



JUSTIFICATION FOR APPROPRIATIONS
FY 2015 BUDGET REQUEST



U.S. DEPARTMENT OF THE TREASURY
INTERNATIONAL PROGRAMS

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FY 2015 Budget Request

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DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

Dear Member:

On behalf of President Obama, it is my pleasure to submit the Congressional Budget Justification for the Department of the Treasury's Fiscal Year 2015 International Programs.

The investments outlined in this request, including the multilateral development banks (MDBs) and related trust funds, are a cost-effective way to advance U.S. national strategic and security interests, unlock the next generation of export markets for American businesses, address critical global challenges like the environment, energy, and food insecurity, and encourage entrepreneurship and private sector development.

Recognizing the need to make difficult choices across the budget, our request has decreased by 10 percent from our FY 2014 request. As we continue to protect our economic recovery, increase exports, and create jobs at home, however, support for the MDBs is critical.

We know that economic stability is critical to political stability, and so our request also includes funding to support targeted trust funds that are working to address challenges like food insecurity and climate change. Also in support of this objective, our request includes funding for Treasury's Office of Technical Assistance, which works to promote effective financial management in fragile and developing countries.

Finally, our request proposes appropriations and authorization language to increase the U.S. quota in the International Monetary Fund and simultaneously reduce by an equal amount U.S. participation in the IMF's New Arrangements to Borrow. This language is necessary to complete IMF reforms that preserve the United States' veto at the IMF and influence in the global economy, without increasing the current U.S. financial commitment to the IMF. Completing the IMF reforms is a national security and economic policy priority for the United States. The Administration is proposing a discretionary funding approach, but we are willing to work with Congress on other approaches to get legislation passed as soon as possible, including mandatory funding approaches.

Overall, these investments represent tremendous value for money, helping to promote U.S. economic growth and our strategic interests abroad.

I look forward to working with you on this important request.

Sincerely,

Jacob J. Lew
Secretary of the Treasury

FY 2015 Executive Summary

Multilateral Development Banks

The FY 2015 request for the multilateral development banks (MDBs) is comprised of existing, previously authorized annual commitments as well as renewed pledges. The request for existing commitments includes the ongoing capital increases at the International Bank for Reconstruction and Development (IBRD), the Inter-American Development Bank (IDB), the African Development Bank (AfDB), and the Asian Development Bank (AsDB). Investments in these multilateral institutions remain a cost-effective way to promote U.S. national security, support broad-based and sustainable economic growth, and address key global challenges like environmental degradation, while fostering private sector development and entrepreneurship.

In addition to requesting funding for the annual commitment for each respective capital increase, Treasury is also requesting funding to address shortfalls caused by sequestration that would jeopardize U.S. shareholding and leadership at the MDBs. Addressing these shortfalls is necessary to ensure that the United States does not forfeit its leadership position at any of these institutions—a position that has greatly benefited both the MDBs and U.S. taxpayers for more than 60 years.

The FY 2015 request also includes funding for the concessional windows at the MDBs that provide grants and low-cost financing to the world's poorest countries. MDB concessional facilities are an important source of financing for the development needs of fragile and post-conflict states. The projects they support combat extreme hunger and poverty while promoting global stability, prosperity, and private sector growth. To continue the longstanding history of U.S. support for the MDBs, the FY 2015 request includes funding and authorization requests for the first of three installments to the seventeenth replenishment of the International Development Association (IDA) and the thirteenth replenishment of the African Development Fund (AfDF). In addition, Treasury is requesting funding for the U.S. commitment to the tenth replenishment of the Asian Development Fund (AsDF) and to meet a portion of U.S. unmet commitments to the institution, which currently total over \$346 million.

Food Security

In addition to our core request, we are seeking \$80 million for a contribution to the Global Agriculture and Food Security Program (GAFSP) as a part of the President's Opportunity, Growth, and Security Initiative. GAFSP continues to make major strides toward improving agricultural outcomes in countries seeking to reduce food insecurity. In 25 countries, more than ten million smallholder farmers and their families are expected to see significant increases in productivity on a per hectare basis with corresponding income gains. GAFSP is responsive to country needs and is aligned with each country's own homegrown strategies. It fosters cooperation among donors and allocates resources based on projected results.

The food security budget also includes \$30 million for the third of three installments for the ninth replenishment of the International Fund for Agricultural Development (IFAD), the only global development finance institution solely dedicated to improving food security for the rural poor.

Environment and Clean Energy

Funding for multilateral environment programs helps to spur direct action and investment by developing countries to reduce their own pollution sources and advance ongoing global efforts. These global actions mitigate threats to our domestic environment that increasingly originate from beyond our own borders, enhancing our national security, and providing opportunities for U.S. businesses, especially in clean energy and other environmental technologies.

The FY 2015 request includes \$264 million for the Clean Technology Fund (CTF), and three programs supported by the Strategic Climate Fund (SCF): the Pilot Program for Climate Resilience (PPCR), the Forest Investment Program (FIP), and the Program for Scaling up Renewable Energy in Low-Income Countries (SREP). These programs finance investments in other countries in clean energy, energy efficiency, and forest conservation, and in improving resilience to climate change impacts, such as drought.

The FY 2015 request also includes up to \$137 million for the first installment of the sixth replenishment of the Global Environment Facility (GEF). The GEF replenishment negotiations are currently underway and expected to be completed in March 2014. Treasury will consult with Congress before finalizing the U.S. pledge to the new replenishment.

Debt Relief

The FY 2015 request includes \$92 million to meet a portion of the U.S. commitment to the Multilateral Debt Relief Initiative (MDRI) at IDA and the AfDF. MDRI, together with associated debt relief efforts, reduced the debt burden for participating countries by about 90 percent as compared to their debt levels prior to entering the debt relief process. As a result, these countries have been able to increase poverty-reducing expenditures by an average of more than three percentage points of GDP over the past ten years.

In addition, the Budget includes transfer authority to allocate funding for bilateral debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative for Sudan, should they meet the requirements to qualify.

Treasury Technical Assistance

The FY 2015 request includes \$24 million for Treasury's Office of Technical Assistance (OTA). This small program achieves big objectives as it fosters economic growth by enabling governments in fragile and developing countries to provide better services for their citizens and reduce dependency on foreign aid. For over 20 years, OTA has helped developing countries build effective financial management systems—a core element of a well-functioning state. These financial management systems include efficient revenue collection, well-planned and executed budgets, judicious debt management, sound banking systems, and strong controls to combat corruption and other economic crimes. The program provides significant, cost-effective value for U.S. development, foreign policy, and national security objectives.

Middle East and North Africa Transition Fund

The FY 2015 request includes \$5 million for the Middle East and North Africa Transition Fund, a multi-donor trust fund administered by the World Bank and created under the U.S. chairmanship of the Group of 8 to assist countries that are members of the Deauville Partnership

with Arab Countries in Transition (currently Egypt, Tunisia, Jordan, Morocco, Libya, and Yemen). The fund provides quick dispensation for small grants to help countries put in place economic policies and government reforms that will allow the countries to attract greater flows of capital as they address diverse economic challenges during their political transitions. A wide range of countries, including the United Kingdom, Saudi Arabia, Canada, France, Japan, Russia, Kuwait, and Qatar, have already provided or committed to provide funding.

International Monetary Fund

Treasury is seeking appropriations and authorization language within the FY 2015 request for the International Monetary Fund (IMF). In 2010, G-20 Leaders and the IMF membership decided on a set of quota and governance reforms designed to strengthen the IMF's critical role within the international system. The 2010 reforms are an important step in modernizing IMF governance to better reflect countries' economic weights in the global economy, while preserving U.S. leadership and veto power.

The proposed appropriations and authorization language would reduce U.S. participation in the IMF's New Arrangements to Borrow (NAB) by approximately \$63 billion and increase the U.S. quota by an equal amount, for no net change in the overall U.S. financial commitment to the IMF. The proposal also authorizes the United States to accept an amendment to the IMF Articles of Agreement that will facilitate changes in the composition of the IMF Executive Board while preserving U.S. influence in the Board.

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

Summary Tables
Summary of Appropriations and Requests
Treasury International Programs
 FY2013 - FY2015 (in millions of \$)

	FY 2013 Operating Level ¹	FY 2014 Enacted	FY 2015 Request	FY 2015 Request Full Numbers
Economic Growth, National Security and Poverty Reduction (MDBs)				
International Development Association (IDA)	1,351.0	1,355.0	1,290.6	1,290,600,000
Int'l Bank for Reconstruction and Development (IBRD)	181.0	187.0	192.9	192,920,689
Inter-American Development Bank (IDB and FSO)	107.1	102.0	102.0	102,020,448
Multilateral Investment Fund (MIF)	15.0	6.3	0.0	0
Inter-American Investment Corporation (IIC)	0.0	0.0	0.0	0
Asian Development Bank (AsDB)	101.2	106.6	112.2	112,194,435
Asian Development Fund (AsDF)	94.9	109.9	115.3	115,250,000
African Development Bank (AfDB)	30.7	32.4	34.1	34,118,587
African Development Fund (AfDF)	163.4	176.3	195.0	195,000,000
Subtotal	2,044.4	2,075.4	2,042.1	2,042,104,159
Food Security				
Global Agriculture and Food Security Program (GAFSP) ²	128.2	133.0	0.0	0
Int'l Fund for Agricultural Development (IFAD)	28.5	30.0	30.0	30,000,000
Subtotal	156.6	163.0	30.0	30,000,000
World Bank Environmental Trust Funds				
Clean Technology Fund (CTF)	175.3	184.6	201.3	201,253,000
Strategic Climate Funds (SCF)	47.4	49.9	63.2	63,184,000
Global Environment Facility (GEF)	124.8	143.8	136.6	136,563,000
ESF Statutory Transfer ³	0.0	50.0	0.0	0
Subtotal	347.5	428.3	401.0	401,000,000
Debt Relief				
Multilateral Debt Relief Initiative (MDRI) for IDA	0.0	0.0	78.9	78,900,000
Multilateral Debt Relief Initiative (MDRI) for AfDF	0.0	0.0	13.5	13,500,000
Tropical Forest Conservation Act (TFCA)	11.4	0.0	0.0	0
Subtotal	11.4	0.0	92.4	92,400,000
Treasury Office of Technical Assistance	25.6	23.5	23.5	23,500,000
Transition Fund	0.0	0.0	5.0	5,000,000
International Monetary Fund (IMF)	0.0	0.0	16.0	16,000,000
TOTAL TREASURY REQUEST	2,585.6	2,690.2	2,610.0	2,610,004,159

¹ The FY 2013 Operating Level reflects the full-year continuing resolution, reduced by the 0.032% rescission and sequestration.

² For GAFSP, fundraising efforts are ongoing, with the goal of securing total contributions of at least \$1.4 billion, including \$475 million from the U.S. under our commitment to a 1:2 level against other donor pledges. For FY 2015, an \$80 million request is included for GAFSP in the Administration's Opportunity, Growth, and Security Initiative.

³ Provided by Sec. 7060)(8) of the Consolidated Appropriations Act, 2014. Allocations to multilateral trust funds TBD.

Treasury International Programs

Summary of Arrears
Multilateral Development Banks
FY 2004 - FY 2014
(Budget Authority; in \$)

MDBs	Arrears end-FY2004	Arrears end-FY2005	Arrears end-FY2006	Arrears end-FY2007	Arrears end-FY2008	Arrears end-FY2009	Arrears end-FY2010	Arrears end-FY2011	Arrears end-FY2012	Arrears end-FY2013	Arrears end-FY2014
IDA	120,727,880	327,527,880	337,027,880	377,877,880	385,572,880	505,572,880	478,072,880	480,542,880	423,042,880	430,524,944	680,174,944
IBRD	-	-	-	-	-	-	-	-	-	5,963,823	5,963,689
MIGA	8,154,321	8,154,321	6,867,321	6,867,321	6,867,321	6,867,321	6,867,321	6,867,321	6,867,321	6,867,321	6,867,321
AIDF	16,789,221	29,637,221	30,994,221	32,351,221	33,366,261	39,421,261	40,476,261	86,636,261	109,136,261	140,686,853	213,350,853
AIDB	67,315	619,934	2,036,730	3,453,526	1,433,026	631,375	615,239	615,239	615,239	2,316,106	615,239
AsDF	98,339,611	102,139,611	118,389,611	134,639,611	175,345,350	185,595,350	195,845,350	311,095,350	326,345,350	346,657,950	326,703,950
AsDB	-	-	-	-	-	-	-	213,020	212,868	5,608,739	5,608,587
IDB	-	-	-	-	-	-	-	-	27,020,448	21,931,344	21,951,792
MIF	39,488,672	28,576,672	26,852,572	50,128,472	50,330,972	50,330,972	50,330,972	50,380,972	50,380,972	35,385,772	29,087,772
IIC	47,822,619	47,822,619	46,098,519	46,098,519	46,098,519	46,098,519	41,428,519	20,470,519	15,800,519	15,800,519	15,800,519
IFAD	189,339	309,339	459,339	3,609,339	3,683,722	3,683,722	3,683,722	4,243,722	4,243,722	5,762,502	5,762,502
GFF	140,668,364	141,528,364	169,828,364	170,628,364	169,527,644	169,527,644	163,027,644	205,057,644	228,987,644	247,897,537	247,897,537
EBRD	441,776	725,225	10,157	10,157	-	-	-	-	-	-	-
TOTAL	472,689,118	687,041,186	738,564,714	825,664,410	872,225,695	1,007,729,044	980,347,908	1,166,122,928	1,222,655,637	1,265,403,410	1,559,784,705

Notes:

1. The projected amounts of IDA and AIDF arrears at end-FY 2014 include \$245.7 million and \$54 million, respectively, for the unmet U.S. commitment to the Multilateral Debt Relief Initiative (MDRI).
2. The amount of AIDB arrears at end-FY 2012 (\$615,239) corresponds to the 51 capital shares from GCI-V forfeited by the United States
2. The amount of IIC arrears (\$15,800,519) corresponds to the 1,580 capital shares forfeited by the United States.
3. The United States has not had arrears to the IFC, IDB IFO or NADBank during the FY 2004-FY 2014 Period

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). Treasury is seeking funding for its commitments to IDA and IBRD.

International Development Association

(dollars in thousands)

FY 2013 Operating Level ¹	FY 2014 Enacted	FY 2015 Request
1,351,018	1,355,000	1,290,600

Treasury requests \$1,290.6 million for the *first of three* annual installments to the seventeenth replenishment of IDA (IDA-17). This request represents a five percent decrease from the FY 2014 request.

Program Description

IDA is the part of the World Bank that supports the growth and development of the world's 82 poorest countries, home to 2.5 billion people, in every region of the world. IDA works across a wide range of sectors including education, basic health, clean water and sanitation, the environment, infrastructure, and agriculture. Because countries receiving IDA financing are too poor to attract sufficient capital to support their urgent development needs, they depend on low-cost loans and grants from IDA to create jobs, build critical infrastructure, increase agricultural productivity, provide energy, and invest in the health and education of future generations.

IDA's goal is to help countries achieve levels of growth and institutional capacity so that they can finance their own development needs. To date, 28 countries once eligible for IDA assistance, home to 2.1 billion people, no longer need support from IDA – so called “graduates.” In June 2014, five more countries will graduate.

¹ The FY 2013 Operating Level reflects the full-year continuing resolution, reduced by the .032 percent rescission and sequestration.

IDA is financed predominantly by donor countries and requires new contributions (referred to as “replenishments”) every three years to continue its operations. IDA’s most recent replenishment (IDA-17) was finalized in December 2013 and will allow IDA to make new development commitments of up to \$17 billion per year for the next three years.

As part of the IDA-17 negotiations, the United States successfully pressed IDA management to “raise the bar” on gender equality, increase private sector development in IDA’s poorest countries, enhance IDA’s focus on climate change, and target additional resources for fragile states that are on a path towards stability. Our agenda on gender equality included a focus on gender-based violence, especially in fragile states, where such violence is especially egregious and poses an obstacle to security, stability, and prosperity. In response, IDA management committed to integrate a gender perspective into IDA’s support to fragile states and to report on the progress of those states when donors meet to assess progress in 2016

Nearly half of IDA’s annual commitments – \$8.2 billion in IDA’s 2013 fiscal year (July 2012-June 2013) – went to countries in sub-Saharan Africa. Over the last ten years, IDA has provided over \$250 billion in financing for projects in sub-Saharan Africa. Countries in the South Asia region received \$4.1 billion in IDA’s 2013 fiscal year and the East Asia and Pacific region received \$2.6 billion. Almost 15 percent of IDA’s resources are provided as grants to fragile states and other countries at risk of debt distress.

How IDA Promotes U.S. Interests

IDA has a global reach, targets the neediest, and is results-oriented. IDA has earned a reputation as an effective and efficient organization that has been validated by external stakeholders, such as the Center for Global Development’s “Quality of Aid Review” and the United Kingdom’s multilateral aid review.

IDA rewards good governance by providing a larger share of IDA resources to countries with strong economic policies and institutions under its “performance based allocation” (PBA) system, of which the United States was a leading architect. The PBA system allocates IDA funds on the basis of a country’s policy performance as well as the performance of the portfolio of projects in a country. The PBA is designed to create incentives for IDA recipients to reform policy. While country performance is the main determinant of allocation, needs are also taken into account based on a country’s population size and GDP per capita.

In addition, IDA is cost-effective. Every \$1 contribution from the United States leverages almost \$13 in contributions from other donors and internal resources.

IDA projects promote political stability in volatile states of significant strategic importance, such as Afghanistan, Yemen, and Pakistan, and reinforce our bilateral security efforts in areas where new threats are emerging. IDA also makes significant financial and institutional contributions to major U.S. development initiatives, such as “Power Africa.”

Finally, IDA provides a safety net when disasters strike. For example, IDA provided support to Mozambique to help restore market access and other services for the people affected by heavy flooding in January 2013.

Meeting the U.S. Commitment

U.S. arrears to IDA currently amount to \$434.5 million. Failing to meet our commitment to IDA-17 will increase our arrears, damage U.S. credibility, and undermine IDA's ability to fully meet its operational goals or deliver on the policy commitments achieved by the United States during the IDA-17 replenishment negotiations.

Achieving and Measuring Results

For over ten years, IDA has been a leader on results monitoring and reporting. In 2002, IDA adopted a 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, and it has since been emulated by other development institutions.

Under the scorecard, the World Bank's Independent Evaluation Group (IEG) measures the results of completed IDA projects against the indicators it originally set out to achieve. The IEG assigns ratings (moderately satisfactory, satisfactory, highly satisfactory) to completed projects based on the achievement of the projects' intended outcomes and development objectives. In the 2013 scorecard, 65 percent of IDA projects received a "satisfactory" rating or higher. In response to lower-than-expected ratings, management has developed a "Management Dashboard" to provide senior management with comprehensive real-time data on portfolio quality which will enable them to react more aggressively if and when problems arise.

IDA also tracks project outputs in a variety of areas, which help illustrate that IDA is delivering results in fragile and post-conflict countries where nearly 1.5 billion of the world's poor live. In these difficult environments, IDA is committed to helping to rebuild infrastructure, institutions and confidence. Some examples of results achieved with IDA support include:

- More than 550,000 ex-combatants demobilized and reintegrated in eight post-conflict countries, leading to greater peace and stability;
- 17 million days of employment created in post-conflict countries, spurring job growth;
- 10 million children immunized in fragile states since 2000, reducing the number of deaths due to preventable diseases; and
- 20 fragile states achieved one or more targets under the Millennium Development Goals (MDGs), and an additional six countries are on track to meet individual MDG targets ahead of the 2015 deadline.

Finally, IDA tracks aggregate results across sectors. These show that IDA funding has achieved the following results:

- Half a billion children immunized over the last decade;
- Over 120 million people provided access to better water sources over the last decade;
- 65 million people received health services over the last decade;

- 8.5 million farm households received seeds and fertilizers during the 2008 food crises;
- 1.7 million people provided cash or food-for-work programs during the food crises; and
- 900,000 schoolchildren fed during the food crises.

Project Examples

Nigeria. In July 2013, IDA provided a \$95 million loan to assist the Government of Nigeria to eradicate polio in the country. Nigeria is one of only three countries globally (and the only country in Africa) where polio is still endemic. Funds from the loan are being used to purchase approximately 655 million doses of oral polio vaccine, which, over a two year period, will be used to immunize children under the age of five all over Nigeria. One of the financing innovations of this project is a “buy down” mechanism whereby a third party, such as the Bill and Melinda Gates Foundation, will pay all or part of Nigeria’s loan from IDA upon successful completion of the polio eradication program. The project aims to achieve and sustain oral polio vaccine immunization coverage of at least 80 percent in each of Nigeria’s states, to be verified through an independent performance audit at the end of the project in 2015.

Haiti. In November 2010, IDA provided a \$4 million grant to Haiti for a post-earthquake building damage and safety assessment, which was completed in 2012. Haiti’s devastating earthquake in 2010 killed over 230,000 people and destroyed over 100,000 homes and businesses in just 30 seconds. It also undermined people’s confidence in the safety of their homes and businesses. Recognizing the imperative of creating sounder buildings, IDA helped launch a program to assess every building in the affected area and collect the baseline damage data necessary to develop a credible blueprint for reconstruction and recovery. The project quickly exceeded its targets and evaluated over 400,000 buildings in less than two years (2010 to 2012). In addition, the program trained 300 engineers, creating a new technical resource pool in the country. The project led to the first ever Haitian Building Code and set the standard for rapid, field-based, post-disaster damage assessment. More fundamentally, this project strengthened the capacity of Haiti’s national institutions to lead the country’s recovery efforts.

International Bank for Reconstruction and Development

(dollars in thousands)

FY 2013 Operating Level	FY 2014 Enacted	FY 2015 Request
180,993	186,957	192,921

Treasury requests \$117.4 million for the *fourth* of *five* installments for the General Capital Increase (GCI) and \$69.6 million for the *third* of *four* payments for the Selective Capital Increase (SCI). In addition, the request includes \$3.7 million toward the prior GCI installment and \$2.2 million toward the prior SCI installment to address the shortfalls that resulted from sequestration.

Program Description

The IBRD provides financing to middle-income and creditworthy poorer countries to promote inclusive economic growth and reduce poverty. Middle-income countries, home to over 70 percent the world’s poor, rely on the IBRD for financial resources and strategic advice to meet their development needs.

Working across a range of sectors, including agriculture, sustainable infrastructure, health and nutrition, and education, the IBRD supports long-term human and social development needs that private creditors do not finance. During its 2013 fiscal year (July 2012-June 2013), the IBRD committed \$15.2 billion to support 92 projects in 80 countries. The largest share of this lending went to countries in the Latin America and the Caribbean region (\$4.8 billion) and the Europe and Central Asia region (\$4.6 billion), followed by countries in the East Asia and Pacific region (\$3.7 billion).

The IBRD raises resources like a conventional bank by issuing debt and on-lending to borrowers at market-linked rates. This capital model enables the IBRD to sustain stable lending, but prevents it from significantly scaling up as new demands from borrowing countries arise. In response to the global financial crisis, shareholders agreed to provide the IBRD with additional capital to meet the growing needs in countries that suddenly found themselves shut off from global capital markets and facing sharp declines in domestic revenues.

The GCI negotiations gave the United States leverage to push for sweeping reforms to strengthen transparency, openness, and accountability of the entire World Bank, which includes both the IBRD and IDA. As part of the GCI agreement, the World Bank made all IBRD and IDA project and financial data open and available online. The projects and operations website offers detailed information on over 6,500 IBRD-financed projects in every region of the world. The World Bank also agreed to expand the use of beneficiary feedback in both IBRD and IDA projects. Currently, 34 percent of projects include beneficiary feedback. As part of a landmark Access to Information Policy and Open Data initiative, anyone in the world with internet access can read, download, save, copy, and print more than 13,000 research products produced by the World Bank, free of charge.

The SCI was used to adjust the ownership shares of the IBRD to enhance the voice and participation of developing and transition economies, while preserving the U.S. share of voting power above the 15 percent threshold required for veto power over amendments to the IBRD's Articles of Agreement. Potential amendments to the Articles of Agreement include changes in membership or additional capital increases.

The United States is the largest shareholder of IBRD, with 15.27 percent of total voting share, followed by Japan and China. The United States is the only country with veto power over amendments to the Articles of Agreement.

How IBRD Promotes U.S. Interests

The IBRD is a cost-effective way to promote our national security, support the next generation of export markets, and address key global challenges like environmental degradation and food insecurity. If left unaddressed, these issues can generate unrest and conflict that can ultimately require costly and protracted U.S. involvement.

The IBRD also helps countries tackle complex development issues, such as building robust institutions and undertaking structural reforms that are essential for sustained, inclusive growth, which, in turn, drive demand for U.S. goods and services.

With its global footprint and unique convening role, the IBRD facilitates the sharing of experiences and solutions gained in one part of the world to other countries elsewhere. The IBRD is also a global standard bearer, with strong environmental and social safeguards as well as high procurement standards. Indeed, some countries have adopted IBRD standards as their own national standards.

The United States' investments in the IBRD have a significant leveraging effect. Every \$1 of U.S. capital leverages \$25 in lending by IBRD because of burden-sharing with other shareholders and the Bank's ability to borrow in international capital markets.

Meeting the U.S. Commitment

Without full funding for GCI and SCI commitments by FY 2016, the United States would permanently lose shareholding, leading to a loss of U.S. veto power, leadership, and influence.

Achieving and Measuring Results

As part of the GCI agreement in 2010, the United States successfully pushed for the creation of a "Corporate Scorecard" that provides information on IBRD's performance and efficiency, similar to for the existing IDA systems. The scorecard uses an integrated results and performance framework organized in a four-tier structure. Tiers I and II provide information on member countries' development results, while Tiers III and IV capture the Bank's performance in terms of outputs and efficiency.

Under this scorecard, an independent evaluation group measures the results of completed IBRD projects against the targets for these projects. As with IDA, the IEG assigns ratings (moderately satisfactory, satisfactory, highly satisfactory) to completed projects based on the achievement of the projects' intended outcomes and development objectives. The 2013 Corporate Scorecard, which is available online, reports that 76 percent of IBRD projects met a "satisfactory" or higher rating. This percentage is 6 points higher than in the previous year. IBRD management continues to focus on boosting project quality by increasing technical support to delivery teams and investing in a new monitoring system that tracks portfolio quality.

The IBRD also compiles results from individual loans into an aggregate summary of results. This summary provides IBRD management and shareholders with access to comprehensive information on achievements by country and by sector. For example, the IBRD estimates that its support for national education initiatives has contributed to the following results:

- In Jordan, 100,000 at-risk school dropouts obtained 10th grade-equivalent certification;
- In Indonesia, 500,000 children (from 0 to 6 years old) in poor, hard-to-reach districts are receiving early childhood education; and
- In the Philippines, two million poor households benefited from a program providing cash to chronically poor households with children, provided that the children attended school.

In the energy sector, IBRD is helping to accelerate the shift towards renewable energy while helping client countries to secure an affordable, reliable, and sustainable energy supply. The energy strategy favors a long-term, sector-wide planning approach with an emphasis on low-carbon power development options, such as natural gas. Some examples of results achieved with IBRD-financed projects include:

- In India, expanded transmission across the country's regions has increased transmission by 52 billion kilowatt-hours, enabling the transfer of power from energy-surplus regions to towns and villages in under-served regions; and
- In Mongolia, about 500,000 people have gained access to solar power, and 70 percent of Mongolia's herders now have access to electricity, leading to significant gains in health and education outcomes as remote clinics and schools can now fully operate.

Project Examples

Philippines. In December 2013, IBRD agreed to provide a \$500 million loan to the Philippines to help the government finance short-term recovery and reconstruction efforts following the devastation of Typhoon Yolanda. A week after Typhoon Yolanda's landfall in early November, the IBRD deployed its disaster risk management specialists to help the government assess the damage and identify priority areas for immediate short-term recovery and reconstruction support. The IBRD is also providing technical assistance to "build back better" with disaster-resilience options for housing, health facilities, schools, and public facilities that can withstand future typhoons, high-magnitude earthquakes, or severe flooding. The IBRD has worked in close collaboration and coordination with the government and other partners (including the AsDB) in its response efforts. This loan will help to reduce the economic and social impact of the disaster with support for humanitarian relief, reconstruction and rehabilitation of public infrastructure,

social safety net programs, livelihood activities like farming and fishing, and targeted grants to affected populations.

IBRD “Green Bonds.” Since 2008, IBRD has issued approximately \$4 billion in *green bonds*, a financial innovation designed by IBRD to help support projects that mitigate climate change. The proceeds from green bonds help support a range of projects that promote climate change mitigation, such as: (i) rehabilitation of power plants and transmission facilities to reduce greenhouse gas (GHG) emissions; (ii) solar and wind installations; (iii) new technologies that result in significant reductions in GHG emissions; (iv) greater efficiency in transportation, including fuel switching and mass transport; (v) waste (methane emission) management and construction of energy-efficient buildings; and (vi) carbon reduction through reforestation and deforestation prevention.

Inter-American Development Bank Group

The Inter-American Development Bank Group is comprised of the Inter-American Development Bank (IDB), the Inter-American Investment Corporation and the Multilateral Investment Fund (MIF). Treasury is seeking funding for its commitment to the IDB.

Inter-American Development Bank

(dollars in thousands)

FY 2013 Operating Level	FY 2014 Enacted	FY 2015 Request
107,110	102,000	102,020

Treasury requests \$102 million for the fourth of five annual installments to the IDB’s Ninth General Capital Increase (GCI-9). This is equivalent to Treasury’s request in FY 2014.

Program Description

The IDB is the largest source of development financing for 26 nations of Latin America and the Caribbean, a strategically significant and economically important region for the United States, where 66 million people live in extreme poverty. In 2013, the IDB made \$13.9 billion in financing commitments to support 167 projects. Approximately 40 percent of commitments targeted the small and vulnerable borrowing countries such as Bolivia, El Salvador, Guyana, Honduras, Jamaica, and Nicaragua.

The IDB works in a range of sectors, and commits roughly half of its funding to support infrastructure and the environment (e.g. water and sanitation, transportation, energy). The other half is split between capacity building (e.g. reform and modernization of government operations and financial markets) and the social sector (e.g. social investment, health, education).

Given the IDB’s significant response to the global financial crisis, in 2010, shareholders provided the IDB with new capital through the GCI-9 to ensure that the Bank had the resources necessary to assist countries in the region that suddenly found themselves shut off from global capital markets.

As part of the GCI-9 agreement, the IDB established a special grant facility for Haiti that receives income transfers from the IDB of \$200 million annually through 2020. This facility provides Haiti with critical resources to support a long-term development agenda. Establishing this facility was a critical U.S. objective of GCI-9.

The United States is the largest shareholder of the IDB, with 30 percent of total shareholding, as set out in the IDB’s Articles of Agreement. This allows the United States significant influence over any major decisions about the direction of the IDB.

How IDB Promotes U.S. Interests

The IDB supports U.S. strategic, economic, and security interests by working to reduce poverty and social inequality in the region, addressing the needs of small and vulnerable countries, and promoting regional cooperation and integration.

The IDB accomplishes these objectives through projects that expand access to education and basic health and nutrition services, improve access to water and sanitation, develop transportation infrastructure, and strengthen government institutions for fiscal efficiency and transparency and regulatory frameworks on environment and climate change. The IDB also works with countries in the region to strengthen citizen security through anticorruption and anti-money laundering initiatives. These efforts promote economic prosperity and national security, increasing demand for U.S. goods and services in a region that is a significant trading partner for the United States.

U.S. investments in the IDB have a significant leveraging effect, with every additional dollar of U.S. capital allowing lending to increase by over \$10 because of burden-sharing with other shareholders and the Bank's ability to borrow in international capital markets.

Meeting the U.S. Commitment

Currently, the United States is \$22 million behind on its commitment to GCI-9. Our inability to meet our full commitment would mean a loss of U.S. influence at the IDB, which is one of our main channels through which we influence the region it supports. Further, U.S. shortfalls might cause other donors to reconsider their support for the \$200 million in annual grants to Haiti that the United States advocated for and secured as a part of the GCI agreement. The grant transfers, which are made from net income, must be approved annually, and a lack of U.S. capital could give other shareholders a reason to oppose the transfer.

Achieving and Measuring Results

As part of the GCI-9, the IDB established a Results Framework to serve as an accountability mechanism to measure and report on institutional progress on regional development goals; IDB contributions toward those goals; lending program targets; operational effectiveness; and operational efficiency. The IDB produces an annual Development Effectiveness Overview (DEO), which includes a report on achievement of the Results Framework's objectives and is available on the IDB's website.

In addition, the IDB has developed a unique quality control process, including a point-scale assessment of specific elements of each project. This process assesses the quality of the project's logic, arrangements for evaluation and monitoring of project outcomes, the quality of the analysis of projected economic performance, and provisions for risk management. Combined, these elements are considered essential for the "evaluability" of the project and also emphasizes indicators for results—all before a project is implemented. Evaluability as formalized by the IDB eases the ability of the institution to monitor progress during project implementation so that mid-course corrections can be made and the project can be effectively evaluated after

completion. The IDB has made a significant effort to ensure that all projects make use of this comprehensive approach and, in 2012, the percentage of IDB operations rated “highly evaluable” reached 99 percent (surpassing the target of 85 percent).

The IDB also rates projects to determine the extent to which they are on track to meet their implementation goals. Under this approach, loans are classified as either satisfactory or problematic, and projects at risk of falling into the problem category are put on “alert” status. In 2012, 60 percent of IDB’s public sector projects were rated as “satisfactory,” 24 percent of projects were on “alert” status and 12 percent were categorized as “problem projects.” The most common reasons for placing a project in the “problem” category included: (a) delays in competitive bidding processes; (b) optimistic projections for annual planning figures; and (c) lack of clarity about Bank administrative processes or procedures on the part of the executing agency, particularly at the beginning of a project’s execution. Support to execution units has been stepped up to strengthen project fiduciary management activities and the projection of disbursements.

In addition, the IDB tracks results at the aggregate level (i.e., compiles the results of individual projects by sector) to capture the IDB’s impact on the region. Results show that in 2012, IDB projects benefitted 90,000 students; provided more than 30,000 homes with access to clean water; and increased access to health services for more than 650,000 individuals.

Finally, the IDB’s DEO assesses progress in meeting the Bank Group’s broad development objectives. The 2012 review showed that the IDB is on track to meet the following goals by 2015:

- Providing 23 million individuals a basic package of health services;
- Enabling 8.5 million students to benefit from education projects;
- Providing clean water to 2.8 million households;
- Providing sanitation to 3.6 million households with a new or upgraded sanitation connection; and
- Financing 120,000 micro-, small-, and medium-sized enterprises.

Project Examples

Jamaica. Over the last 15 years, the IDB provided a total of \$37 million in funding for an integrated program to enhance citizen security and justice in Jamaica. An important element of this program is assistance to the government in designing and implementing a national strategy to deal with crime and violence over the long term, and strengthening key institutions within the criminal justice system (courts and corrections). The program also funded violence prevention measures to residents of nine communities in the Kingston Metropolitan Area.

Mexico. In 2010, the IDB contributed \$150 million to a job training program in Mexico to improve the matching process between training programs and employers’ needs. A key innovation of this program was the enlistment of private employers to provide on-the-job training. From 2010 through 2012, this program provided hundreds of thousands of people with stipends for on-the-job training, helped obtain employment for 1.5 million people, and created a

website where 7 million could search for information on employment or training. By carefully monitoring outcomes and implementing robust evaluation practices, the program could be continuously modified to improve its effectiveness and meet the needs of employers. A testament to the inclusive nature of the project, approximately 70 percent of the beneficiaries of these critical placement tools were women. This project provided targeted training for vulnerable groups such as youth, harder-to-place adults, older workers, and disabled workers.

Multilateral Investment Fund

(dollars in thousands)

FY 2013 Operating Level	FY 2014 Enacted	FY 2015 Request
14,995	6,298	0

Treasury is not requesting funding for the MIF in FY 2015 due to competing budget priorities.

Program Description

The MIF is a fund administered by the IDB that promotes micro and small enterprise development in Latin America and the Caribbean through grants, as well as debt and equity financing. It supports private sector-led development benefitting low-income populations, including support for their businesses, farms, and households. The MIF’s aim is to give low-income populations the tools to boost their incomes: access to markets and the skills to compete in those markets; access to finance; and access to basic services, including through green technology.

The MIF has been a development partner for microfinance institutions (MFIs) over the past two decades, having supported 212 institutions with \$372 million in total financing. MIF support has benefited a quarter of all MFIs in the region, where they have systemically targeted undeveloped markets, including in rural areas. MIF-supported MFIs have seen an average annual growth in clients of 32 percent, compared to an industry average of roughly 20 percent.

The MIF has been an early partner in developing the venture capital market in Latin America and the Caribbean. Since 1996, the MIF has helped to launch and develop the venture capital industry in 18 countries, committing over \$239 million in financing to 65 venture capital and seed funds (as of June 30, 2012). The venture capital portfolio has provided capital for over 350 individual small businesses. These firms, in turn, have generated over \$1 billion in revenues and created more than 28,000 jobs.

The MIF provides resources to 26 countries throughout Latin America and the Caribbean. Since its inception in 1993, about half of all resources have targeted small and vulnerable borrowing countries such as Bolivia, El Salvador, Guyana, Haiti, Honduras, Nicaragua, and Paraguay.

In 2012, the MIF approved 76 projects totaling \$93.4 million. 46 percent of projects focused on access to finance, 30 percent on access to markets and skills, and 24 percent on access to services and green technology.

Because 70 percent of the MIF’s projects are grant financing, the MIF earns minimal income from its lending and equity portfolio, depending almost entirely on donors for its annual operations through regular replenishments. The United States is the largest of the 39

contributors to the MIF, with a share near to 29 percent of total contributions, followed closely by Japan. Both the United States and Japan have an individual veto over all MIF decisions.

The MIF is currently negotiating a third replenishment of its resources after the current agreement expires at the end of 2015.

How MIF Promotes U.S. Interests

The MIF reinforces U.S. regional economic objectives by supporting economic growth and poverty reduction through increased private investment and private sector development in Latin America and the Caribbean. The MIF often focuses its efforts on key U.S. priorities. When the Clinton Bush Haiti Fund wound down operations at the end of 2012, it selected the MIF to assume responsibility for its remaining portfolio because of the MIF's focus on poor and excluded populations and its successful track record with innovative development projects.

The MIF has been active in Haiti for almost two decades, and has greatly increased its work over the last three years, tripling its project portfolio since the 2010 earthquake.

The MIF serves as a laboratory for testing innovative market-based approaches to development, and seeks to broaden the reach and deepen the impact of its most successful interventions. In 2012, MIF projects leveraged nearly \$3 from private sector partners for every dollar approved.

Meeting the U.S. Commitment

U.S. arrears to the MIF are \$29.2 million and could result in cuts to programs in 2014 and 2015.

Achieving and Measuring Results

The MIF undertakes rigorous evaluations of each project and makes extensive use of impact evaluations which go beyond assessing project targets (e.g., number of microfinance loans provided to women) to broader development objectives (e.g., poverty alleviation). Through these evaluations, the MIF has demonstrated its success in achieving significant results and drawn important lessons from its work that are relevant to the broader development community.

In 2013, the MIF introduced a new best practice corporate-level framework (CRF) to aggregate results, assess the systemic impact of its projects and ensure that its work is aligned with strategic priorities. Once fully rolled out, the CRF will evaluate portfolio results and impacts, strategic portfolio management, operational effectiveness, and regional relevance.

The MIF's "clean and efficient energy portfolio, representing 22 completed projects, has reached more than 1,000 households in remote areas and benefitted small- and medium-sized businesses from 19 different industrial and economic sectors. Through these interventions, the MIF has delivered:

- Energy savings of more than 38,100 MWh, equivalent to 1.4 times the annual domestic electricity consumption of the city of London;

- Reductions of total greenhouse gas emissions of over 837,604 tons of CO2 equivalents;
- Reductions in water consumption by between 13 and 30 percent; and
- Renewable energy solutions such as solar, biomass, wind, and small-scale hydro to 1,300 families.

The MIF's youth employment interventions have directly invested or mobilized more than \$200 million in 120 projects in 24 countries. These projects have trained more than 235,000 youth and achieved job placement rates of 50 to 70 percent and nearly 90 percent in a recent training program in Guatemala.

Project Examples

Colombia. In 2008, the MIF entered into a Public-Private Partnership, in conjunction with the United Nations Office for Drugs and Crime to implement a pilot project of \$2 million designed to provide incentives for alternatives to illicit crops and develop agricultural distribution and commercialization processes. The project provided training sessions in domestic and international trade, the creation of logistical and marketing plans and financial development. Targeted beneficiaries included 57 small organizations and 10 umbrella organizations that included approximately 3,000 producers. Breaking new ground, the project included the first rigorous evaluation of producer performance in the region that focused on the dual goals of improved business performance and illicit crop diversion, an important issue throughout the Andean countries. Results showed that, relative to non-participating organizations, participating organizations experienced an increase in net worth of 25 percent, increased land under cultivation by 19 percent, and grew sales by 29 percent.

Nicaragua. With a grant from the MIF of \$700,000 in 2006, TECNOSOL, a small Nicaraguan energy company, pioneered a viable business model to serve low-income populations with limited or no access to the energy network by providing long-term financing for the purchase of solar panels. TECNOSOL now operates 17 rural branches and is expanding into Honduras and El Salvador. This effort has led to remarkable results, including the installation of over 45,000 solar panels, an 11 million liter reduction in the use of kerosene, and the elimination of 26,000 tons of CO2 emissions.

African Development Bank Group

The African Development Bank Group is comprised of the African Development Fund (AfDF) and the African Development Bank (AfDB).

African Development Fund

(dollars in thousands)

FY 2013 Operating Level	FY 2014 Enacted	FY 2015 Request
163,449	176,336	195,000

Treasury requests \$195 million for the *first of three* installments to the thirteenth replenishment of the African Development Fund (AfDF-13). This is equivalent to Treasury's request in FY 2014.

Program Description

The AfDF provides grants and highly concessional loans to the poorest countries in Africa, nearly half of which are fragile or conflict affected states. In 2013, the AfDF provided close to \$3.3 billion in financing to the 39 countries that it serves.

The AfDF maintains a strong strategic focus in infrastructure development and commits over half of its funding to national and regional infrastructure projects (e.g., roads, power, and water and sanitation). The remainder of its funding is devoted to governance (e.g., support for economic and public financial management and promoting better business-enabling environments), agriculture and food security, and human capital development (e.g., technical and vocational training, education, and health).

The AfDF is financed by donor countries, including the United States. Because the AfDF provides grants and low cost loans, it needs new donor resources every three years to continue operating.

In September 2013, the United States joined other donors, in raising \$7.3 billion for AfDF-13. Core areas of focus for AfDF-13 include enhancing support to fragile states, deepening regional integration, and launching new instruments to mobilize private sector financing for development projects.

How AfDF Promotes U.S. Interests

The AfDF is the only MDB solely dedicated to working with the poorest countries in Africa. It supports U.S. economic and security interests by promoting inclusive growth in the region's new frontier economies, deepening economic and regional integration, and working with post-conflict

and fragile states to assist them in becoming productive and stable. The AfDF buttresses many of our bilateral security objectives where new threats are emerging, including the Sahel and the Horn of Africa, by working to address the underlying causes of instability.

In addition, the AfDF plays a central role in numerous Administration initiatives in Sub-Saharan Africa. For example, the AfDB played a central role in shaping the Administration's Power Africa initiative, and AfDB President Kaberuka joined President Obama for the launch of the initiative in Tanzania in July 2013. AfDF funding for energy projects in the Power Africa pipeline will make significant contributions to the success of the initiative.

The AfDF also allocates funding based on a transparent performance-based allocation formula that rewards governments that make progress on governance and other indicators that reflect a country's demonstrated commitment to a sound policy environment and strong institutions

U.S. contributions to AfDF provide significant returns with every dollar contributed by the United States, leveraging close to \$12 additional dollars.

Meeting the U.S. Commitment

U.S. arrears to AfDF currently amount to \$160 million. Failing to meet our commitment to AfDF-13 will further exacerbate arrears which could erode our credibility and undermine the AfDF's ability to finance its development projects, 20 percent of which are in the power sector.

Achieving and Measuring Results

The AfDF has a Results Measurement Framework (RMF) that tracks progress on development goals and rates the number of projects that meet their expected outcomes. Unlike other institutions, these are not broken down between the concessional and non-concessional windows (i.e., the African Development Fund and the African Development Bank).

For 2012, 80 percent of projects were assessed by management as satisfactory. Not surprisingly, the majority of projects that did not meet this threshold are in the region's toughest environments, and the AfDB is working hard to improve performance in fragile and post-conflict states.

In addition, the AfDF aggregates results achieved on a sectoral basis. These show that since 2006, the AfDF has helped 7.6 million people benefit from access to modern energy services, and 12.5 million from improved access to water and sanitation. Indirectly, the AfDF's combination of financial support, policy dialogue and technical assistance is also making a substantial contribution to the continent. Across the 14 countries where AfDF invested in revenue systems, tax revenue rose from 10.5 percent of GDP in 2005 to 14.7 percent in 2011,

AfDF-13 has an ambitious set of goals for the next three years including:

- Connecting 20 million people to reliable and affordable energy;
- Providing new transportation to 19 million people;

- Increasing access to water and sanitation to 7.5 million people;
- Providing vocational and technical training to 3 million people; and
- Increasing agricultural productivity for 7 million people.

Project Examples

Kenya. In 2013, the AfDF provided a \$26 million partial risk guarantee to the Lake Turkana wind farm in Kenya, the largest wind power project in Sub-Saharan Africa. The PRG is designed to attract private sector investment in the project by reducing the risk of participating. Ultimately, the benefits of this approach should include a reduction in the cost of capital and allow the project to reach financial closure much faster than would otherwise be the case. The Lake Turkana project will help Kenya diversify its energy supply, reduce its reliance on hydropower and diesel fuel back-ups, and meet the existing and rapidly growing demand for energy in the region.

Cote d'Ivoire. From 2007 through 2013, the AfDB provided \$34 million to post-conflict Cote d'Ivoire, in part to help overhaul a culture of gender based violence (GBV). The AfDB's approach focused on community education; establishing clinics and service centers; training staff to work with victims of GBV; and empowering GBV survivors economically by provided them with new opportunities through women's associations. The project reached thousands of GBV survivors across the country. In 2013, this program was selected as a winner of the Treasury Department's Development Impact Honors award for the exceptional nature of mission and impact. The project rehabilitated and equipped the gynecological and obstetrical departments of two regional hospitals centers, mounted four GBV centers with integrated services (health, psychology, justice), rehabilitated and equipped eight social protection centers and 18 health centers with infant and maternal health equipment, and trained 300 social and health workers in GBV treatment and care. The project also raised awareness among 200,000 local community members and provided economic support to 250 cooperatives and associations. As a result, 86 percent of reported survivors of GBV have benefited from services and care from the integrated referral system.

African Development Bank

(dollars in thousands)

FY 2013 Operating Level	FY 2014 Enacted	FY 2015 Request
30,717	32,418	34,119

Treasury requests \$34.1 million for the *fourth* of *eight* installments of the AfDB’s Sixth General Capital Increase (GCI-VI). Of the amount requested, \$1.7 million would be used to repurchase shares that were forfeited due to our payment shortfall in FY 2013.

Program Description

The AfDB is the AfDB Group’s non-concessional lending window which provides financing on market terms. The AfDB provides public sector lending to 16 member countries and lends to the private sector in all 54 African member countries.

The AfDB had close to \$3 billion in lending approvals in 2013, which were split almost evenly between the private and public sector. Close to one third of AfDB operations are in the energy sector, almost 25 percent in finance, and 20 percent in the social sector, with the remaining balance in water and sanitation, governance, transportation, and agriculture.

The AfDB is financed by capital contributions from shareholders and borrowing from international capital markets. In response to the global financial crisis, AfDB shareholders provided the AfDB with new capital through the GCI-6 to ensure that the Bank had the resources necessary to assist countries in the region hit by the crisis.

During the GCI the United States championed a number of key institutional reforms including strengthened financial management, increased transparency and disclosure, and robust results reporting.

The United States is the largest non-regional shareholder at the AfDB, with 6.5 percent of total shareholding.

How AfDB Promotes U.S. Interests

Through its support for growth in Africa’s middle-income countries, the AfDB is helping solidify nascent democracies in North Africa and create stable societies that can govern effectively and meet the needs of their people. In addition, by promoting private sector growth and improving the quality of the regulatory environment, the AfDB is helping to create new markets for U.S. businesses. Finally, U.S. investments in the AfDB have a significant leveraging effect, with each additional dollar of capital supporting additional lending of \$20 dollars.

Meeting the U.S. Commitment

Failure to meet our commitment to the GCI would result in further dilution of U.S. shareholding and could risk our single seat on the Executive Board (where multiple countries typically share a seat), significantly eroding our leadership and influence at the institution.

Achieving and Measuring Results

The AfDB has an RMF that tracks roughly 100 performance indicators organized in four interconnected levels: 1) development progress in Africa; 2) AfDB's contribution to development in Africa; 3) AfDB's operational performance; 4) AfDB's organizational efficiency.

To capture its contribution to Africa's development measured by the RMF, the AfDB Group has launched a series of Annual Development Effectiveness Reviews, which provide insight into what has worked well and where the AfDB can do better. The first set of reviews focused on governance, regional integration, and countries in situations of fragility.

The latest ADER showed substantial progress on how the AfDB manages its operations. In 2012, 95 percent of AfDB project designs were rated "satisfactory" (meaning that most of the projects intended outcomes were achieved) or better, a significant increase from 77 percent in 2009. In 2012, 80 percent of its projects were rated "satisfactory" at completion, up from 75 percent in 2009.

In addition, the AfDB is introducing "MapAfrica," a new geocoding tool that will go live in 2014 and will map the AfDB Group's entire ongoing portfolio (732 projects). This map will allow the AfDB Group to improve the geographic allocation of its resources and provide stakeholders and citizens with a better understanding of the AfDB Group's activities and its impact on local development.

Project Examples

Morocco. Approved in 2013, the AfDB is financing a \$150 million program to support inclusive and universal health coverage in Morocco. The AfDB financing will help the poorest and most vulnerable access safety nets. In particular, it will target workers in the informal sector who have little or no health insurance. The program aims to expand health insurance to 200,000 people, improve the availability of quality services, and promote citizens' participation and strengthened accountability in the health sector.

Angola. In 2013, the AfDB committed to provide \$37.5 million to support improvements in fishing infrastructure facilities in coastal communities of Angola. This project is intended to help reduce post-harvest losses and improve the quantity and quality of fish harvests, raising the incomes of over 10,000 small-scale fish processors and traders, of which women constitute over 80 percent.

Asian Development Bank Group

The Asian Development Bank Group is comprised of the Asian Development Fund (AsDF) and Asian Development Bank (AsDB). Treasury is seeking funding for its commitments to both the AsDF and AsDB.

Asian Development Fund

(dollars in thousands)

FY 2013 Operating Level	FY 2014 Enacted	FY 2015 Request
94,937	109,854	115,250

Treasury requests \$115.3 million for the Asian Development Fund (AsDF). Of this total, \$89.9 million will serve as the second of four contributions under the tenth replenishment of the Asian Development Fund (AsDF-XI). The remaining \$25.4 million will be used for partial clearance of outstanding U.S. commitments to the AsDF.

Program Description

The AsDF provides concessional loans and grants to the 29 poorest countries in Asia. It focuses on providing inclusive, environmentally sustainable economic growth and regional cooperation and integration. Specific investments range from clean energy, sustainable transportation, access to reliable water and sanitation, and strengthening environmental governance and management. The AsDF also invests in roads and rural infrastructure that connect rural villagers to markets, expand access to basic social services, and integrate disadvantaged groups into mainstream economic activities.

In 2012, the AsDF approved \$3 billion in financing for a total of 68 projects, ranging from high voltage power transmission lines in Uzbekistan to climate-resistant infrastructure in coastal Bangladesh and low-carbon agricultural support in Vietnam. Two-thirds of all AsDF lending over the past five years has been to countries in Central, West, and South Asia, especially to Afghanistan and Pakistan where the investments support critical U.S. development and national security priorities, and Bangladesh where the AsDF has been instrumental in alleviating extreme poverty and combating the effects of climate change. Nearly a quarter of total lending has been in South East Asia, where the focus has been on efforts to promote economic, financial, and trade integration in Vietnam and throughout the Mekong delta. The remaining seven percent has been to Mongolia, in East Asia, and the small island nations of the Pacific.

Thirty-two countries have donated to the AsDF since its inception in 1973, with each country receiving a voice in direct proportion to its contribution. Japan is by far the largest donor to the AsDF with 52 percent of the shares, followed by the United States with 11 percent. Because financing is provided on such generous terms, donors need to replenish AsDF resources every four years. The most recent replenishment – AsDF-XI, covering the years 2013-2016 –

concluded in April 2012 with the United States pledging to contribute \$359.6 million to the AsDF over four years.

How AsDF Promotes U.S. Interests

The AsDF advances U.S. priorities in Asia's poorest countries, providing resources to construct critical infrastructure, develop regional markets, promote economic stability and sustainable growth, protect the environment, and promote our national security by strengthening financial systems to combat terrorist financing and other financial crimes. The United States multiplies its impact across a vast and diverse region by aggregating its resources with those of 30 other donors: because of the principle of burden-sharing, every dollar the United States has contributed to the Fund has generated \$9 more in contributions from other donors.

The AsDF's Performance Based Allocation (PBA) policy channels resources to countries based on their demonstrated ability to use funds effectively. The PBA considers a range of factors, including coherence of a country's economic policies, the quality of its governance systems, and its performance on past and ongoing projects. The AsDF is also able to respond quickly to crisis situations in Asia, providing governments with grants to deal with the impact of natural and other humanitarian disasters, as recently seen in the Philippines.

Meeting the U.S. Commitment

Arrears to the AsDF amount to nearly \$346 million. Without full appropriation the United States would see a decline in its shareholding and ability to influence the direction of AsDF policies and operations. The AsDF's ability to meet its operational goals would diminish, and poor countries in Asia would have reduced access to critical development resources.

Achieving and Measuring Results

The Asian Development Fund compiles aggregate results in an effort to quantify the impact of its operations. It measures its performance against targets related to project quality, outputs, and outcomes and reports the results in the AsDB's annual Development Effectiveness Review (DEfR) and online Performance Scorecard.

At the project level, AsDF projects include a Design and Monitoring Framework (DMF) that details all of the benchmarks, performance measurements and development indicators against which the project is rated. The DMF is made public online, along with other relevant project documents, once the AsDB Board has approved the operation. Project staff use the DMF to ensure that a project remains on schedule during implementation and to evaluate the overall success upon completion. The final evaluation, delivered in a Project Completion Report, includes analysis of problems encountered during implementation and "lessons learned" for future projects. The Bank's Independent Evaluation Department (IED) also evaluates a subset of completed projects. All of the results are aggregated and reported in the annual DEfR report.

With agreement on AsDF-XI, the United States and other donors pushed the AsDF to adopt critical policy and operational reforms to help make the fund's operations more effective and efficient. In an effort to deliver stronger results, the AsDF is focusing on:

- Improving project performance and outcomes by allocating more resources to project preparation, supervision, and promoting efficient procurement;
- Decentralizing operations (as a stronger country presence is correlated with better outcomes); and
- Strengthening its results orientation in corporate and sector-level operations.

The results have shown a steady upward trend in recent years, with 65 percent of completed AsDF projects rated “successful” in 2012, up from 55 percent in 2009. AsDF also performs well on other measures of organizational effectiveness, such as the percentage of lending focused on core sectors and the extent to which operations have been successfully decentralized.

The AsDF also tracks results across sectors. For example, in the energy sector, the AsDF is bringing power to rural areas and providing access to households that had never before had access to reliable, affordable electricity. The focus on access – including installation of transmission lines and upgrading of local power distribution centers – is coupled with a long-term policy promoting a shift toward cleaner, more sustainable, less carbon-intensive generation capacities. Some examples of the results achieved include:

- In Bhutan, AsDF-supported projects installed or upgraded 780 miles of power transmission lines and 1,100 miles of distribution lines, bringing electricity to nearly 17,000 households, and provided solar panels to hospitals, schools and community facilities in those remotest areas still unconnected to the national grid.

Over the past decade, AsDF investments have:

- Reduced annual greenhouse gas emission by the equivalent of 4.3 million tons of carbon dioxide;
- Given 240 million rural dwellers better access to jobs, schools, and health clinics; and
- Provided funding for better schools and direct educational support to nearly 28 million students across Asia.

Project Examples

Solomon Islands. With \$1.28 million spent between 2007 and 2012, the AsDF helped establish a new, streamlined, lower-cost registration system for new businesses. Before the project, the private sector was small, fragmented, and constrained by excessive red tape. Women especially lacked formal access to collateral and were unable to start a business without their husbands' consent. Previous legislation to simplify the regulatory environment and make it easier for women to start businesses had stalled. This project successfully removed requirements to pay to reserve a company name, create a company seal, receive approval from unnecessary government departments, and pay a stamp duty, significantly reducing the cost of incorporating a new business. This project helped the number of new businesses incorporated each year to double. In

addition, women have gained greater access to economic opportunity through reforms that allowed businesses to use collateral other than land, which only men can own.

Asian Development Bank

(dollars in thousands)

FY 2013 Operating Level	FY 2014 Enacted	FY 2015 Request
101,190	106,586	112,195

Treasury requests \$112.2 million for the Asian Development Bank (AsDB). Of this total, \$106.6 million will serve as the fifth of five contributions to the AsDB’s fifth General Capital Increase (GCI-V). The remaining \$5.6 million will be used for partial clearance of outstanding U.S. commitments to the AsDB that resulted from an across the board rescission in FY 2011 and sequestration in FY 2013.

Program Description

The AsDB provides long-term loans at market rates to 23 middle income Asian countries that lack the resources to finance their national economies and build critical infrastructure. The AsDB also supports private sector development with technical assistance and direct equity investment in viable private sector projects. In 2012, the AsDB approved \$10.1 billion worth of direct financing for 72 projects and leveraged another \$8.1 billion in co-financing from official and commercial sources. Nearly two-thirds of the AsDB total assistance was to countries in Central, West, and South East Asia, and another 23 percent was to countries in South Asia.

Through its lending, both for projects and for policy reforms, the AsDB supports the construction of critical economic infrastructure, the expansion of private enterprise, and environmentally-sustainable economic growth. The majority of AsDB assistance is for investments in transportation, energy, finance, and industry and trade, with other sectors such as water supply, municipal infrastructure, agriculture and natural resources, and public sector management also receiving significant funding.

The AsDB is financed through capital contributions from donors, income earned on its loan and investment portfolios, public bond issues, and private placements. In April 2009, donors concluded the AsDB’s fifth GCI, which tripled the Bank’s capital base to \$165 billion, enabling it to maintain an adequate level of lending throughout the global economic downturn.

In exchange for increased contributions of capital under GCI-V, the United States and other donors insisted on a series of policy and operational reforms, including:

- Strong and effective implementation of its Safeguard Policy Statement to protect the environment and local populations during project activities;
- The development of a new Public Communications Policy to increase transparency, disseminate information more widely, and include more stakeholders in its deliberations;

- The adoption of a new Accountability Mechanism that provides a clearer avenue for redress of grievances related to the Bank’s projects and holds the Bank accountable to its own policies and guidelines;
- Greater independence for its Evaluation Department; and
- A stronger focus on results.

A total of 67 shareholders – 47 from Asia and the Pacific and 19 from outside the region – make up the AsDB, with voting rights in proportion to their contributions. The United States and Japan are the largest individual shareholders; China and India are the third and fourth largest, with 6.4 and 6.3 percent of the total, respectively. The United States has traditionally used its position as the co-largest shareholder to push for important reforms that have made the AsDB more effective, transparent, and accountable for delivering measurable results on the ground.

How AsDB Promotes U.S. Interests

The AsDB provides critical investment resources in a region that, despite rapid economic growth, remains home to two-thirds of the world’s poor. It provides substantial lending to crisis and post-crisis countries, such as Afghanistan and Pakistan, which directly supports U.S. national security interests.

Importantly, AsDB financing comes with safeguards to ensure local populations and the environment are protected throughout the project cycle, delivering cleaner, more sustainable growth.

Furthermore, the development impact of U.S. contributions to the AsDB is greatly magnified by contributions from other donors and the Bank’s own borrowing on international capital markets: each dollar from the U.S. typically supports \$15 of lending to Asia’s poorest countries.

Meeting the U.S. Commitment

Failing to meet our final GCI commitments would mean a loss of influence. The United States would cease to be the co-largest shareholder in the AsDB and our ability to shape the goals and operations of the institution would suffer.

Achieving and Measuring Results

The AsDB monitors its results and measures its aid effectiveness with the help of its corporate results framework. First adopted in 2008 and revised in 2012, the framework forms the basis of the annual Development Effectiveness Review (DEfR) and Performance Scorecard, both of which are available online. The DEfR measures development progress in Asia and the AsDB’s success in delivering core sector outputs and outcomes, as well as the Bank’s overall operational and organizational effectiveness.

At the project level, staff identify performance targets, time-bound milestones, and indicators of success in the Design and Monitoring Framework, which is approved by the Board and released to the public with the other project documents. Progress is measured against these targets and

milestones during the implementation phase of the project to ensure that the project remains on track and is effective. Upon completion, Bank staff review the project performance against these indicators in this framework and compile the results in a Project Completion Report. A subset of projects is also evaluated by the AfDB's Independent Evaluation Department (IED). Finally, the Bank aggregates the Project Completion Report results and delivers the overall result in the annual Performance Scorecard.

In 2013, shareholders approved the AsDB's pilot results-based lending (RBL) instrument, which links disbursement of funds to the achievement of project results. This type of lending is expected to increase accountability and strengthen incentives to produce clear, measurable outputs and outcomes in AsDB-supported activities.

The AsDB's most recent Performance Scorecard shows that, in 2012, the Bank's Independent Evaluation Department judged 68 percent of the Bank's completed projects to have been successful in meeting their development goals, up from just 55 percent in 2009. The Bank also met or exceeded most of its output targets in core sectors such as energy and transport and continued to streamline its business processes, reducing the time it takes to disburse loans from 11 months in 2009 to 10 months in 2012. Furthermore, in response to consistent calls from the U.S. and other donors, the Bank has recruited more women into its ranks, with women now comprising nearly 35 percent of professional staff, up from 28 percent in 2009.

Just over half of all AsDB lending is in the core sectors of energy, transportation, and communication. Projects in these sectors are among the AsDB's largest, and their impacts are often the most widespread. The Bank's energy projects focus on providing reliable, cost-effective, sustainable power while transportation projects seek to expand and improve the road, rail, and water networks that connect people to markets, jobs, education, and health and social services. An example of the results achieved is:

- In Vietnam, AsDB addressed the country's chronic seasonal power shortages by financing construction of a 715MW gas-fired power plant, providing a cost-effective, reliable source of power that also reduced greenhouse gas emissions by nearly 130,000 tons of CO₂ equivalent each year.

In 2012, funding for AsDB-supported projects across the region:

- Delivered electricity to 2.3 million households and clean water to 6.2 million households;
- Provided better access to markets, jobs, education, and health care for 368 million people; and
- Improved 22 million hectares of farmland, an area the size of Utah.

Project Examples

India. In 2006, the AsDB approved a \$180 million loan to India to finance nearly 2,000 miles of all-weather rural roads connecting 1,503 rural communities, and giving nearly two million people improved access to jobs, markets, health care and educational opportunities. An important feature of this project is that it required the contractors to provide full road

maintenance for the first five years, providing a disincentive to sub-standard construction. The AsDB estimates that as a result of these new roads, people were able to travel an average of 10 percent farther for work while at the same time reducing their commuting times by nearly 60 percent. Trips by bus and taxi rose by 50 percent, and 20 percent more farmers visited local markets regularly.

Bangladesh. With a \$30 million loan from the AsDB and a grant of \$16 million from the AsDF approved in 2002, the government of Bangladesh addressed severe air pollution in Dhaka, a city of 15 million people, by replacing diesel-fueled buses and two-stroke auto rickshaws with vehicles using cleaner compressed natural gas (CNG). This project differed from previous projects in scope and size – a previous project had failed because too few drivers switched to the cleaner vehicles and the project constructed too few CNG fueling stations. This new project financed construction of a network of 23 CNG fueling stations and introduced 149 CNG-powered buses to the city. It also provided more than 5,000 rickshaw drivers with conversion kits so their vehicles could use CNG fuel. The effects of the reduced diesel emissions during the initial phase of the project were compounded once the infrastructure was in place and private participation in CNG-fueled transportation grew. The AsDB estimates that reduced air pollution alone saved the economy nearly \$48 million per year, while thousands of owners and drivers of converted rickshaws have seen their business profits grow due to the availability of the cheaper CNG fuel.

Food Security

Global Agriculture and Food Security Program

(dollars in thousands)

FY 2013 Operating Level	FY 2014 Enacted	FY 2015 Request
128,165	133,000	0*

*The Administration’s Opportunity, Growth, and Security Initiative includes \$80 million for the Global Agriculture and Food Security Program (GAFSP).

Program Description

Launched in 2010, GAFSP is the multilateral component of the President’s “Feed the Future” initiative. GAFSP is housed at the World Bank, which serves as an implementing agency, along with the regional development banks and the International Fund for Agricultural Development (IFAD).

GAFSP addresses the long-term challenge of food insecurity. An estimated 842 million people are hungry today and the world will need to produce up to 60 percent more food by 2050 to feed the global population of 9 billion people. GAFSP provides multi-year additional financing to support country-developed agriculture and food security investment plans that are reflective of country ownership and priorities. Country proposals are selected on the basis of a transparent, competitive process. By supporting country-led efforts to invest in sustainable agriculture and food security, GAFSP is helping to increase income and reduce hunger in the poorest countries.

GAFSP:

- Aligns donor resources with U.S. global food security priorities.
- Provides additional financing to low-income countries that demonstrate their commitment to comprehensive food security reforms and investments.
- Leverages the impact of its public-sector grants through additional private investments in small- and medium-sized agribusinesses in developing countries.
- Boasts faster project preparation times and lower administrative costs than traditional multilateral development banks, while targeting countries with higher levels of poverty and hunger.
- Promotes best practices in the governance and transparency of its operations as well as in results measurement.

GAFSP currently has ten donors, of which the United States is the largest, and operates through two windows.

- The Public Sector Window provides grants to recipient countries to help implement comprehensive national food security and agricultural development strategies. To date,

GAFSP's Public Sector Window has awarded \$913 million in grant financing to 25 countries in Asia, Latin America and Africa. These grants are expected to increase the incomes of at least 12 million smallholder farmers and their families.

- The Private Sector Window provides long- and short-term loans, credit guarantees and equity to support private sector activities for improving agricultural development and food security. GAFSP's Private Sector Window invested roughly \$50 million over the last year, including investments in dairy and fruit juice processing facilities in East Africa, provision of warehouse financing in West Africa, and provision of long-term financing to coffee growers in Central America. Altogether, GAFSP's investments have attracted over ten times that amount in additional private financing

Why GAFSP is Good for the United States

GAFSP promotes the U.S. global development policy by supporting long-term, sustainable investments in agricultural productivity, which has been shown to be more effective at reducing poverty than investment in any other sector. GAFSP is an important tool for leveraging U.S. leadership in food security to mobilize political will and actions from other donors and developing countries to address global hunger and malnutrition.

Meeting the U.S. Commitment

Three years after its creation, GAFSP is at a critical juncture: it has already disbursed the majority of its funds allocated to the Public Sector Window. In 2012, the Administration launched a "challenge campaign", committing \$1 to GAFSP for every \$2 from other donors, up to a total U.S. contribution of \$475 million. This challenge has motivated new pledges from Canada, Ireland, Japan, South Korea, the Bill & Melinda Gates Foundation, and the United Kingdom totaling \$230 million. Based on these commitments, the Department would not need additional funding to meet its pledge. However, fundraising efforts are ongoing, with the goal of securing an additional \$720 million from other donors, and the Department continues to anticipate the need for appropriated funds to meet the U.S. commitment.

Achieving and Measuring Results

GAFSP boasts a robust monitoring and evaluation system that adds to our knowledge of specific and targeted improvements in the agricultural productivity of smallholder farmers and their impact on food security, rural incomes, and better nutritional and health outcomes on the household level.

At the core of GAFSP's results infrastructure on the project level is a common results framework that allows for the same results indicators to be tracked and aggregated for all projects across the portfolio. These indicators track output and intermediary outcomes (e.g. amount of rural finance mobilized, improved nutrition outcomes for vulnerable groups, and new technologies generated) and are reported by project supervising entities on a semiannual basis. These results indicators were also developed to match those tracked by Feed the Future, so that GAFSP can be compared alongside other food security programs.

In addition, GAFSP conducts rigorous impact evaluations on at least 30 percent of projects, which allows donors to better track and compare food security and poverty reduction results on the household level. In Bangladesh, for example, GAFSP is evaluating whether new peer-to-peer training methods may be more effective at encouraging farmers to adopt and retain new planting techniques and seed varieties and the ultimate impact of these trainings on household income and nutrition. Initial studies of projects in Mongolia, Rwanda and Bangladesh are already completed and work is ongoing in Haiti, Nepal and Liberia. All results are publicly available on the GAFSP website.²

The GAFSP Coordination Unit at the World Bank also plays an essential role in monitoring project disbursement and implementation speed, and aggregating results on a program level.

Mapping for Results Platform: All GAFSP project activities are coded onto a public mapping platform that will allow policymakers and other stakeholders to visualize project locations and track the progress of results indicators in a geographical context. All mapping results are available on the GAFSP website.

Among the initial batch of GAFSP projects that were funded, six projects have already reached their second year of implementation (out of five or six years total). Within these six initial projects, GAFSP has already directly benefited over nine hundred thousand farmers, of which over 35 percent were women.

Project Examples

Rwanda. In 2010, GAFSP provided \$50 million to support the introduction of land and water resource management measures for hillside agriculture in Rwanda, as well as a nutrition awareness campaign. To date, the project has protected 7,900 hectares of land against soil erosion, and installed irrigation works covering 690 hectares. Over 680 lead farmers have received nutritional awareness training, and demonstration plots have been used to promote kitchen gardens. As a result of improvements to soil fertility, yields have increased an average of four times across all crops, and incomes of approximately 19,000 farmer beneficiaries have increased by over 470 percent over the past two and a half years.

Sierra Leone. Since 2010, GAFSP has provided \$50 million to support Sierra Leone's flagship Smallholder Commercialization Program, and help the government expand an innovative low-cost irrigation model. This program is designed to improve the productivity of smallholder farms, and increase their access to processing and marketing facilities. Currently in the second year of its five year duration, the project has helped irrigate 1,300 hectares of land, which an initial pilot suggests should raise rice yields by 70 percent, and supported the formation of 281 farmer field schools, 150 agricultural business centers, and 15 financial services associations. These facilities have increased access to loans, remittance transfers, and other credit products to over 6,000 member farmers.

² www.gafspfund.org.

Bangladesh. In 2010, GAFSP provided \$50 million to introduce new seed, fish, and livestock varieties to Bangladeshi farmers, improve irrigation infrastructure, and provide training to these farmers via peer-led field schools in food insecure areas. Currently in the second year of its six year duration, GAFSP has so far provided close to 5,000 training demonstrations to farmers through 1,850 farmer field schools, and promoted new agricultural technologies that have been adopted by over 24,000 farmers. In addition, GAFSP has helped support the introduction of two new varieties of wheat, with seven more in the development process; distributed 157 tons of certified seeds; and improved irrigation and drainage systems on more than 4,000 hectares of land.

International Fund for Agricultural Development

(dollars in thousands)

FY 2013 Operating Level	FY 2014 Enacted	FY 2015 Request
28,481	30,000	30,000

Treasury requests \$30 million for the *third of three* installments for the Ninth Replenishment of the IFAD. This is equivalent to Treasury’s request in FY 2014.

Program Description

IFAD is the leading multilateral donor in the poorest rural areas in developing countries, providing both loans and grants. Its mission is to eliminate poverty, hunger, and malnutrition and raise farmers’ productivity and incomes to improve the quality of their lives. In 2012, the number of beneficiaries receiving services from IFAD-funded projects rose by 33 percent, from 59.1 million in 2011 to 78.7 million.

In 2013, IFAD’s program of loans and grants reached nearly \$1 billion. IFAD lends globally and allocates resources based on a PBA system. Close to 50 percent of IFAD’s resources are directed to Sub-Saharan Africa and 32 percent of its resources are provided on a grant basis. It also provides resources on non-concessional terms to middle-income countries, representing 30 percent of approvals.

To maintain operations, IFAD’s resources need to be replenished every three years and are supported by 172 member countries. The United States is a founding member of IFAD and its largest single contributor with 6.74 percent of total votes.

Most IFAD-supported projects and programs are in extremely remote areas where very few donors operate. Moreover, IFAD is the first MDB to target a specific poverty alleviation goal—lifting 80 million people out of poverty by 2015—through its programs.

IFAD structures its projects to have multiple benefits, including poverty reduction, enhancing biodiversity, increasing crop yields, building resilience to climate change, and reducing greenhouse gas emissions. IFAD plays a particularly strong leadership role in assessing the impact of its programs on a gender specific basis and targets women directly as beneficiaries. The share of women project participants is high, at about 50 percent.

How IFAD Promotes U.S. Interests

IFAD serves core Administration development priorities including advancing global food security and supporting rural agriculture. IFAD projects also leverage a significant amount of co-financing from domestic and international sources, representing nearly 50 percent of the total value of IFAD’s portfolio.

Meeting the U.S. Commitment

Failure to fully fund IFAD would hurt its lending capacity and erode U.S. leadership at a time when food security and hunger remain acute. Many countries would be less likely to meet the first Millennium Development Goal of halving the proportion of people who suffer from hunger by 2015. The United States is the largest contributor to IFAD.

Achieving and Measuring Results

IFAD's independent Office of Evaluation issues an annual report on results and impact. Its key objectives are to: 1) present a synthesis of the performance of IFAD supported programs; and 2) highlight key learning issues and development challenges. Produced by an office that is independent from management and follows a consistent methodology, the report is a model for the MDBs.

The most recent report pointed to several encouraging trends. IFAD's performance continues to improve as a result of stronger supervision and the establishment of new country offices, and IFAD performs as well or better than its peers (e.g., the World Bank and regional development banks). The institution does especially well in promoting innovative approaches and in scaling up programs, and is very good at promoting gender equality and women's empowerment. Furthermore, IFAD benefits from a strong community oriented and participatory approach, but needs to engage more with governments to secure lasting policy changes to underpin the sustainability of programs.

IFAD management also produces an annual report on development effectiveness which reports on outputs against its performance targets. Key findings from its 2013 report included:

- 4.5 million people were trained in crop production techniques;
- 1.5 million new entrepreneurs were trained to start microenterprises;
- nearly 2.5 million people became borrowers and 5.5 million people became voluntary savers in projects to strengthen rural financial services;
- Over 15,000 kilometers of roads were constructed or rehabilitated; and
- More than 19,000 marketing groups were formed or strengthened.

Project Examples

Ethiopia. In 2010, IFAD provided \$13 million to combat land degradation in Ethiopia's Lake Tana watershed area through the introduction of natural resource conservation measures. One of the project's main components is a community-based Integrated Watershed Management designed to improve pasture management and forage production systems, develop community forests, and strengthen soil and water conservation practices to enhance biodiversity. Under the project, domestic biogas was introduced as an alternative energy source to reduce the burning of wood and consequent gas emissions. It was so well received by the local communities that demand has far exceeded initial forecasts, and by September 2013, a total of 501 biogas plants had been implemented compared to the initial plan of 174 plants. The introduction of domestic

biogas plants is quickly changing the life of poor farmers who have been living without electricity for centuries, relying mainly on burning wood to provide heat and light in their homes. The project has been so successful, it is being expanded to Kenya, Tanzania, Uganda, Senegal and Burkina Faso.

Burkina Faso. Since 2008, IFAD has provided \$19 million to Burkina Faso to improve management of soil fertility in areas suffering from increasing drought and erratic rains. Improvements in indigenous soil and water conservation techniques have restored agricultural fertility, increasing millet and sorghum yields by up to 50 percent and enabling farm households to concentrate on new income-generating commodities such as livestock, cowpea, and non-wood forest products.

World Bank Environmental Trust Funds

Climate Investment Funds

The Climate Investment Funds (CIFs), comprised of the Clean Technology Fund (CTF) and the Strategic Climate Fund (SCF), were established in 2009 as a dedicated source of funds to address the challenges of climate change. As the largest climate funds in the world, participation in the CIFs allows the United States to significantly leverage its climate funding with that of other donors and take advantage of an efficient, effective channel to deliver climate finance.

The United States pledged \$2 billion to the Climate Investment Funds (CIFs), and as of December 2013, had paid \$1.137 billion into the CIFs, leaving an outstanding pledge of \$863 million. Altogether, the CIFs have \$7.9 billion in pledged resources and operate in 48 countries. The United States is the only country that has not yet contributed its full pledge amount.

Clean Technology Fund

(dollars in thousands)

FY 2013 Operating Level	FY 2014 Enacted	FY 2015 Request
175,283	184,630	201,253

Treasury requests \$201.3 million to fulfill a portion of unmet commitments to the CTF.

Program Description

Currently active in 17 emerging markets, the CTF is the largest of the CIFs. A \$5.5 billion trust fund designed to work in emerging market economies which have the greatest growth in energy demand and greenhouse gas (GHG) emissions, the CTF works to scale-up financing for demonstration, deployment, and transfer of low-carbon technologies. Accelerating the deployment of low-carbon energy technology in emerging economies is vital to reducing GHG emissions on a large scale, yet these technologies face many barriers to market entry such as high initial costs and limited operational experience. CTF funds bring innovative energy technologies to new markets, lower their cost, and lay the foundation for widespread deployment in order to catalyze additional private sector investments in the developing world.

Each country participating in the CTF formulates an investment plan. Together, these plans include 107 projects in renewable energy, energy efficiency, and low-carbon transport sectors expected to contribute 1.7 billion tons of greenhouse emission reductions. As of October 2013, 51 projects have been approved for \$2.85 billion of CTF funding. These projects are expected to attract \$13.6 billion in additional capital from the private sector, governments, bilateral agencies,

and other sources, leveraging five dollars for every one dollar invested by the CTF. The MDBs have contributed an additional \$5.5 billion in financing to these projects. More than 50 additional projects will be considered for approval in 2014-2016.

How the CTF Promotes U.S. Interests

The size and scope of the CTF provides opportunities to achieve substantial reductions in GHG emissions while catalyzing economic growth and improving global energy security. By supporting clean investment in large, growing economies, the CTF creates opportunities for U.S. exports, in sectors such as geothermal, wind, and solar by providing catalytic financing for large-scale investments. The Commerce Department ranked seven CTF countries in the top 20 most promising markets for U.S. renewable energy exports.

By working in direct partnership with the MDBs, the CIFs utilize the systems of the MDBs to mobilize large amounts of funds with low overhead costs. This helps each dollar of U.S. contributions go further.

Meeting the U.S. Commitment

The United States' leadership in the CTF is critical to ensuring that strong countries and projects are chosen and that all investments are done with broad stakeholder input using robust environmental and social safeguard policies. The CTF is likely to run out of money by the end of 2014 without U.S. efforts to fully fund its pledge, directly impacting the financing of many projects. Such a situation will be damaging for countries that are counting on the CTF to help mobilize large scale investment in new energy sectors. If we do not meet our pledge, the U.S. will lose influence over how the CTF operates and it will undermine our position in international climate negotiations where we are urging countries to reduce GHG emissions.

Achieving and Measuring Results

The CTF has been successful because the pilot countries chosen take strong ownership of their respective programs through the design of their national CTF investment plans. Robust country ownership has led to a strong commitment to quality and results. The CTF program seeks to make tangible, measurable impacts in five areas:

- 1) reduced GHG emissions, measured by tons of GHG reduced or avoided;
- 2) mobilization of finance for low-carbon development, measured by the volume of direct finance leveraged;
- 3) increased supply of renewable energy, measured by increases in installed capacity from CTF interventions;
- 4) increased access to public transport, measured by number of additional passengers using low-carbon public transport from CTF interventions; and
- 5) increased energy efficiency, measured by annual energy savings from CTF interventions.

Strict monitoring, reporting, and evaluation procedures track progress in achieving these outcomes. As of June 2013, projects under implementation have led to ten million tons of avoided CO₂ emissions. In addition, 2,626 megawatts of renewable energy have been brought into service, with thousands of megawatts currently under construction; 7,137 gigawatt-hours of energy has been saved due to interventions such as residential and commercial building retrofits along with the installation of energy efficient equipment in industrial sectors. Since CTF projects have lifetimes of 10-40 years, further emissions savings will accumulate over time. A total of 780 million tons of GHG emissions are expected over the lifetime of these projects.

Project Examples

Chile. The Department of Commerce has identified Chile as one of the most promising markets for U.S. solar exports because Chile has some of the best solar resources in the world. However, the sector is relatively undeveloped due to a lack of experience working with solar technologies among local finance institutions. Chile is using \$200 million in CTF funds to demonstrate the commercial viability of expanding large scale solar, geothermal, and energy efficient projects in the country. The largest component of Chile's investment plan is a 50 megawatt concentrated solar power facility that would be the first of its kind in Latin America. This facility will use \$67 million of the \$200 million in CTF financing for this project is expected to leverage \$208 million from the government, the IFC, and the private sector. Chile aims to have 150 megawatts of additional concentrated solar power projects under development by 2019. A second project in Chile is the Large Scale Photovoltaic Program which will finance and build two to four large-scale private sector solar photovoltaic projects ranging from 30 to 100 megawatts each.

Indonesia. The United States is a global leader in geothermal technology, and the Department of Commerce has identified Indonesia as one of the most promising markets for geothermal exports. In partnership with the AsDB, CTF funds are being used to unlock the vast potential of Indonesia's geothermal energy resources, which could provide thousands of megawatts of base-load, reliable, low-carbon energy. Only a fraction of this capacity has been developed to date, largely due to the risks and up-front costs of geothermal exploration and drilling. \$150 million in CTF funds will be used to reduce these risks and demonstrate the commercial viability of this power source. These investments will support the development of 800 megawatts of new geothermal supply while maintaining strict environmental safeguards. They will mobilize an estimated \$2.5 billion in public and private investment. This CTF program directly complements efforts underway through the U.S.-Asia Pacific Comprehensive Energy Partnership to increase U.S. exports of geothermal technology to Indonesia by providing crucial investment capital.

Strategic Climate Fund

(dollars in thousands)

FY 2013 Operating Level	FY 2014 Enacted	FY 2015 Request
47,374	49,900	63,184

Treasury requests \$63.2 million to fulfill a portion of unmet commitments to the SCF.

Program Description

The SCF is a \$2.4 billion fund designed to spur climate resilient and sustainable development in developing countries. The SCF is comprised of three programs:

- The Pilot Program on Climate Resilience (PPCR), with \$1.2 billion in pledges, is the largest international fund dedicated to helping vulnerable countries protect their economies and citizens from the negative effects of climate change. As of October 2013, PPCR has endorsed 66 projects and programs in 20 countries and regions, including highly vulnerable countries such as Haiti, Niger, and Bangladesh. It helps countries to develop robust government-wide responses to climate risks and build resiliency to climate change and variability. The funds requested for PPCR are used to help countries strengthen their resilience to the impacts of flooding, drought, extreme weather, and other climate change impacts. Improving resiliency, through improving agricultural practices and food security, integrating climate data into public and private development planning, and hardening infrastructure to the impacts of climate change, will enhance the 20 PPCR pilot countries’ economic security and contribute to regional stability.
- The Program for Scaling Up Renewable Energy in Low Income Countries (SREP) is a \$550 million program that helps eight countries—Ethiopia, Honduras, Kenya, Liberia, Maldives, Mali, Nepal, and Tanzania—utilize renewable energy to expand energy access, spur economic growth, and reduce vulnerability to energy shocks. The funds requested for the SREP program will be used to build renewable energy infrastructure to expand energy access and enhance economic security and catalyze further investments from the private sector. Across the eight country investment plans, SREP funds will support the establishment of 954 megawatts of renewable energy capacity. Four additional countries are expected to present investment plans in 2014.
- The Forest Investment Program (FIP) is a \$640 million fund focusing on activities to address reducing emissions from deforestation and degradation in Brazil, Burkina Faso, Democratic Republic of Congo, Ghana, Indonesia, Laos, Mexico and Peru. The FIP works with government agencies, the private sector, indigenous peoples, and local communities to implement scalable, replicable projects that reduce deforestation and

forest degradation. At the same time, the FIP also supports sustainable forest management to increase economic and environmental benefits for communities. The funds requested for the FIP will be used to reduce deforestation by supporting, among other things, country efforts to reduce land clearing for agriculture, better forest information systems, credit lines to community forest managers to finance improved forest management techniques, and a special \$50 million Dedicated Grant Mechanism for Indigenous Peoples and Local Communities that helps local communities access financing and training to design and implement FIP projects. FIP funding will also be used to catalyze private sector investment that reduces deforestation and forest degradation; for example, the FIP sub-committee is exploring financing for a native substitute for palm oil in Brazil that can be grown on pasture land.

How the SCF Promotes U.S. Interests

The size and scope of the SCF provides opportunities for the United States to help effectively scale up national responses to the drivers of instability caused by climate change. Each SCF fund is designed to focus on a carefully selected set of countries where the identified environmental challenge is the greatest.

The SCF funds work in direct partnership with the MDBs, leveraging their financial, technical, and environmental expertise, thereby limiting administrative costs. This also gives the United States the ability to exercise oversight and ensure high standards for environmental and social safeguards throughout project lifecycles. SCF funds support U.S. policy initiatives, such as Power Africa, by providing critical capital and investment preparation support.

Meeting the U.S. Commitment

Failure to meet the U.S. pledge to the SCF funds will directly impact the pilot program countries which have invested significant time and effort designing and overseeing their programs. The PPCR, for instance, is at risk of a funding shortfall in 2014, meaning that projects could be stalled until new funds come in. On a global level, the United States' failure to fulfill commitments to the CIFs undermines our position in international climate negotiations.

U.S. leadership in the SCF is critical to ensuring that the funds select high quality, high impact investments; that the funds encourage both private and public investment in energy, forestry, and climate resilience; and that participating countries do thorough consultation with national stakeholders.

Achieving and Measuring Results

The SCF's success is largely due to the pilot country-led design of each program with extensive national stakeholder consultations. This emphasis on country ownership has resulted in a strong local commitment to quality and results and a key role for national teams in monitoring the impact of SCF funds. Nepal and Mozambique have integrated the PPCR reporting into their national programs. The SCF helps countries to develop national monitoring capacity. For example, a five-day workshop in Niger provided on-the-ground training for thirty local

representatives from the private sector, PPCR project teams, civil society, academia, and government officials on PPCR's monitoring and reporting toolkit. To help build expertise, the SCF facilitates shared knowledge across pilot countries by holding regular meetings where teams exchange experiences and discuss common challenges.

Each SCF fund has a detailed results measurement framework:

The *PPCR* results measurement and evaluation framework measures the extent to which countries have improved their resiliency to climate impacts such as drought, floods, and extreme weather. The program measures a country's progress in implementing climate data and resiliency planning into its decision-making process and considers quantifiable metrics such as the number of people supported by PPCR projects and the extent to which the government, the private sector, and households are employing PPCR-supported tools. Of the 66 PPCR projects under development, 32 projects totaling \$483.1 million have been approved, benefitting 2.5 million people by increasing their ability to cope with the effects of climate change. The PPCR expects to approve an additional 28 projects, totaling \$444.1 million by mid-2014.

SREP aims to have an impact on energy access at the household, business, and individual levels. In Tanzania, the program aims to reach 9.2 million individuals through programs to develop 100 megawatts of geothermal power and 47 megawatts of mini-grids and other interventions for rural areas. In Nepal, the program expects to reach 910,000 households with mini-hydro, solar and waste to energy projects. Through September 2013, four SREP projects worth \$46 million were approved. SREP aims to significantly increase the pace of approvals in 2014. Between September 2013 and June 2014, it is expected that 17 projects worth \$160.8 million will come for approval.

FIP projects are measured and evaluated by a series of core measurement indicators, including reduced GHG emissions from deforestation and degradation, the enhancement of forest carbon stocks, and socio-economic and environmental co-benefits such as poverty reduction in forest communities and reduced biodiversity loss. In Laos, it is estimated that 8.2 million tons of carbon dioxide emissions will be avoided or sequestered over eight years based on their investment plan. Mexico's Forest and Climate Change Project, supported by the FIP, will have a positive impact on 4,000 forest communities in Mexico. As of November 2013, ten projects have been approved by the FIP Sub-Committee for a total of over \$151 million. An additional ten projects, requesting an additional \$210 million in FIP funding, are expected to be approved by June 2014.

Project Examples

Pacific Islands Regional Program. The PPCR is providing \$75 million to help Papua New Guinea, Samoa, and Tonga, as well as other countries in the region, integrate climate change adaptation and disaster risk management into local, national, and sectoral development plans and programs. Given their small size, fragile ecosystems, widespread populations, and limited economies, many Pacific island nations are highly vulnerable to the impacts of climate instability. PPCR funding will help reduce the impact of extreme weather, droughts, and sea

level rise on these countries, improving the economic prospects and the food and water security of millions across the region.

Liberia. Liberia, a Power Africa country, continues to suffer from the effects of a civil war (1989-2003) that destroyed much of its human capital, institutions, and infrastructure. Before the war, Liberia's installed electric capacity was 191 megawatts; today, it is just 23 megawatts, and 95 percent of the population has no access to electricity at all. With \$50 million in SREP funding and additional investments from MDBs and other partners, Liberia will invest in mini-grids, small hydro, and stand-alone solar photovoltaic systems that will expand the nation's electricity supply by a collective 14 megawatts, a 61 percent increase in the nation's generating capacity. Many of the interventions are targeted toward rural areas outside Monrovia that are unconnected to the national grid. Liberia's Investment Plan was endorsed by the trust fund committee in October 2013.

Ghana. Agriculture and livestock account for 32 percent of Ghana's GDP (2009), but they are also the main drivers behind the country's deforestation rate of 2 percent per year. As part of its \$50 million FIP Investment Plan, Ghana will use \$9.75 million to reduce deforestation and forest degradation through community restoration of degraded forests and agricultural landscapes; promotion of climate-smart cocoa and agro-forestry systems and testing ways to integrate trees into agricultural farming systems and increase yields; and support for community alternative livelihoods that establish woodlots for fuel wood and charcoal production. Introducing new land management techniques will reduce GHG emissions and benefit 12,000 people in Ghana's Western and Brong Ahafo regions through capacity building, improved inputs such as seeds and equipment, and financial structures that promote sustainable forestry and agroforestry models.

Global Environment Facility

(dollars in thousands)

FY 2013 Operating Level	FY 2014 Enacted	FY 2015 Request
124,840	143,750	136,563

Treasury requests \$136.6 million for the first installment of the Sixth Replenishment of the Global Environment Facility (GEF-6) towards a total U.S. GEF-6 contribution of \$546 million. This level is an estimate based on progress in the negotiations to date. The final number could be higher or lower. This is a five percent decrease from Treasury’s FY 2014 request.

Program Description

The GEF joins 183 countries in partnership with international institutions, civil society organizations, and the private sector to address global environmental issues while supporting national sustainable development initiatives. The GEF provides grants for projects related to biodiversity, climate change, international waters, land degradation, the ozone layer, and mercury and other chemical pollution.

The United States has sought and achieved a number of significant reforms that will be implemented in GEF-6. This includes higher funding allocations to the poorest countries, greater expectations placed on middle income developing countries to receive GEF resources, and a revamped results and knowledge management system to improve the GEF network’s ability to learn from project successes and challenges.

Programming reforms for GEF-6 include:

- A new wildlife trafficking program focused on Africa and Asia;
- New regional approaches to address drivers of environmental degradation, including global commodities markets, urbanization, and food security;
- A regional forest program bringing together key countries in the Amazon to tackle cross-border sustainable forest management; and
- Funding to implement the recently agreed Minamata Convention on Mercury, which will reduce harmful mercury pollution found in our air, water, and food.

How the GEF Promotes U.S. Interests

Since 1991, the GEF has achieved a strong track record, providing \$11.5 billion in grants and leveraging \$57 billion in co-financing for over 3,215 projects in 165 countries. In addition to improving the environment in developing countries, the U.S. contribution to the GEF also directly benefits the United States by:

- Protecting international marine resources, such as fisheries;
- Conserving tropical rain forests that contribute to our clean air and water;
- Contributing to national security through projects that address wildlife trafficking, natural resource management, and food security;
- Demonstrating U.S. leadership in multilateral environmental agreements such as the recently agreed Minamata Convention to reduce mercury pollution, which will be funded by the GEF; and
- Developing markets for export of U.S. environmental technologies.

Meeting the U.S. Commitment

Failure to meet our commitment will challenge the GEF's ability to implement new programs. For example, funding shortfalls for wildlife trafficking and food security programs in Africa, (e.g., soil conservation projects to improve groundwater management), could negatively affect national security, as these types of interventions are linked to conflict and crime in the region. Additionally, any shortfalls will also undermine U.S. credibility and leadership, as it would be the second consecutive replenishment in which the United States would increase its arrears, which stood at \$248 million at the end of FY 2013.

Achieving and Measuring Results

The GEF earns credibility in developing countries by serving as the financial mechanism of several multilateral environmental conventions, including the Minamata Convention on Mercury, the United Nations Convention to Combat Desertification, and the United Nations Framework Convention on Climate Change. Since its launch, the GEF's key outcomes include the following:

- As the largest funder for conservation areas worldwide, investment in the establishment and management of more than 2,800 protected areas worldwide, covering more than 708 million hectares;
- Protection and planning of 274 million hectares of productive landscapes and seascapes to promote both conservation and development;
- Expected direct reduction of 2 billion tons of carbon dioxide pollution;
- Safe disposal of more than 40,000 tons of pesticides;
- Direct support for the phase out of more than 20,000 tons of ozone depleting substances to protect the ozone layer; and
- Investments in multi-country collaborations to improve management of shared water systems, including for 21 of the world's 64 large marine ecosystems.

The GEF's impact and performance are assessed by its Independent Evaluation Office, which produces a comprehensive evaluation to inform the negotiations for each four-year replenishment.

Project Examples

Land Management and Food Security. The GEF contributed \$1 million in financing to the Dryland Livestock Wildlife Environment Interface Project (DLWEIP), a project implemented by the United Nations Environment Program with support from local government agencies and partner non-government organizations. DLWEIP worked to diffuse escalating conflicts between local development and environmental conservation across Africa. Two pilot sites in Kenya and Burkina Faso provided an opportunity to identify and disseminate lessons for mainstreaming environmental management in fragile environmental areas experiencing increasing competition for resources among growing populations, livestock, and local wildlife. The project successfully introduced mechanisms that increased income to women by at least 20 percent, vegetation cover by 10 percent over three years, and livestock sales by 10 percent. Furthermore, the project developed important lessons on encouraging local participation in conservation and managing drylands across Africa to ensure positive environmental and development outcomes.

Marine Conservation. The GEF, in conjunction with a number of other agencies including the National Oceanic and Atmospheric Administration, United Nations Industrial Development Organization, and the Food and Agriculture Organization, worked with sixteen African nations to address a number of problems in the Guinea Current Large Marine Ecosystem, located on the coast of western Africa. The project specifically targeted depleting fisheries, degraded habitats, and the creation of a policy framework to reduce pollution. The GEF contributed \$27.45 million of the \$61.83 million project, resulting in the development of National Action Plans for each participant country, the establishment of the Interim Guinea Current Commission, and several demonstration projects. One demonstration project, to decrease water pollution in Ghana, supported recycling of 80,000 megatons per year of waste oils and the treatment of up to 100,000 cubic meters per day of releases from a phosphate factory. In another demonstration project, in Benin, a participatory process led to the development of four Marine Protected Areas with a total surface area of more than 104 square miles.

Debt Relief

Multilateral Debt Relief Initiative

(dollars in thousands)

FY 2013 Operating Level	FY 2014 Enacted	FY 2015 Request
\$0	\$0	92,400

Treasury requests \$92.4 million for the Multilateral Debt Relief Initiative (MDRI) at IDA and the AfDF. This compares to a request of \$175.3 million in FY 2014.

Program Description

Launched in 2006, the MDRI provides 100 percent cancellation of eligible debt to IDA and AfDF for countries that reach completion point under the Heavily Indebted Poor Countries (HIPC) initiative. The purpose of the debt reduction is to free up more resources in low-income countries for other poverty reducing expenditures in areas such as health, education, and rural development.

Total debt relief committed under the HIPC Initiative and MDRI amounts to around \$126 billion, of which about \$50 billion is associated with MDRI. Under MDRI, donors agreed to compensate IDA and AfDF for what is no longer being paid back by recipient countries on a dollar-for-dollar basis. This enables IDA and AfDF to fund new operations.

How MDRI Promotes U.S. Interests

The United States was a leading advocate for the creation of the MDRI and has played a critical role in mobilizing donor support for sustainable debt solutions to the severe financial difficulties experienced by the poorest countries. Debt relief initiatives including HIPC and MDRI have reduced the debt burden for participating countries by over 90 percent, enabling them to increase their poverty reducing expenditures by over three percentage points of GDP between 2001 and 2012.

Meeting the U.S. Commitment

Each donor's commitment to MDRI at IDA and the AfDF must be met within the three-year replenishment period to avoid a negative impact on the institution's commitment capacity. Underfunding MDRI has the same effect as a direct cut to IDA and AfDF, meaning that the amount of money committed by these institutions for poverty reduction programs would be reduced on a dollar-for-dollar basis.

IDA and the AfDF calculate each donor's MDRI commitment at the start of each three-year replenishment cycle according to a burden-sharing percentage. At 20.1 percent, the U.S. share of the cost of MDRI under IDA-17 is \$565 million, and at 11.8 percent, the U.S. share of the cost of MDRI under the AfDF-13 is \$55 million.

In addition to current commitments, the United States will carry over \$246 million in MDRI arrears from IDA-16 and \$54 million in MDRI arrears from AfDF-12. Altogether, the United States faces a total MDRI cost of \$811 million at IDA and a total MDRI cost of \$109 million at the AfDF over the FY 2015 – FY 2017 period.

Payment Strategy

A sizeable portion of the U.S. MDRI commitment to IDA will be met using “early encashment credits,” which IDA awards at the end of a replenishment period when a donor pays replenishment contributions faster than the agreed upon schedule of nine years. However, early encashment credits are now outpaced by annual MDRI obligations and no longer cover the full amount of the U.S. MDRI commitment to IDA. In addition, the amount of early encashment credits secured is dependent upon Treasury's ability to deliver funds for the regular IDA replenishment. In the case of the AfDF, Treasury will no longer rely on early encashment credits and instead will seek direct appropriations for the U.S. share of the cost of MDRI at the AfDF.

The \$78.9 million requested for MDRI at IDA in FY 2015 will be applied to our MDRI arrears from IDA-16. The \$13.5 million requested for MDRI at AfDF in FY 2015 will be applied to our MDRI arrears from AfDF-12.

Country Examples

Ethiopia. Debt relief provided to Ethiopia through HIPC and MDRI lowered its external debt stock by \$6 billion or about 40 percent of GDP in 2004. Since then, Ethiopia's poverty-reducing expenditures have grown more than 450 percent in absolute terms, increasing from \$1.2 billion in 2004 to \$5.4 billion in 2013. Ethiopia has already met the MDG of halving the proportion of people who suffer from poverty and hunger and the MDG of reducing the mortality rate for children under five by two-thirds. Ethiopia has made significant progress on achieving the MDGs of increasing the ratio of girls to boys enrolled in primary and secondary schools and reducing the maternal mortality rate by three-quarters.

Malawi. Malawi reached HIPC completion point in 2006 and received \$3.2 billion in debt relief, including \$1.6 billion from MDRI. Since then, Malawi's poverty reducing expenditures have almost tripled in absolute terms and increased from 8 percent of GDP in 2006 to over 20 percent of GDP in 2012. Malawi has met the MDGs of increasing the ratio of girls to boys in primary and secondary schools, reducing mortality of children under five by two-thirds, and increasing access to improved water sources. Malawi is making progress toward meeting the MDG of reducing the infant mortality rate for children under one by two-thirds.

Honduras. Honduras reached HIPC completion point in 2005 and received \$3.7 billion in debt relief including \$2.7 billion from MDRI. Its poverty reducing expenditures more than doubled

between 2006 to 2013 in absolute terms, representing a 2-percentage point increase as a share of GDP. Honduras boasts the strongest performance among HIPC countries in meeting MDGs, having already reached the MDGs of halving poverty and hunger, increasing the ratio of girls to boys in primary and secondary schools, improving the primary school completion rate, and increasing access to improved water sources and improved sanitation facilities. In addition, Honduras has made significant progress on meeting the MDG of reducing the mortality rate for children under five.

Technical Assistance

Office of Technical Assistance

(dollars in thousands)

FY 2013 Operating Level	FY 2014 Enacted	FY 2015 Request
25,634	23,500	23,500

Treasury requests \$23.5 million for the Office of Technical Assistance (OTA). This is equal to Treasury's request in FY 2014.

Program Description

Treasury's OTA is a small program that supports effective financial management as a core element of a well-functioning state by fostering economic growth, enabling governments in fragile and developing countries to provide better services for their citizens, and reducing dependency on foreign aid.

For over twenty years, OTA has helped developing countries build efficient revenue collection, well-planned and executed budgets, judicious debt management, sound banking systems, and strong controls to combat money laundering and crimes such as corruption. OTA advisors are recognized as experts in these disciplines. They work side-by-side with host country counterparts in central banks and finance ministries and financial enforcement authorities in Asia, the Middle East, Africa, Latin America and the Caribbean. Projects are centered on providing countries with the knowledge and skills required to move towards financial self-sufficiency—including the capability to generate and better manage their own government finances—to reduce dependence on international aid. OTA supports host-country designed, and mutually agreed upon objectives, that help to safeguard scarce public resources, finance critical services, and achieve other sustainable and tangible outcomes. In doing so, the program provides significant, cost-effective value for U.S. development, foreign policy, and national security objectives.

The President's FY 2015 budget request for OTA provides \$23.5 million to strengthen economic and financial governance in fragile and developing countries where assistance is needed and counterparts use it effectively. The President's request holds OTA flat in a time of shrinking development assistance budgets with the recognition that, both in the United States and globally, it makes good policy and budget sense to invest in a program that helps developing countries to raise more of their own resources; safeguard and spend those resources more wisely; and rely less on donor assistance.

How OTA Promotes U.S. Interests

Treasury's technical assistance program is one of the best investments in promoting international stability, U.S. national security, and the development of foreign markets for U.S. exports and, in turn, U.S. job creation. Unless developing countries can exercise the core functions of

government, including raising and marshaling their own revenues and setting the stage for a vibrant market economy, they will remain dependent on foreign aid including U.S. assistance. A capable country contributes to a growing international market and international stability, both of which directly benefit the United States. OTA performs an important, but often underappreciated role in national security by helping countries combat financial crimes, money laundering, and terrorist financing, while enabling them to better fulfill their international commitments. OTA also performs an important public diplomacy and leadership role as the program works on a direct ministry-to-ministry basis with counterpart institutions building goodwill and cross border ties. OTA is also an important investment that complements and makes other U.S. foreign assistance United States more effective.

Achieving and Measuring Results

OTA implements a well-crafted system to monitor and evaluate program performance – from project initiation, through execution, to post-project evaluation. For each project, OTA and the relevant foreign 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 systematically 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 evaluate the results of completed technical assistance, and are used as a basis to improve the planning and execution of future projects.

Each year OTA evaluates the level of “traction” or the degree to which changes in behavior occur (e.g., the number of foreign officials who are taking an active and participative role in pursuing change or interim deliverables that are on time or ahead of schedule). OTA also evaluates “impact” or the extent to which the objectives are actually achieved for each technical assistance project. Levels of traction and impact are measured by OTA advisors and headquarters staff according to specific indicators that are relevant to each of the five OTA financial disciplines: revenue policy and administration; budget and financial accountability; debt issuance and management; banking and financial services; and economic crimes. An evaluation of a revenue administration project may consider the extent to which the engagement improved the capacity of the partner country to audit tax returns, including in specialized sectors such as financial services. In the budget area, the evaluation may measure the extent to which the project helped to enhance transparency, accountability, and control over financial resources through the implementation of a new budget classification system.

Finally, the program also utilizes a customer survey instrument to collect information directly from country counterparts who have first-hand knowledge of OTA engagements. OTA monitoring and evaluation has consequences. Projects showing results receive continued investment of OTA resources, while poorly performing projects, such as those where counterpart political will does not support reform, are terminated and the resources reallocated to other projects.

OTA seeks continual improvement in operational effectiveness and efficiency. In our third year of a multi-year effort to modernize internal business processes, OTA looks at critical administrative functions such as contracting and procurement, logistical support, and financial management. As part of this effort, OTA is upgrading its financial management infrastructure and related processes to ensure that program resources are maximized. These efforts will ensure that OTA continues to provide timely, accurate, and reliable program information to its stakeholders, including information as part of the President's Open Government Initiative and the Foreign Assistance Dashboard.

Domestic Resource Mobilization. OTA helps developing countries mobilize domestic revenues and administer them more effectively. Such assistance reduces dependence on foreign aid, supports the provision of critical public services, and fosters a relationship between tax authorities and the public that is characterized by transparency, lawfulness, fairness, predictability, and customer service. OTA has a track record of mobilizing revenues – both tax and non-tax – based on strengthening systems and building human capacity. For example, in Nigeria, a tax evasion research project supported by OTA uncovered \$4.2 million in underpayments in just five cases by flagging returns for audit using objective and transparent criteria. In Mongolia, OTA provided formal, on-the-job training for tax auditors to develop specialized skills pertaining to construction companies and banks. As a result of the specialized training, auditors from the General Department of Taxation assessed an additional \$4.5 million in taxes due.

Cash Management. Poor government cash management leads to inefficient use of scarce public funds, delays in the funding of public priorities, and lack of government flexibility in responding to changing macroeconomic circumstances. OTA has partnered with a number of countries to develop modern cash management functions and upgrade treasury operations, work that has saved millions of dollars for cash-strapped governments. In Zambia, OTA helped the government restructure its banking arrangements, saving \$7.2 million in reduced service fees and freeing up important resources for investment in other public priorities. OTA has begun similar engagements in El Salvador and Haiti, where the governments are seeking to consolidate their banking operations and reduce bank fees and borrowing costs.

Anti-corruption. Diversion of public resources for personal gain undermines economic stability, growth, and public confidence in government institutions. Helping countries to strengthen public financial management and improve oversight of the financial sector can have a tangible anti-corruption impact. In Colombia, OTA helped the Ministry of Finance start an inspector general office – the first of its kind in Latin America – aimed at assuring transparency and preventing revenue leakages. In Guatemala, technical assistance to the Superintendent of Banks aimed at improving the government's capacity to fight money laundering led to the indictment of six individuals, including a former mayor and chief mayor. This case was among the first to be generated from referrals from the Superintendent's financial intelligence unit – a demonstration of the unit's improved ability to analyze suspicious financial transactions.

Renewable Energy Infrastructure Finance. Basic infrastructure such as transportation (airports, ports, and roads), public safety and health facilities (jails, hospitals, waste

management), and energy is critical to a country's economic development and quality of life. OTA's Infrastructure Finance Team helps governments build capacity to design, negotiate, and execute financially viable infrastructure projects. An emerging area of emphasis for this assistance is renewable energy. In Indonesia, OTA is helping the state-owned electricity company shift away from an overreliance on expensive and dirty diesel generators by improving the investment climate for independently-owned clean energy projects. OTA's work has focused on helping the company craft standard power purchase agreements for renewable energy projects, including solar, wind, and biomass/biogas. With OTA assistance, the Indonesian government structured and promulgated the procurement of a \$300 million system allowing homeowners and businesses to install solar rooftop systems and generate their own electricity.

Transition Fund

Middle East and North Africa Transition Fund

(dollars in thousands)

FY 2013 Operating Level	FY 2014 Enacted	FY 2015 Request
-	-	\$5,000

Treasury requests \$5 million for the Middle East and North Africa Transition Fund (“Transition Fund”), a multi-donor trust fund administered by the World Bank.

Program Description

The Transition Fund is a multi-donor trust fund proposed and developed by the United States as our signature initiative during the U.S. chairmanship of the Deauville Partnership with Arab Countries in Transition in 2012.

How the Transition Fund Promotes U.S. Interests

The Transition Fund is a valuable platform through which the United States can assist Arab countries in transition as they address their diverse challenges while delivering on broad reform agendas. Economic growth and stability are critical factors in the success of the democratic transitions underway in MENA. To succeed in these efforts, transition country governments need substantial technical support to build institutions, design reform programs, and strengthen policies. While some support is already being provided by bilateral and multilateral donors, this support is not sufficient to cover the large institutional needs of transition countries. The Transition Fund helps to fill this gap by providing flexible assistance based on transition countries’ individual needs.

Meeting the U.S. Commitment

The United States has committed to contribute 20 percent of total donor contributions to the Transition Fund, or up to \$50 million of an anticipated \$250 million, over several years. The Administration plans to meet this commitment with a combination of funding from Treasury and Department of State/USAID assistance accounts. To date, the State Department has contributed \$20 million to the Fund. A lower U.S. contribution could reduce other countries’ contributions proportionally given that the United States has pledged to contribute up to 20 percent of the fund size. With the number of high-quality projects exceeding available funds, this would also limit the ability of the Transition Fund to respond to transition country needs.

Achieving and Measuring Results

For each project, the international financial institution (IFI) partnering with the transition country must develop and apply a results framework with measurable indicators. Each IFI will also be

responsible for reporting its financial information annually (with respect to any funds received from the Fund) and providing a progress report every six months for each project. The World Bank, as the trustee, will provide semi-annual reports and an annual audit report to the Steering Committee on the financial status of the Transition Fund. All project proposals and biannual progress reports will be posted on the Transition Fund's website (www.menatransitionfund.org). The Steering Committee will also contract a mid-term review of the Transition Fund after 18 months of operation.

Project Examples

With funding provided by eleven G-8 and Gulf donors, the Transition Fund has already approved \$139 million in grants for 33 projects in Egypt (15 percent of approved grants), Jordan (20 percent), Libya (7 percent), Morocco (21 percent), Tunisia (23 percent), and Yemen (14 percent). Projects approved by the Transition Fund address U.S. development and national security priorities in the region, including support for job creation and inclusive growth (36 percent of approved grants); regional trade integration and investment (19 percent); and improving economic governance (45 percent). Examples of actions to be taken by recipient governments as a result of projects financed by the Fund include:

- Jordan: Establish a new national database of low-income families and launch an outreach program necessary to implement a new social safety net, in support of energy subsidy reforms under Jordan's International Monetary Fund program.
- Tunisia: Establish an Investment Authority to increase investments in the country, creating much needed jobs and boosting economic growth.
- Morocco: Develop a new governance framework based on public consultation, transparent budgets, and fiscal decentralization.
- Yemen: Enhance the government's partnership with civil society organizations in development projects, which will support Yemen's national reconciliation process and development objectives.

International Monetary Fund

The International Monetary Fund (IMF) is responsible for promoting the stability of the international monetary and financial system. Since 2008, the IMF has been at the center of the global crisis response efforts, helping mitigate the impact of the crisis in its member countries and prevent contagion, while advancing U.S. strategic interests abroad.

The United States was instrumental in creating the IMF and remains its largest shareholder. 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 our economic and national security interests.

In 2010, G-20 Leaders and the IMF membership decided on a set of quota and governance reforms designed to strengthen the IMF's critical role within the international system. The 2010 reforms are an important step in modernizing IMF governance to better reflect countries' economic weights in the global economy, while preserving U.S. leadership and veto power.

The Budget request proposes appropriations and authorization language to increase the U.S. quota in the International Monetary Fund by approximately \$63 billion and simultaneously reduce by an equal amount U.S. participation in the IMF's New Arrangements to Borrow (NAB), for no net change in the overall U.S. commitment to the IMF. The proposal also authorizes the United States to accept an amendment to the IMF Articles of Agreement that will facilitate changes in the composition of the IMF Executive Board while preserving U.S. influence in the Board.

All other major countries, including those in the G-20, have acted to ratify the 2010 quota and governance reforms. Congressional passage of the legislative proposal is the only remaining hurdle to implementation of these important reforms, which will strengthen the IMF's role as the first-responder to financial crises, while preserving U.S. influence at the IMF.

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

Implementation of the 2010 reforms 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.

The IMF is the cornerstone of the post-World War II international monetary and financial system, providing a framework for economic cooperation to prevent a return to the unilateralism that had worsened the Depression and deepened mistrust among countries. As the world's first-responder to financial crises, the IMF has been instrumental in the global economic progress of the past 70 years. U.S. leadership in creating the IMF and in stepping forward as its largest and most active member puts the United States at the center of this system.

A failure by the United States to approve the IMF quota and governance reforms would empower China and other emerging economies as they seek to increase their influence over the international financial system. Due to the U.S. delay in enacting legislation, the IMF has increasingly resorted to bilateral borrowing from China and other emerging economies, outside the Fund's quota structure in which the United States has the largest share and veto power.

The IMF reforms keep emerging economies firmly anchored in the multilateral system, which the United States helped design and continues to lead. Without the reforms, these countries will increasingly look for alternative arrangements outside the IMF and the norms and rules we designed for the international economic system.

Diminishing U.S. influence at the IMF means that the United States will be less able to shape international norms and practices that ensure an open, resilient global economy. A more closed international financial system hurts U.S. companies and workers.

A well-resourced and 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.

The IMF supports U.S. jobs, exports, and financial markets. During financial crises abroad, the United States leverages the IMF as the first responder to protect our domestic economy by promoting global growth and stability. Continued strong U.S. leadership in the IMF will help ensure the IMF has the tools it needs to help prevent and resolve financial crises that threaten U.S. economic health and prosperity.

When foreign economies are in crisis, they import less from U.S. businesses, they invest less in the United States, and they can damage our financial markets, hurting the value of 401Ks and other savings and retirement investments of American households. U.S. exports accounted for roughly 14 percent of U.S. GDP in 2012, and American export industries supported nearly 9.8 million jobs.

Europe is our largest trading partner and the destination for one-quarter of our exports. Without IMF policy advice and financial support to European countries in crisis, the spillover effects of Europe's economic problems on the United States would have been far worse, hurting U.S. job creation and economic growth. While the IMF helped Europe avoid an economic meltdown, the Europeans provided the lion's share of the financing.

The IMF is a strong and stable partner in advancing U.S. national security objectives in a rapidly changing world. In the Middle East and North Africa, new IMF programs in Jordan, Tunisia, and Morocco in the last two years have helped prevent economic crises from further deteriorating the political environment to the detriment of U.S. interests. The IMF works alongside other development institutions in fragile states to combat economic stagnation and instability, which can give rise to terrorism. Economic development is also critical for political stability. With strong U.S. support, the IMF has significantly increased its support for low-income countries, including through interest rate relief on its concessional loans and helping protect health and education spending.

The IMF is a safe and smart investment for the United States.

The assets that the United States places with the IMF are part of the U.S. international reserves and account for less than 20 percent of the IMF's total quota and NAB resources. U.S. transactions with the IMF are exchanges of equivalent monetary assets, which do not result in net budgetary outlays. When the United States provides resources to the IMF, the United States simultaneously receives an equal, offsetting claim in the form of an increase in the U.S. reserve position in the IMF. The U.S. reserve position in the IMF is an interest-bearing and liquid asset, held as part of U.S. international reserves and available to the United States on demand.

The IMF is a safe and smart investment, with a rock solid balance sheet including reserves and gold holdings that exceed total IMF credit outstanding (about \$127 billion). In addition, the IMF is recognized by its entire membership as the preferred creditor, with the unique ability to set conditions to assure repayment. The IMF has never defaulted on any U.S. reserve claims on the IMF since its inception nearly 70 years ago.

Annex 1: Summary of Authorization Requests

Summary of FY 2015 Appropriations Language

Below is a summary of proposed appropriations language changes from the FY 2014 enacted bill. Please note that brackets indicate which material will be deleted, and italics indicate which material will be inserted.

CONTRIBUTION TO THE CLEAN TECHNOLOGY FUND

For payment to the International Bank for Reconstruction and Development as trustee for the Clean Technology Fund by the Secretary of the Treasury,[\$184,630,000] *\$201,253,000*, to remain available until expended. (*Department of State, Foreign Operations, and Related Programs Appropriations Act, 2014.*)

CONTRIBUTION TO THE STRATEGIC CLIMATE FUND

For payment to the International Bank for Reconstruction and Development as trustee for the Strategic Climate Fund by the Secretary of the Treasury,[\$49,900,000] *\$63,184,000*, to remain available until expended. (*Department of State, Foreign Operations, and Related Programs Appropriations Act, 2014.*)

GLOBAL AGRICULTURE AND FOOD SECURITY PROGRAM

[For payment to the Global Agriculture and Food Security Program by the Secretary of the Treasury, \$133,000,000, to remain available until expended.] (*Department of State, Foreign Operations, and Related Programs Appropriations Act, 2014.*)

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, [\$186,957,000] *\$192,920,689*, 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 \$2,928,990,899.

GLOBAL ENVIRONMENT FACILITY

For payment to the International Bank for Reconstruction and Development as trustee for the Global Environment Facility by the Secretary of the Treasury, [\$143,750,000] *\$136,563,000*, to remain available until expended.

TRANSITION FUND

For payment to the International Bank for Reconstruction and Development as trustee for the Transition Fund by the Secretary of the Treasury, \$5,000,000, to remain available until expended. (Department of State, Foreign Operations, and Related Programs Appropriations Act, 2014.)

CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

For payment to the International Development Association by the Secretary of the Treasury, [\$1,355,000,000] \$1,290,600,000, to remain available until expended.

For payment to the International Development Association by the Secretary of the Treasury to satisfy commitments made by the United States to support the Multilateral Debt Relief Initiative, including through generation of early encashment credits, \$78,900,000, to remain available until expended. (Department of State, Foreign Operations, and Related Programs Appropriations Act, 2014.)

CONTRIBUTION TO THE INTER-AMERICAN DEVELOPMENT BANK

For payment to the Inter-American Development Bank by the Secretary of the Treasury for the United States share of the paid-in portion of the increase in capital stock, [\$102,000,000] \$102,020,448, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the Inter-American 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 \$4,098,794,833. *(Department of State, Foreign Operations, and Related Programs Appropriations Act, 2014.)*

CONTRIBUTION TO THE ASIAN DEVELOPMENT BANK

For payment to the Asian Development Bank by the Secretary of the Treasury for the United States share of the paid-in portion of increase in capital stock, [\$106,586,000] \$112,194,435, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the Asian 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 \$2,558,048,769.

CONTRIBUTION TO THE ASIAN DEVELOPMENT FUND

For payment to the Asian Development Bank's Asian Development Fund by the Secretary of the Treasury, [\$109,854,000] \$115,250,000, to remain available until expended. *(Department of State, Foreign Operations, and Related Programs Appropriations Act, 2014.)*

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 increase in capital stock, [\$32,418,000] \$34,118,587, 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 \$507,860,808.

CONTRIBUTION TO THE AFRICAN DEVELOPMENT FUND

For payment to the African Development Fund by the Secretary of the Treasury, [\$176,336,000] \$195,000,000, to remain available until expended.

For payment to the African Development Fund by the Secretary of the Treasury to satisfy commitments made by the United States to support the Multilateral Debt Relief Initiative, including through generation of early encashment credits, \$13,500,000, to remain available until expended. (Department of State, Foreign Operations, and Related Programs Appropriations Act, 2014.)

CONTRIBUTION TO THE ENTERPRISE FOR THE AMERICAS MULTILATERAL INVESTMENT FUND

[For payment to the Enterprise for the Americas Multilateral Investment Fund by the Secretary of the Treasury, \$6,298,000, to remain available until expended.]

(Department of State, Foreign Operations, and Related Programs Appropriations Act, 2014.)

CONTRIBUTION TO THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

For payment to the International Fund for Agricultural Development by the Secretary of the Treasury, \$30,000,000, to remain available until expended. *(Department of State, Foreign Operations, and Related Programs Appropriations Act, 2014.)*

INTERNATIONAL AFFAIRS TECHNICAL ASSISTANCE

For necessary expenses to carry out the provisions of section 129 of the Foreign Assistance Act of 1961, \$23,500,000, to remain available until September 30, [2016] 2017, which shall be available notwithstanding any other provision of law. *(Department of State, Foreign Operations, and Related Programs Appropriations Act, 2014.)*

UNITED STATES QUOTA IMF DIRECT LOAN PROGRAM ACCOUNT

For an increase in the United States quota in the International Monetary Fund, the dollar equivalent of 40,871,800,000 Special Drawing Rights, to remain available until expended: Provided, That, notwithstanding the provisos under the heading "International Assistance Programs—International Monetary Programs—United States Quota, International Monetary Fund" in Public Law 111–32, the costs of the amounts provided under this heading in this Act and in Public Law 111–32 shall be estimated on a present value basis, excluding administrative costs and any incidental effects on governmental receipts or outlays: Provided further, That, for purposes of the previous proviso, the discount rate for purposes of the present value calculation shall be the appropriate interest rate on marketable Treasury securities: Provided further, That section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, shall not apply to amounts under this heading.

LOANS TO THE IMF DIRECT LOAN PROGRAM ACCOUNT

Of the amounts provided under the heading "International Assistance Programs— International Monetary Programs—Loans to International Monetary Fund" in Public Law 111–32, the dollar equivalent of 40,871,800,000 Special Drawing Rights is hereby permanently cancelled as of the date when the rollback of the U.S. credit arrangement in the IMF's New Arrangements to Borrow is effective, but no earlier than when the increase of the United States quota authorized in section 72 of the Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) becomes effective: Provided, That, notwithstanding the second through fourth provisos under the heading "International Assistance Programs—International Monetary Programs— Loans to International Monetary Fund" in Public Law 111–32, the costs of the amounts under this heading in this Act and in Public Law 111–32 shall be estimated on a present value basis, excluding administrative costs and any incidental effects on governmental receipts or outlays: Provided further, That, for purposes of the previous proviso, the discount rate for purposes of the present value calculation shall be the appropriate interest rate on marketable Treasury securities: Provided further, That section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, shall not apply to amounts under this heading.

Summary of FY 2015 Authorization Requests

MDB REPLENISHMENTS

SEC. 7063. (a) The Asian Development Bank Act, Public Law 89–369, as amended (22 U.S.C. 285 et seq.), is further amended by adding at the end thereof the following new section:

"Sec. 35. Tenth Replenishment.

"(a) The United States Governor of the Bank is authorized to contribute, on behalf of the United States, \$359,600,000 to the tenth 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, \$359,600,000 for payment by the Secretary of the Treasury."

(b) 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 sections:

"Sec. 28. Seventeenth Replenishment.

"(a) The United States Governor of the International Development Association is authorized to contribute on behalf of the United States \$3,871,800,000 to the seventeenth 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, \$3,871,800,000 for payment by the Secretary of the Treasury."

"Sec. 29. Multilateral Debt Relief.

"(a) The Secretary of the Treasury is authorized to contribute, on behalf of the United States, not more than \$565,020,000 to the International Development Association for the purpose of funding debt relief costs under the Multilateral Debt Relief Initiative incurred in the period governed by the seventeenth replenishment of resources of the International Development Association, subject to obtaining the necessary appropriations and without prejudice to any funding arrangements in existence on the date of the enactment of this section.

"(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, not more than \$565,020,000 for payment by the Secretary of the Treasury.

"(c) In this section, the term 'Multilateral Debt Relief Initiative' means the proposal set out in the G8 Finance Ministers' Communique entitled 'Conclusions on Development,' done at London, June 11, 2005, and reaffirmed by G8 Heads of State at the Gleneagles Summit on July 8, 2005."

(c) 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 sections:

"Sec. 223. Thirteenth Replenishment.

"(a) The United States Governor of the Fund is authorized to contribute on behalf of the United States \$585,000,000 to the thirteenth 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, \$585,000,000 for payment by the Secretary of the Treasury."

"Sec. 224. Multilateral Debt Relief.

"(a) The Secretary of the Treasury is authorized to contribute, on behalf of the United States, not more than \$54,620,000 to the African Development Fund for the purpose of funding debt relief costs under the Multilateral Debt Relief Initiative incurred in the period governed by the thirteenth replenishment of resources of the African Development Fund, subject to obtaining the necessary appropriations and without prejudice to any funding arrangements in existence on the date of the enactment of this section.

"(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, not more than \$54,620,000 for payment by the Secretary of the Treasury.

"(c) In this section, the term "Multilateral Debt Relief Initiative" means the proposal set out in the G8 Finance Ministers' Communique entitled "Conclusions on Development," done at London, June 11, 2005, and reaffirmed by G8 Heads of State at the Gleneagles Summit on July 8, 2005."

INTERNATIONAL MONETARY FUND QUOTA AND GOVERNANCE REFORMS

INTERNATIONAL MONETARY FUND

SEC. 7065. (a) Section 17 of the Bretton Woods Agreements Act (22 U.S.C. 286e-2) is amended in subsections (b)(1) and (b)(2) by adding at the end in both subsections, after "Fund", "only to the extent that such amounts are not subject to cancellation".

(b) The Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) is amended by adding at the end the following:

"SEC. 71. ACCEPTANCE OF AMENDMENTS TO THE ARTICLES OF AGREEMENT OF THE FUND.

"The United States Governor of the Fund may accept the amendments to the Articles of Agreement of the Fund as proposed in resolution 66-2 of the Board of Governors of the Fund.

"SEC. 72. QUOTA INCREASE.

"(a) IN GENERAL.—The United States Governor of the Fund may consent to an increase in the quota of the United States in the Fund equivalent to 40,871,800,000 Special Drawing Rights.

"(b) SUBJECT TO APPROPRIATIONS.—The authority provided by subsection (a) shall be effective only to such extent or in such amounts as are provided in advance in appropriations Acts."

TECHNICAL CORRECTION

MULTILATERAL INVESTMENT GUARANTEE AGENCY TECHNICAL CORRECTION

SEC. 7064. Section 3(3) of Public Law 112-192 (October 5, 2012) is amended by inserting after "Public Law 112-74" the phrase "and shall also include the Multilateral Investment Guarantee Agency."