



Multilateral Development Banks: U.S. Contributions FY2000-FY2011

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Summary

This report shows in tabular form how much the Administration has requested and how much Congress has 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.

As shown in the source note for **Tables 2, 3, and 4**, the final appropriation figures for FY2011 have not yet been determined. The Treasury Department made one payment to the African Development Fund (AfDF), however, because the organization was facing serious financial constraints and the Department had authority under the then-current continuing resolution to make that payment.

For further information about the MDBs and the 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 Jonathan E. Sanford.

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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, 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. 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. Japan has provided more to the AsDF and AfDF, while Nigeria and Egypt have subscribed larger shares in the AfDB. 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.

Table 1 shows the U.S. contribution share and voting share for all MDB programs. In most banks, countries get a few votes because they are members, regardless of the size of their capital subscription. Thus, for banks with a large number of small members, the voting share of large subscribers such as the United States may be a little smaller than their share in providing the bank's resources. Voting shares are the same for both market-based and concessional loans in the AsDB and IDB.

Table I. U.S. Contribution and Voting Shares in the MDBs

	Contribution Share	Voting Share
World Bank Group		
IBRD	16.8%	16.4%
IDA	21.5%	11.2%
IFC	24.1%	23.5%
MIGA	18.5%	14.9%
Asian Development Bank		
AsDB	14.2%	11.7%
AsDF	10.6%	12.8%
African Development Bank		
AfDB	6.4%	6.4%
AfDF	12.7%	6.1%
Inter-American Development Bank		
IDB	28.9%	30.0%
FSO	49.6%	30.0%
IIC	24.9%	20.3%
MIF	37.8%	29.3%
EBRD	5.1%	10.2%
IFAD	14.3%	8.4%
NADBank	50.0%	50.0%

Source: MDB Annual Reports.

In IDA, by contrast, the donors have separated the issues of voting power and contributions. In recent decades, they have chosen not to expand their voting share as they contribute new funds to IDA. Thus, while the United States, Canada, Japan, the countries of the European Union, and the wealthy Arab oil states have donated 99% of IDA's resources, they have 65% of the vote. This is more than enough to protect their interests, as decisions are reached by majority vote. The arrangement diffuses possible tensions by giving the developing countries a sense that their voices are heard.

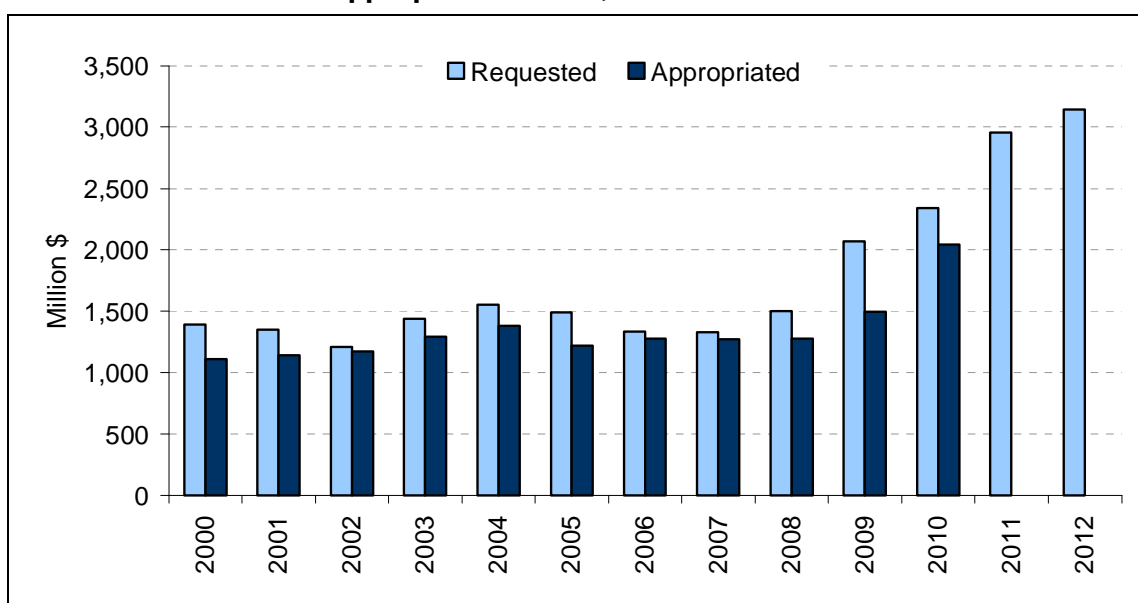
Before 1976, the United States was the only significant contributor to the IDB's Fund for Special Operations. Nonregional countries have since joined the IDB and the FSO has become a much smaller program and the U.S. share has declined substantially. The African Development Bank controls 50% of the vote in the AFDF, though it has contributed only about 1% of the concessional loan program's resources. This maintains a semblance of African control. The interests of the donors are protected by the fact that a three-quarters majority is required to approve AFDF loans.

U.S. Appropriations for MDBs

Figure 1 and **Table 2**, **Table 3**, and **Table 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 in 2008 to \$3,144 million in 2012. The amount appropriated has also increased, from \$1,277 million in 2008 to \$2,044 million in 2010. For FY2011, the government is currently operating under a continuing resolution, and the final appropriation figures for the year are not yet known. According to the Treasury Department, a payment of \$26.3 million was made to the African Development Fund (ADF), however, in light of the organization's current financial constraints and the interim spending authority which the continuing resolution provides. The relevant FY2011 appropriations legislation is tracked in CRS Report R41228, *State, Foreign Operations, and Related Programs: FY2011 Budget and Appropriations*, by Marian Leonardo Lawson, Susan B. Epstein, and Tamara J. Resler.

Figure 1. Multilateral Development Banks: Budget Requests and Appropriated Funds, FY2000–FY2012



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

Table 2. Multilateral Development Banks: Budget Requests and Appropriated Funds, FY2000–FY2004

(Million \$)

	2000		2001		2002		2003		2004	
	Req.	Approp.	Req.	Approp.	Req.	Approp.	Req.	Approp.	Req.	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 3. Multilateral Development Banks: Budget Requests and Appropriated Funds, FY2005–FY2009

(Million \$)

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

(Million \$)

	2010		2011		2012	
	Request	Approp.	Request	Approp. ^c	Request	Approp.
World Bank Group						
Int'l Bank for Reconstruction & Development (IBRD)					117.4	
Int'l Development Association (IDA)	1,320.0	1,262.5	1,285.0		1,358.5	
Int'l Finance Corporation (IFC)						
Multilateral Investment Guarantee Agency (MIGA)						
Global Environmental Facility (GEF) ^a	86.5	86.5	175.0		143.8	
Clean Technology Fund ^a	500.0	300.0	400.0		400.0	
Strategic Climate Fund	100.0	75.0	235.0		190.0	
Global Agriculture and Food Security Program (GAFSP) ^a			408.4		308.0	
Regional/Targeted Development Banks						
Asian Development Bank (AsDB)	115.3		106.6		106.6	
Asian Development Fund (AsDF)		105.0	115.3		115.3	
African Development Bank (AfDB)					32.4	
African Development Fund (AfDF)	159.9	155.0	155.9	26.3	195.0	
Inter-American Development Bank (IDB)					102.0	
Fund for Special Operations (FSO) ^b						
Inter-American Investment Corp (IIC) ^b	4.7	4.7	21.0		20.4	
Multilateral Investment Fund (MIF) ^b	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		30.0	
TOTAL MDB APPROPRIATION	2,341.4	2,043.7	2,957.2		3,144.4	

Source (Tables 2, 3, and 4): Derived from annual appropriation legislation and Treasury Department budget presentation documents.

Notes (Tables 2, 3, and 4): 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. According to the Treasury Department, most funding for MDB programs during FY2011 has been held in abeyance. The government is currently operating under a continuing resolution, and the final appropriation figures for the year are not yet known. A payment of \$26.3 million was made to the African Development Fund, however, in light of that organization’s current financial constraints and the interim spending authority which the continuing resolution provides.

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