

## Treasury International Programs

### Program Summary

(Dollars in Thousands)

	FY 2010	FY 2011	FY 2012		
	Enacted	Annualized CR Level	President's Budget	Increase/Decrease	Percent Change
<b>Poverty Reduction and Economic Growth (MDBs)</b>	\$1,552,170	\$1,552,170	\$2,072,564	\$520,394	33.5%
International Development Association (IDA)	1,262,500	1,262,500	1,358,500	96,000	7.6%
Int'l Bank for Reconstruction and Development (IBRD)			117,364	117,364	
Inter-American Development Bank (IDB and FSO)			102,018	102,018	
Multilateral Investment Fund (MIF)	25,000	25,000	25,000	0	0.0%
Inter-American Investment Corporation (IIC)	4,670	4,670	20,429	15,759	337.4%
Asian Development Bank (AsDB)			106,586	106,586	
Asian Development Fund (AsDF)	105,000	105,000	115,250	10,250	9.8%
African Development Bank (AfDB)			32,418	32,418	
African Development Fund (AfDF)	155,000	155,000	195,000	40,000	25.8%
European Bank for Reconstruction & Development (EBRD)			0	0	
<b>Food Security</b>	\$30,000	\$30,000	\$338,000	\$308,000	1026.7%
Global Agriculture and Food Security Program (GAFSP)*			308,000	308,000	
Int'l Fund for Agricultural Development (IFAD)	30,000	30,000	30,000	0	0.0%
<b>Combating Climate Change and Environmental Degradation</b>	\$481,500	\$481,500	\$748,750	\$267,250	55.5%
Clean Technology Fund (CTF)	300,000	300,000	400,000	100,000	33.3%
Strategic Climate Funds (SCF)	75,000	75,000	190,000	115,000	153.3%
<i>Pilot Program for Climate Resilience (PPRC)</i>			40,000	40,000	
<i>Forest Investment Program (FIP)</i>			130,000	130,000	
<i>Scaling-Up Renewable Energy Program (SREP)</i>			20,000	20,000	
Global Environment Facility (GEF)	86,500	86,500	143,750	57,250	66.2%
Tropical Forest Conservation Act (TFCA)	20,000	20,000	15,000	(5,000)	-25.0%
<b>Debt Relief</b>	\$40,000	\$40,000	\$174,500	\$134,500	336.3%
Bilateral Debt Reduction/HIPC Trust Fund	40,000	40,000	0	(40,000)	-100.0%
Multilateral Debt Relief Initiative (MDRI) for IDA15**			91,000	91,000	
MDRI for IDA16, AfDF12***			83,500	83,500	
Treasury Office of Technical Assistance	\$25,000	\$25,000	\$30,120	\$5,120	20.5%
<b>Total</b>	<b>\$2,128,670</b>	<b>\$2,128,670</b>	<b>\$3,363,934</b>	<b>\$1,235,264</b>	<b>58.0%</b>

\* In FY 2010, the U.S. Agency for International Development transferred \$66.6 million in Development Assistance funds to Treasury for payment to the Global Agriculture and Food Security Fund.

\*\* This funding will both meet the U.S.'s remaining commitment to MDRI under IDA15 and cancel IDA15 arrears, assuming full funding of IDA's FY2011 request.

\*\*\* \$76 million is for the FY 2012 IDA16 MDRI commitment and \$7.5 million is for the FY 2012 AfDF MDRI commitment.

### Summary

#### *International Development Association (IDA)*

The FY 2012 request includes \$1,358.5 million for the first of three annual payments to the sixteenth replenishment of IDA (IDA16). IDA is a facility within the World Bank Group that makes grants and highly concessional or “soft” loans to the world’s 79 poorest countries, and is the centerpiece of U.S. multilateral development assistance.

IDA is the single largest source of development finance globally across a range of sectors, addressing primary education, basic health services, clean water and sanitation, environmental safeguards, business climate improvements, infra-structure and institutional reforms.

### *International Bank for Reconstruction and Development (IBRD)*

The FY 2012 request includes \$117.4 million for the first of five installments of the United States capital subscription to the IBRD General Capital Increase (GCI). IBRD is a facility within the World Bank Group that makes non-concessional or “hard” loans to primarily middle-income countries and as well as some creditworthy low-income countries. The IBRD focuses on supporting poverty reduction, economic development and global public goods, including climate change and food security. The Bank plans to continue strong increases in lending to support renewable energy and energy efficiency projects as well as agriculture and food production. The Bank also serves as the premier center for research and knowledge on development, helping to promote lessons learned and identify innovations that can even more significantly leverage the Bank’s resources to combat poverty.

### *Inter-American Development Bank (IDB)*

The FY2012 request includes \$102.0 million for the first of five installments for the IDB’s ninth GCI. The Inter-American Development Bank makes “hard” or non-concessional loans to middle-income governments, some creditworthy low-income countries, and private sector firms in Latin America and the Caribbean. Established in 1959, the IDB is the largest source of development financing in the region, providing 26 borrowing member countries close to 50 percent of their multilateral financing.

### *Multilateral Investment Fund (MIF)*

The FY 2012 request includes \$25.0 million for the sixth installment payment of the first replenishment of the MIF. The MIF is a facility within the IDB Group, focusing on private sector development in the Western Hemisphere. The MIF promotes micro and small enterprise growth in Latin America and

works directly with private sector and public sector partners to strengthen the environment for business, build the capabilities and skills of the workforce and broaden the economic participation of smaller enterprises.

### *Inter-American Investment Corporation (IIC)*

The FY 2012 request includes \$20.4 million to clear remaining U.S. arrears to the Inter-American Investment Corporation. The IIC, a facility of the IDB Group was established to promote private small and medium-sized enterprises (SMEs) in Latin America and the Caribbean by offering a combination of direct loans and equity investments in individual companies, lending through private local banks, and participation in regional equity funds.

### *Asian Development Bank (AsDB)*

The FY 2012 request includes \$106.6 million for the second of five capital contributions for the fifth General Capital Increase. The Asian Development Bank is the “hard” or non-concessional window that makes loans to middle-income countries and creditworthy low income countries in Asia. The United States has been a leading shareholder of the Asian Development Bank since it was established in 1966. The AsDB’s comparative advantage is infrastructure finance in such core sectors as energy, transport, and water – typically these sectors will comprise 80 percent or more of AsDB operations in a given year.

### *Asian Development Fund (AsDF)*

The FY 2012 request includes \$115.3 million for the third installment of a four-year commitment under the agreement of the ninth replenishment of the Asian Development Fund. As the Asian Development Bank’s “soft” or concessional window, the AsDF is a critical provider of donor resources to some of the poorest countries in Asia. These resources finance policy support and policy reform,

production capacity, human development, environmentally sustainable investments, good governance and capacity building for development management, and regional cooperation. Additionally, the AsDF places an emphasis on infrastructure finance, and the U.S. has been immensely successful in directing the AsDF's resources towards U.S. priority countries, including Afghanistan and Pakistan.

#### *African Development Bank (AfDB)*

The FY 2012 request includes \$32.4 million for the first of eight installments for the AfDB's sixth GCI. The African Development Bank is the non-concessional or "hard" window that makes public sector loans to the 15 middle-income countries in Africa, and private sector loans to both middle- and low-income countries. Through its support to Africa's middle-income countries, the AfDB is helping to create a new generation of markets for U.S. businesses and workers, enhancing the region's capacity to grow without reliance on donor aid.

#### *African Development Fund (AfDF)*

The FY 2012 request includes \$195.0 million for the first of three annual payments to the twelfth replenishment of the AfDF (AfDF-12). The African Development Fund is a facility within the African Development Bank Group that works with the 40 poorest countries in Africa, offering grants and highly concessional or "soft" loans. The AfDF has a strong strategic focus on infrastructure, economic governance, and regional integration. The AfDF is particularly active in the infrastructure sector, a key challenge to economic growth on the continent.

#### *European Bank for Reconstruction and Development (EBRD)*

For FY 2012, the Administration does not have an appropriations request for the EBRD. The EBRD makes "hard" or non-concessional

loans and equity investments in primarily private sector firms in developing countries, as well as governments of developing countries in the region.

#### *The Global Agriculture and Food Security Program (GAFSP)*

The FY 2012 request includes \$308.0 million for the Global Agriculture and Food Security Program. As part of the Administration's food security initiative, the U.S. Department of the Treasury has worked with our partners in the G-8 and G-20 to establish the GAFSP. GAFSP is a multilateral fund to increase investments in agriculture and food security in poor countries by leveraging U.S. resources. This fund, launched on April 22, 2010 by Secretary Geithner, provides an opportunity to forge a global response among G20 members and non-G20 countries as well as private sector and civil society organizations.

#### *International Fund for Agricultural Development (IFAD)*

The FY 2012 request includes \$30.0 million for the third of three payments to the eighth replenishment of the International Fund for Agricultural Development. IFAD, a specialized facility of the United Nations, is the only multilateral development institution focused exclusively on reducing poverty and improving food security in the rural areas of developing countries. Through low-interest loans and grants, IFAD develops and finances projects that help smallholder farmers increase agricultural productivity and incomes, improve nutritional levels, and access larger markets.

#### *Clean Technology Fund (CTF)*

The FY 2012 request includes \$400.0 million for the CTF. The CTF is one of two multilateral Climate Investment Funds (CIF). The CTF aims to reduce global emissions growth and combat climate change by helping to close the price gap in developing countries

between commercially available clean technologies and dirtier conventional alternatives in the power sector, the transport sector, and in energy efficiency. The CTF focuses on spurring large-scale clean energy investments in middle income developing countries with rapidly growing levels of greenhouse gas pollution.

#### *Strategic Climate Fund (SCF)*

The FY 2012 request includes \$190.0 million for the SCF. The SCF, the other facility of the multilateral Climate Investment Funds (CIF), supports three targeted programs to pilot new approaches and scaled-up activities to address climate change challenges in developing countries, while promoting low-carbon, climate resilient economic growth. The three programs are the *Pilot Program for Climate Resilience* (PPRC), the *Forest Investment Program* (FIP) and the *Program for Scaling-Up Renewable Energy in Low Income Countries* (SREP).

#### *Global Environment Facility (GEF)*

The FY 2012 request includes \$143.8 million for the GEF, a multilateral fund that provides incremental finance—mostly grants—for projects that improve the global environment, such as reducing greenhouse gas pollution and conserving biodiversity. The GEF supports capacity building and innovative and cost-effective investments whose design and environmental benefits can be duplicated (and financed) elsewhere.

#### *Tropical Forest Conservation Act*

The FY 2012 request of \$15 million will be used to support Treasury implementation of the *Tropical Forest Conservation Act* which authorizes debt relief for low and middle income countries to support conservation of tropical forests. Under the program, treated debt is reduced and “redirected” to provide for grants to local nongovernmental organizations and other entities engaged in forest

conservation in the beneficiary country. The United States uses appropriated funds to pay for the budget cost of this debt reduction and redirection.

#### *Multilateral Debt Relief Initiative*

The FY 2012 request includes \$91.0 million for the remaining U.S. commitment to MDRI under IDA15 and \$83.5 million for payment toward the U.S. commitment to MDRI in the IDA16 and AfDF12 periods. Building upon the Heavily Indebted Poor Countries (HIPC) Initiative, the Multilateral Debt Relief Initiative (MDRI) provides 100 percent cancellation of remaining eligible debts owed to the World Bank’s International Development Association (IDA), the African Development Bank’s African Development Fund (AfDF), and the International Monetary Fund (IMF) for countries that complete the HIPC initiative.

#### *Treasury Technical Assistance*

The FY 2012 request of \$30.1 million for the Department of Treasury’s International Affairs Technical Assistance Program provides highly experienced financial advisors to reform-minded developing countries, transitional economies, and nations recovering from conflict. Through the Office of Technical Assistance (OTA), Treasury advisors work side-by-side with government officials in finance ministries and central banks in more than fifty countries to strengthen their capacity to manage public finances – through efficient revenue collection, well-planned and executed budgets, judicious debt management, fundamentally sound banking systems, and strong controls to combat corruption and economic crimes.

#### **Description of Performance**

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Strengthening transparency and ensuring accountability are critical objectives of the

United States' continued support for the MDBs and other International Programs, and Treasury is tightly focused on these criteria. That is why Treasury actively seeks clear and consistent accountability standards and measures, and promotes policies that direct funds to what has been proven to work and away from what cannot be measured. Performance, transparency, monitoring and results are at the heart of all of these efforts.

As a result of U.S. leadership in these areas, the MDBs have adopted expansive disclosure requirements, stronger auditing functions, better internal controls and are at the leading edge of impact evaluations and performance-driven investment. Treasury has also

succeeded in fostering cutting-edge systems for measuring, monitoring, and incorporating development results in MDB operations, and persuading the MDBs to adopt mechanisms under which donor funds are distributed on the basis of performance. In this way, the MDBs provide strong incentives to recipient countries to fulfill their obligations, greatly improving prospects for success and strengthening economic growth and development.

Treasury also pursues these same standards in the Technical Assistance programs, and across the other important International Programs managed by the Department.