailed work plan specifying the activities, deliverables, and timelines for achieving those goals, as well as the outcomes that will provide evidence that the goals have been met. In addition, OTA advisors provide monthly reports and trip reports to Treasury leadership and other stakeholders on the execution of the work plan, including progress against project objectives.

These reports are validated through ongoing dialogue with advisors coupled with on-site project reviews conducted by OTA management. In addition, post-project reports document the results of completed technical assistance, and are used as a basis to improve the planning and execution of future projects.

OTA closely monitors the level of "traction," or the degree to which changes in partner governments' behavior occur as a result of OTA assistance (e.g., the number of foreign officials who are taking an active role in pursuing change, or interim deliverables that are on time or ahead of schedule). Levels of traction are measured by OTA advisors and headquarters staff according to specific indicators that are relevant to each of the five OTA core areas.

OTA monitoring and evaluation have consequences: projects showing results receive continued investment of OTA resources, while poorly performing projects, such as those where OTA's counterparts lack political will to implement reform, are terminated and the resources reallocated to other projects.

Innovations in Monitoring and Evaluation

In accordance with the Foreign Aid Transparency and Accountability Act, OTA continues to strengthen its ability to measure the results of its technical assistance projects. This involves documenting project goals, activities, outputs, and outcomes in logical frameworks and conducting independent (third-party) evaluation of OTA projects. To support the costs of independent evaluation and enhanced project monitoring activities, OTA is requesting an additional $3 million in program resources in FY 2021. Once the new framework is fully implemented, each OTA project would be subject to an independent evaluation at its midpoint (generally after the second year of technical assistance activities) and 6-12 months after a project concludes. Evaluations will seek to determine the extent to which project goals were achieved. The results of evaluations will be made available to the public as required by the FATAA.

Project Examples

Dominican Republic Investigates Tax Fraud. OTA's partnership with the Dominican Republic's Dirección General de Impuestos Internos (DGII) has advanced the institution's investigation and prosecution of tax fraud and tax evasion cases. Following the creation of the

DGII Tax Crimes and Anti-Money Laundering Unit, OTA helped develop an investigations operational manual, documenting a structured investigative approach and trained tax crimes investigators in case and investigation management. Since the completion of the new unit, DGII has received 205 allegations and initiated 104 investigations. In March 2018, the DGII Tax Crimes unit made its first arrest of a tax preparer for tax fraud involving an estimated loss of $8.2 million. The Tax Crimes Unit has submitted six investigations to the DGII Legal Division for potential prosecution of individuals alleged to have evaded taxes of as much as $21 million.

Ukraine Conducts Distressed Loan Sales. One of the most important aspects of strengthening Ukraine's banking sector, and in turn the overall economy, has been to sell the assets of failed banks. Ukraine's Deposit Guarantee Fund (DGF), with OTA support, successfully implemented a bulk sales process for loans taken over from almost one hundred bank failures that were precipitated by the country's 2014 political and economic crisis. Starting in the last quarter of 2018, the DGF has sold 600,000 loans valued at $1.2 billion by balance (principal plus interest accrued) through several successful bulk sales with international loan sale advisors, resulting in the return of these assets to the private sector at a market price and substantial recovery of funds to the government. In addition, these sales have attracted European and U.S. investors, and have created a secondary market in purchasing, collecting, and servicing distressed debt. This process is the first successful state bulk sales program in Central and Eastern Europe since the early 2000s and is the culmination of six years of sustained engagement by OTA.

Debt Restructuring Programs

U.S. efforts on debt restructuring and debt relief have been fundamental to helping some of the world's poorest countries stabilize, restart economic growth, and reduce poverty and instability. These programs include the Heavily Indebted Poor Countries (HIPC) Initiative, the HIPC Trust Fund, the Multilateral Debt Relief Initiative (MDRI), and the Tropical Forest Conservation Act. Over forty countries, including Haiti, Afghanistan and Liberia, have benefitted from U.S. debt relief and restructuring programs. The Budget requests $78 million for the cost of U.S. bilateral debt relief through the Paris Club for Somalia as part of the Heavily Indebted Poor Countries (HIPC) Initiative.

Heavily Indebted Poor Countries Initiative

FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request
-	-	$78,000,000

The HIPC initiative was launched in 1996 and enhanced in 1999 to provide deeper and broader debt reduction for the poorest heavily indebted countries committed to economic reform and poverty reduction. Three countries remain potentially eligible for HIPC -- Somalia, Sudan, and Eritrea).

Somalia has implemented progressively tougher economic reforms and is expected to meet the requirements for the first phase of the debt relief process under HIPC (known as Decision Point) in the first quarter of calendar year 2020. Debt relief for this strategically important country is critical for Somalia's economic stability and consolidation of security gains made in Somalia with strong U.S. financial support and interagency engagement.

The United States is Somalia's largest creditor, with approximately $1 billion outstanding; the bulk of the debt is held by the Department of Defense, with the remainder held by the Department of Agriculture (USDA) and the United States Agency for International Development (USAID). The current estimated budget cost to provide bilateral debt restructuring and relief for Somalia is approximately $113 million, because of the discount rate applied to the outstanding nominal arrears. The FY 2020 appropriations act includes debt restructuring authority and transfer authority from the Department of State for up to $35 million to enable the United States to participate through the Paris Club in the Decision Point stage of the HIPC process. With continued strong performance, Somalia is expected to reach the final stage of HIPC debt relief (known as Completion Point) in 2021. The Budget requests $78 million in FY 2021 to cover the estimated budget cost for fully relieving the remainder of Somalia's outstanding debt to the United States through the Paris Club as part of the HIPC process.

Annex 1: MDB Basics

What are the MDBs?

The United States is a member of several development institutions, including the:

- World Bank
- Asian Development Bank
- Inter-American Development Bank
- African Development Bank
- European Bank for Reconstruction and Development
- International Fund for Agricultural Development

The development banks are international financial institutions, but they differ from commercial banks in their mandate and structure. They are owned by both borrowing and non-borrowing countries and provide financial and technical assistance to developing countries. The United States is the largest shareholder in the World Bank, Inter-American Development Bank, European Bank for Reconstruction and Development and the International Fund for Agricultural Development; the co-largest shareholder (with Japan) in the Asian Development Bank; and the largest non-regional and second-largest overall shareholder in the African Development Bank.

What is Treasury's role?

In the U.S. Government, Treasury is charged with leading U.S. engagement in the MDBs. For the five largest MDBs in which the United States participates, a U.S. Executive Director (USED), who is based at each bank, is appointed by the President and confirmed by the Senate to represent U.S. interests, engaging daily in meetings at various levels and casting votes throughout the year. Treasury works closely with the USEDs and a wide-ranging interagency group on MDB issues. Additionally, Treasury provides direction for how to vote on projects and policies to the USEDs. The Secretary of the Treasury serves as the U.S. Governor to each MDB, and votes on high-level institutional matters that involve major changes to the structure or financing of the organization.

How do the MDBs finance development projects?

Most of the MDBs have two financing facilities, which are frequently referred to as "windows," from which they make loans, provide guarantees and other financial instruments, and provide grants: the "non-concessional" window (also referred to as "hard loan windows") and the "concessional" window (also referred to as "soft loan windows"). Some institutions have a third window for private sector operations, whereas others make private sector investments from their "non-concessional" windows. Each institution can also serve as trustee for specialized funds established at the request of member countries.

- The non-concessional windows primarily provide loans at market-linked interest rates to middle-income countries, such as Colombia, Egypt, Indonesia, and Botswana.

- The concessional windows provide some combination of grants, very low interest loans with long tenors, and a limited supply of market-linked loans to countries with per capita incomes below a certain threshold and that lack the creditworthiness to access other financing sources, including the non-concessional windows. The concessional windows for each MDB are:
    - International Development Association (World Bank Group)
    - Asian Development Fund (Asian Development Bank)
    - African Development Fund (African Development Bank Group)

The United States is also a contributor to the International Fund for Agricultural Development, which functions like an MDB concessional window. Because the European Bank for Reconstruction and Development and North American Development Bank are private sector-oriented, they do not have a concessional window, while the Inter-American Development Bank provides both non-concessional and concessional funding from one window. The Asian Development Bank provides both non-concessional and concessional loans from its Ordinary Capital Resources; the Asian Development Fund provides only grants.

How are the MDBs funded?

Countries are referred to as “shareholders” in an MDB and hold a certain percentage of shares, and therefore voting power, based on their contributions.

At times, shareholders provide new funding to support the non-concessional or concessional windows. This funding can take three forms:

- Donor replenishments
- General capital increases
- Selective capital increases

Donor Replenishments

Because the concessional windows provide most of their funding to the poorest countries as grants or very low-cost, long-term loans, these windows deplete their funding over time and require periodic “replenishment” by donor countries every three to four years. When fully funded, U.S. funding commitments are paid out in equal installments over the replenishment period.

General Capital Increases

Under a general capital increase (GCI), MDB shareholder governments decide to provide additional capital to support the MDBs’ non-concessional or private sector windows by purchasing new shares in the institution. Unlike concessional windows, the non-concessional and private sector windows are expected to be more financially self-sustaining, requiring additional member state contributions less frequently, provided they follow prudent capital management policies. However, global and regional economic conditions or shareholders’ desire to see an MDB provide higher levels of finance in support of particular aspects of a region's development agenda may lead to member countries negotiating to provide new capital to the MDB through a GCI. In these cases, member countries negotiate the total amount of additional capital required and the amount to be provided by each member.

The financing arrangements for GCIs are unique. Unlike replenishments, only a small portion of the total commitment is paid directly to an MDB. This portion is called "paid-in" capital, and typically ranges from 5-10% of the total increase. The pay-in period often ranges significantly (e.g., from three to eight years).

The remainder of the commitment is made in the form of "callable capital." Callable capital represents a financial commitment made by shareholders, but there is no actual transfer of funds. These commitments are meaningful because they enable the MDBs to strengthen their credit ratings and reduce borrowing costs, and, in turn, lend to borrowers at rates lower than what they could obtain in the markets. This capital is "callable" under limited and specifically enumerated circumstances to meet the obligations of the respective MDBs. No MDB has made a call on callable capital to date.

If a shareholder fails to purchase the shares that it decided to buy in the capital increase negotiations, the relative shareholding and voting power of that country will be diluted. Under the rules in place for most GCIs, voting shares are adjusted to reflect contributions as they come in from shareholders, such that delayed contributions will have an impact on the current voting share. Any shares allocated to a country that are not paid for within the allotted subscription period are moved to the MDB's unallocated capital, potentially making these shares available for other shareholders to acquire. Several countries seeking to expand their influence in the MDBs have expressed an interest in purchasing shares when they become available in this manner.

Selective Capital Increases

A selective capital increase (SCI) is not intended primarily as a fundraising vehicle, but is used to allocate new shares to effect changes in the relative voting power of members of an MDB or accommodate accession by new members. Unlike a GCI, where shares are allocated to members in proportion to their existing shareholding, countries subscribe to different levels of shares under an SCI to achieve the desired realignment in voting power. Countries may have to purchase shares under an SCI in order to maintain their voting power or limit dilution, but the total capital increase under an SCI is typically much smaller than under a GCI.

Annex 2: FY 2021 Appropriations Language and Authorization Request

Below is a summary of proposed appropriations language and authorization request.

FY 2021 Appropriations Language

CONTRIBUTION TO THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
For payment to the International Bank for Reconstruction and Development by the Secretary of the Treasury for the United States' share of the paid-in portion of the increases in capital stock, $206,500,000, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS
The United States Governor of the International Bank for Reconstruction and Development may subscribe without fiscal year limitation to the callable capital portion of the United States' share of increases in capital stock in an amount not to exceed $1,421,275,728.70.

CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION
For payment to the International Development Association by the Secretary of the Treasury, $1,001,400,000, to remain available until expended.

CONTRIBUTION TO THE AFRICAN DEVELOPMENT BANK
For payment to the African Development Bank by the Secretary of the Treasury for the United States' share of the paid-in portion of the increases in capital stock, $54,648,752, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS
The United States Governor of the African Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States' share of such capital stock in an amount not to exceed $856,174,624.

CONTRIBUTION TO THE AFRICAN DEVELOPMENT FUND
For payment to the African Development Fund by the Secretary of the Treasury, $171,300,000, to remain available until expended.

CONTRIBUTION TO THE ASIAN DEVELOPMENT FUND
For payment to the Asian Development Bank's Asian Development Fund by the Secretary of the Treasury, $47,395,000, to remain available until expended.

NORTH AMERICAN DEVELOPMENT BANK: LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The Secretary of the Treasury may subscribe without fiscal year limitation to the callable capital portion of the United States share of capital stock in an amount not to exceed $1,020,000,000: Provided that this authority shall be in addition to any other authority provided by previous Acts.

INTERNATIONAL AFFAIRS TECHNICAL ASSISTANCE

For necessary expenses to carry out the provisions of section 129 of the Foreign Assistance Act of 1961, $33,000,000, to remain available until expended, of which not more than $6,600,000 may be used for administrative expenses: Provided, that amounts made available under this heading may be made available to contract for services as described in section 129(d)(3)(A) of the Foreign Assistance Act of 1961, without regard to the location in which such services are performed.

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DEBT RESTRUCTURING

For the costs, as defined in section 502 of the Congressional Budget Act of 1974, of modifying loans and loan guarantees for Somalia or credits extended to Somalia, as the President may determine, including the cost of selling, reducing, or cancelling amounts owed to the United States, $78,000,000, to remain available until expended, which may be used notwithstanding any other provision of law.

FY 2021 Authorization Requests[1]

International Monetary Fund – New Arrangements to Borrow

Section 7065(a). Section 17 of the Bretton Woods Agreements Act (22 U.S.C. 286e-2) is amended –

(1) in subsection (a) --

(A) by adding a new paragraph (3) and subsequently renumbering the following paragraphs;

(B) by adding in new paragraph (3) the following:

"(3) In order to carry out the purposes of a one-time decision of the Executive Directors of the International Monetary Fund (the Fund) to expand the resources of the New Arrangements to Borrow, established pursuant to the decision of January 27, 1997 referred to in paragraph (1) above, the Secretary of the Treasury is authorized to make loans, in an amount not to exceed the dollar equivalent of 28,202,470,000 of Special Drawing Rights, in addition to any amounts previously authorized under this section; except that prior to activation of the New Arrangements to Borrow, the Secretary of the Treasury shall report to Congress whether supplementary resources are needed to forestall or cope with an impairment of the international monetary system and whether the Fund has fully explored other means of funding to the Fund.".

(C) by striking, in paragraph (5), as amended (Public Law 114-113), "December 16, 2022"; and adding at the end the following: "December 31, 2025"

(2) in subsection (e)(1) –

(A) by including, after "…required by paragraphs (a)(1), (a)(2)" the addition of ", and (a)(3)".

Multilateral Development Bank Replenishments

SEC. 7067.

(a) *The International Development Association Act, Public Law 86–565, as amended (22 U.S.C. §§ 284 et seq.), is further amended by adding at the end thereof the following new section:*

"Sec. 31. Nineteenth Replenishment.

"(a) The United States Governor of the International Development Association is authorized to contribute on behalf of the United States $3,004,200,000 to the nineteenth replenishment of the resources of the Association, subject to obtaining the necessary appropriations.

"(b) In order to pay for the United States contribution provided for in subsection (a), there are authorized to be appropriated, without fiscal year limitation, $3,004,200,000 for payment by the Secretary of the Treasury."

(b) *The African Development Fund Act, Public Law 94–302, as amended (22 U.S.C. §§ 290g et seq.), is further amended by adding at the end thereof the following new section:*

"Sec. 226. Fifteenth Replenishment.

"(a) The United States Governor of the Fund is authorized to contribute on behalf of the

[1] The sections of authorization language below are included in the General Provisions, which can be found in the Department of State and Other International Programs chapter of the Appendix of the President's FY2021 Budget."

United States $513,900,000 to the fifteenth replenishment of the resources of the Fund, subject to obtaining the necessary appropriations.
"(b) In order to pay for the United States contribution provided for in subsection (a), there are authorized to be appropriated, without fiscal year limitation, $513,900,000 for payment by the Secretary of the Treasury."

International Finance Corporation

SEC. 7068. The International Finance Corporation Act, Public Law 84-350, as amended (22 U.S.C. 282 et seq.), is further amended by adding at the end thereof the following new section:
"Sec. 18. Capital Increases and Amendment to the Articles of Agreement.
(a) Votes Authorized.—The United States Governor of the Corporation is authorized to vote in favor of—
(A) a resolution to increase the authorized capital stock of the Corporation by 16,999,998 shares, to implement the conversion of a portion of the retained earnings of the Corporation into paid-in capital, which will result in the United States being issued an additional 3,771,899 shares of capital stock, without any cash contribution;
(B) a resolution to increase the authorized capital stock of the Corporation on a general basis by 4,579,995 shares; and
(C) a resolution to increase the authorized capital stock of the Corporation on a selective basis by 919,998 shares.
(b) Amendment of the Articles of Agreement.—The United States Governor of the Corporation is authorized to agree to and accept an amendment to Article II, Section 2(c)(ii) of the Articles of Agreement of the Corporation that would increase the vote by which the Board of Governors of the Corporation may increase the capital stock of the Corporation from a four-fifths majority to an eighty-five percent majority.".

African Development Bank Capital Increase

SEC. 7069. The African Development Bank Act, Public Law 97–35, as amended (22 U.S.C. §§ 290i et seq.), is further amended by adding at the end thereof the following new section:
''SEC. 1345. SEVENTH CAPITAL INCREASE.
''(a) SUBSCRIPTION AUTHORIZED.—
''(1) The United States Governor of the Bank may subscribe on behalf of the United States to 532,023 additional shares of the capital stock of the Bank.
''(2) Any subscription by the United States to the capital stock of the Bank shall be effective only to such extent and in such amounts as are provided in advance in appropriations Acts.
''(b) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—
''(1) In order to pay for the increase in the United States subscription to the Bank under subsection (a), there are authorized to be appropriated, without fiscal year limitation, $7,286,587,008 for payment by the Secretary of the Treasury.
''(2) Of the amount authorized to be appropriated under paragraph (1)—
''(A) $437,190,016 shall be for paid in shares of the Bank; and
''(B) $6,849,396,992 shall be for callable shares of the Bank.''.

Debt Relief

SEC. 7066. Of the funds appropriated in this and prior Acts making appropriations for the Department of State, Foreign Operations, and Related Programs, except for funds designated for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, funds may be transferred to, and merged with, funds available under the heading "Department of the Treasury – Debt Restructuring" in title III of this Act, to remain available until expended, for the cost, as defined in section 502 of the Congressional Budget Act of 1974, of modifying loans and loan guarantees, as the President may determine, or for the cost of selling, reducing, or cancelling amounts owed to the United States as a result of loans made to any country, in the event that the country meets the domestic and internationally-agreed conditions and the transfer or merger is consistent with the U.S. law and foreign policy considerations.