



Multilateral Development Banks: U.S. Contributions FY2000-FY2013

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Summary

This report shows in tabular form how much the Administration requested and how much Congress appropriated for U.S. payments to the multilateral development banks (MDBs) since 2000. It also provides a brief description of the MDBs and the ways they fund their operations. It will be updated periodically as annual appropriation figures are known. The title of this report will also change annually, as new yearly appropriation figures are added.

For FY2013, the Administration has requested funds for several of the non-concessional lending facilities at the MDBs. Several of the MDBs are in the process of increasing the size of their non-concessional lending facilities, a process frequently called a “general capital increase” (GCI). GCIs are relatively unusual, particularly for so many institutions at the same time. Contributions to the GCIs are expected to be spread out over a five- to eight-year period, depending on the institution. For most of the institutions, the funds appropriated in FY2012 were the first annual payment. In addition to funds for the GCIs, the Administration has requested for FY2013 funds for several MDB concessional lending facilities and more targeted MDB funds, such as those dedicated to environmental issues. The total Administration’s request for the MDBs is smaller than its requests in FY2011 and FY2012.

For further information about the MDBs, the GCIs, and relevant U.S. policy process, see:

- CRS Report R41170, *Multilateral Development Banks: Overview and Issues for Congress*, by Rebecca M. Nelson;
- CRS Report R41672, *Multilateral Development Banks: General Capital Increases*, by Martin A. Weiss; and
- CRS Report R41537, *Multilateral Development Banks: How the United States Makes and Implements Policy*, by Rebecca M. Nelson and Martin A. Weiss.

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U.S. Participation in the MDBs

The United States is a member of five multilateral development banks (MDBs): the World Bank, African Development Bank (AfDB), Asian Development Bank (AsDB), European Bank for Reconstruction and Development (EBRD), and Inter-American Development Bank (IDB). It also belongs to two similar organizations, the International Fund for Agricultural Development (IFAD) and the North American Development Bank (NADBank).

The MDBs and Their Programs

The MDBs have similar programs, though they all differ somewhat in their institutional structure and emphasis. Each has a president and executive board that manages or supervises all of its programs and operations. Except for the EBRD, which makes only market-based loans, all the MDBs make both market-based loans to middle-income developing countries and concessional loans to the poorest countries. Their loans are made to governments or to organizations having government repayment guarantees. In each MDB, the same staff prepares both the market-based and the concessional loans, using the same standards and procedures for both.¹ The main differences between them are the repayment terms and the countries which qualify for them.²

The MDBs also have specialized facilities which have their own operating staff and management but report to the bank's president and executive board. The World Bank's International Finance Corporation (IFC) and the IDB's Inter-American Investment Corporation (IIC) make loans to or equity investments in private sector firms in developing countries (on commercial terms) without government repayment guarantees. The AsDB makes similar loans from its market-rate loan account. The World Bank's Multilateral Investment Guarantee Agency (MIGA) underwrites private investments in developing countries (on commercial terms) to protect against non-economic risk. At the IDB, the Multilateral Investment Fund (MIF) helps Latin American countries institute policy reforms aimed at stimulating domestic and international investment. It also funds worker retraining and programs for small- and micro-enterprises. The MIF originated as part of President Bush's 1990 Enterprise for the Americas Initiative (EAI).

The NADBank was created by the North American Free Trade Agreement (NAFTA) to fund environmental infrastructure projects in the U.S.-Mexico border region. The International Fund for Agricultural Development (IFAD), created in 1977, focuses on reducing poverty and hunger in poor countries through agricultural development.

Finally, the World Bank also serves as the trustee for several targeted multilateral development funds, for which the Administration has requested and Congress has appropriated funds. These multilateral funds include the Clean Technology Fund (CTF), the Strategic Climate Fund (SCF), the Global Environment Facility (GEF), and the Global Agriculture and Food Security Program (GAFSP).

¹ The International Development Association (IDA) is the World Bank's concessional loan affiliate. The Asian Development Fund (AsDF), African Development Fund (AFDF), and Fund for Special Operations (FSO) are the comparable programs at the AsDB, AfDB, and IDB, respectively.

² MDB market-based loans cost a little more than the rate the banks pay to borrow funds commercially. IDA and AFDF charge about 3/4 of 1% annually. The IDB charges 1% to 4% annually, depending on the project and the borrower. Most borrowers from the concessional programs have per capita incomes of less (often much less) than \$900 annually.

Funding MDB Assistance Programs

The MDBs' concessional aid programs are funded with money donated by their wealthier member country governments. Periodically, as the stock of uncommitted MDB funds begins to run low, the major donors negotiate a new funding plan that specifies their new contribution shares.

Loans from the MDBs' market-rate loan facilities are funded with money borrowed in world capital markets. The IFC and IIC fund their loans and equity investments partly with money contributed by their members and partly with funds borrowed from commercial capital markets. The MDBs' borrowings are backed by the subscriptions of their member countries. They provide a small part of their capital subscriptions (3% to 5% of the total for most MDBs) in the form of paid-in capital. The rest they subscribe as callable capital. Callable capital is a contingent liability, payable only if an MDB becomes bankrupt and lacks sufficient funds to repay its own creditors. It cannot be called to provide the banks with additional loan funds.

Countries' voting shares are determined mainly by the size of their contributions. The United States is the largest stockholder in most MDBs, and has maintained this position to preserve veto power in some institutions over major policy decisions

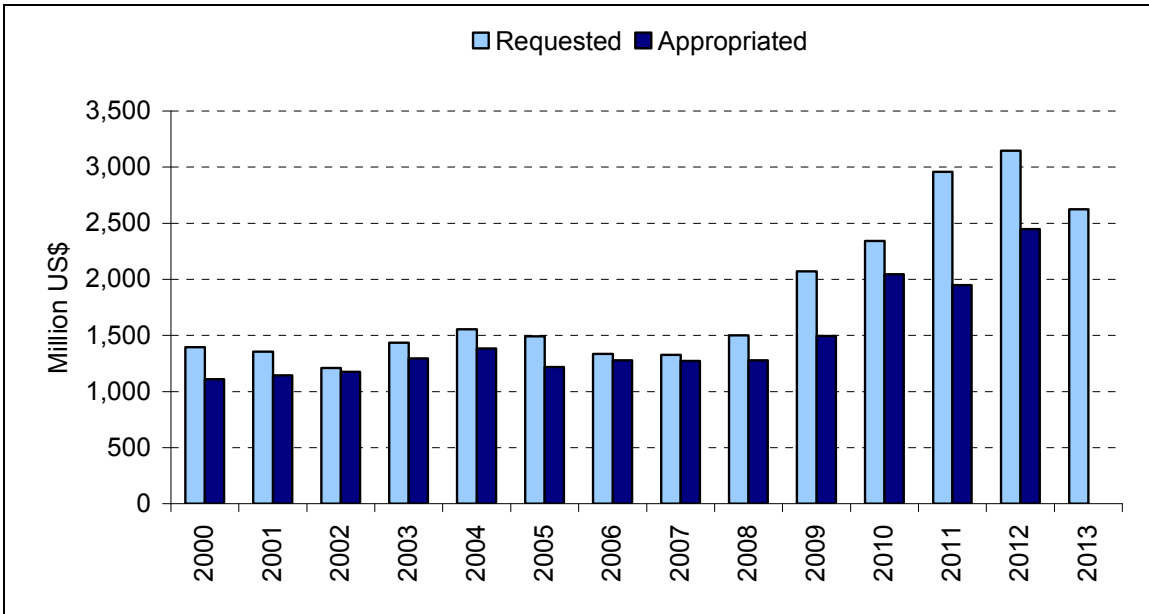
U.S. Appropriations for MDBs

Figure 1 and **Tables 2, 3, and 4** show the amounts the Administration has requested and Congress has appropriated annually since FY2000 to the multilateral banks. Note that the figure and table do not include callable capital. Since the early 1980s, Congress has authorized but not appropriated callable capital.

As **Figure 1** illustrates, the Administration's budget request for U.S. contributions to the MDBs has increased in recent years, from \$1,499 million for FY2008 to \$3,144 million for FY2012. The amount appropriated, while not meeting the full request of the Administration, has also increased, from \$1,277 million for FY2008 to \$2,448 million for FY2012. The Administration's request for FY2013 is smaller than for the previous two years, totaling \$2,625 million. The relevant FY2012 appropriations legislation is tracked in CRS Report R41905, *State, Foreign Operations, and Related Programs: FY2012 Budget and Appropriations*, by Susan B. Epstein and Marian Leonardo Lawson.

Of note in FY2012, the Administration requested and Congress appropriated funds for several of the non-concessional lending facilities at the MDBs. Several of the MDBs are in the process of increasing the size of their non-concessional lending facilities, a process frequently called a "general capital increase" (GCI). GCIs are relatively unusual, particularly for so many institutions at the same time. Contributions to the GCIs are expected to be spread out over a five- to eight-year period, depending on the institution. For most of the institutions, the FY2012 funds are the first annual payment. In FY2012, Congress also appropriated funds for several MDB concessional lending facilities and more targeted MDB funds, such as those dedicated to environmental issues.

Figure I. Multilateral Development Banks: Budget Requests and Appropriated Funds, FY2000 – FY2013



Source and Notes: See Tables I, 2, and 3.

Table I. Multilateral Development Banks: Budget Requests and Appropriated Funds, FY2000 – FY2004

(Million \$)

	2000		2001		2002		2003		2004	
	Request	Approp.	Request	Approp.	Request	Approp.	Request	Approp.	Request	Approp.
World Bank Group										
Int'l Bank for Reconstruction & Development (IBRD)										
Int'l Development Association (IDA)	803.4	771.3	835.6	773.3	803.4	792.4	874.3	844.5	976.8	907.8
Int'l Finance Corporation (IFC)										
Multilateral Investment Guarantee Agency (MIGA)	10.0	4.0	16.0	10.0	10.0	5.0	3.6	1.6	4.0	1.1
Global Environmental Facility (GEF) ^a	143.3	35.8	175.6	107.8	107.5	100.5	177.8	146.9	185.0	138.4
Clean Technology Fund ^a										
Strategic Climate Fund ^a										
Global Agriculture and Food Security Program (GAFSP) ^a										
Regional/Targeted Development Banks										
Asian Development Bank (AsDB)	13.7	13.7								
Asian Development Fund (AsDF)	177.0	77.0	125.0	71.8	103.0	98.0	147.4	97.2	151.9	143.6
African Development Bank (AfDB)	5.1	4.1	6.1	6.1	5.1	5.1	5.1	5.1	5.1	5.1
African Development Fund (AfDF)	127.0	127.0	100.0	99.8	100.0	100.0	118.1	107.4	118.1	112.1
Inter-American Development Bank (IDB)	25.6	25.6								
Fund for Special Operations (FSO) ^b										
Inter-American Investment Corp (IIC) ^b	25.0	16.0	34.0	24.9	25.0	18.0	30.4	18.2	30.9	
Multilateral Investment Fund (MIF) ^b	28.5		25.9	10.0			29.6	24.4	32.6	24.9
European Bank for Reconstruction and Development (EBRD)	35.8	35.8	35.8	35.7	35.8	35.8	35.8	35.6	35.4	35.2
International Fund for Agricultural Development (IFAD)				5.0	20.0	20.0	15.0	14.9	15.0	14.9
TOTAL MDB APPROPRIATION	1,394.4	1,110.3	1,353.9	1,144.4	1,209.8	1,174.8	1,437.1	1,295.8	1,554.9	1,383.0

Table 2. Multilateral Development Banks: Budget Requests and Appropriated Funds, FY2005 – FY2009

	2005		2006		2007		2008		2009	
	Request	Approp.	Request	Approp.	Request	Approp.	Request	Approp.	Request	Approp.
World Bank Group										
Int'l Bank for Reconstruction & Development (IBRD)										
Int'l Development Association (IDA)	1,061.3	843.2	950.0	940.5	950.0	940.5	1,060.0	942.3	1,277.0	1,115.0
Int'l Finance Corporation (IFC)										
Multilateral Investment Guarantee Agency (MIGA)			1.7	1.3			1.1			
Global Environmental Facility (GEF) ^a	120.7	106.6	107.5	79.2	56.3	79.2	106.8	81.1	80.0	80.0
Clean Technology Fund ^a									400.0	
Strategic Climate Fund ^a										
Global Agriculture and Food Security Program (GAFSP) ^a										
Regional/Targeted Development Banks										
Asian Development Bank (AsDB)					23.8					
Asian Development Fund (AsDF)	112.2	99.2	115.3	99.0	115.3	99.0	133.9	74.5	115.3	105.0
African Development Bank (AfDB)	5.1	4.1	5.6	3.6	5.0	3.6	2.0	2.0		0.8
African Development Fund (AfDF)	118.0	105.2	135.7	134.3	135.7	134.3	140.6	134.6	156.1	150.0
Inter-American Development Bank (IDB)										
Fund for Special Operations (FSO) ^b										
Inter-American Investment Corp (IIC) ^b			1.7	1.7			7.3			
Multilateral Investment Fund (MIF) ^b	25.0	10.9	1.7	1.7	25.0	1.7	29.2	24.8	25.0	25.0
European Bank for Reconstruction and Development (EBRD)	35.4	35.2	1.0	1.0			0.01	0.01		
International Fund for Agricultural Development (IFAD)	15.0	14.9	15.0	14.9	18.0	14.8	18.1	17.9	18.0	18.0
TOTAL MDB APPROPRIATION	1,492.7	1,219.2	1,335.3	1,277.2	1,329.0	1,273.2	1,499.0	1,277.3	2,071.3	1,493.8

Table 3. Multilateral Development Banks: Budget Requests and Appropriated Funds, FY2010 – FY2012

	2010		2011		2012 ^c		2013	
	Request	Approp.	Request	Approp.	Request	Approp.	Request	Approp.
World Bank Group								
Int'l Bank for Reconstruction & Development (IBRD)					117.4	117.4	187.0	
Int'l Development Association (IDA)	1,320.0	1,262.5	1,285.0	1,232.5	1,358.5	1,325.0	1,358.5	
Int'l Finance Corporation (IFC)								
Multilateral Investment Guarantee Agency (MIGA)								
Global Environmental Facility (GEF) ^a	86.5	86.5	175.0	89.8	143.8	89.8	129.4	
Clean Technology Fund ^a	500.0	300.0	400.0	184.6	400.0	184.6	185.0	
Strategic Climate Fund	100.0	75.0	235.0	49.9	190.0	49.9	50.0	
Global Agriculture and Food Security Program (GAFSP) ^a			408.4	99.8	308.0	135.0	134.0	
Regional/Targeted Development Banks								
Asian Development Bank (AsDB)	115.3		106.6	106.4	106.6	106.6	106.8	
Asian Development Fund (AsDF)		105.0	115.3	0.0	115.3	100.0	115.3	
African Development Bank (AfDB)					32.4	32.4	32.4	
African Development Fund (AfDF)	159.9	155.0	155.9	109.8	195.0	172.5	195.0	
Inter-American Development Bank (IDB)					102.0	75.0	102.0	
Fund for Special Operations (FSO) ^b								
Inter-American Investment Corp (IIC) ^b	4.7	4.7	21.0	21.0	20.4	4.7		
Multilateral Investment Fund (MIF) ^b	25.0	25.0	25.0	25.0	25.0	25.0		
European Bank for Reconstruction and Development (EBRD)								
International Fund for Agricultural Development (IFAD)	30.0	30.0	30.0	29.5	30.0	30.0	30.0	
TOTAL MDB APPROPRIATION	2,341.4	2,043.7	2,957.2	1,948.3	3,144.4	2,447.9	2,625.4	

Source: Derived from annual appropriation legislation and Treasury Department budget presentation documents.

Notes: Data includes rescissions. Data does not include “callable capital,” or funds that the United States has committed to provide to the MDBs if they need it. Since the early 1980s, callable capital has been authorized, but not appropriated. To date, there has never been a call on callable capital. There has not been a request or appropriations for NADBank during the time period covered by this table. Totals may not add due to rounding.

a. The World Bank serves as the trustee for these multilateral development funds.

b. Part of the Inter-American Development Bank (IDB) Group.

c. In addition, \$174.5 million was also requested and appropriated for the Multilateral Debt Relief Initiative (MDRI) in FY2012. Specifically, \$7.5 million was requested and appropriated for the FY2012 AfDF MDRI commitment; \$76 million for the FY2012 IDA-16 MDRI commitment; and \$91 million for the IDA-15 MDRI commitment.

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