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Multilateral Development Banks: U.S. Contributions FY2000-FY2020

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Multilateral Development Banks: U.S. Contributions FY2000-FY2020

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 since 2000.

Multilateral development banks provide financial assistance to developing countries in order to promote economic and social development. The United States belongs to several multilateral development banks, including the World Bank and four regional development banks (the African Development Bank, the Asian Development Bank, the Inter-American Development Bank, and the European Bank for Reconstruction and Development). It also belongs to the North American Development Bank, which is a binational (U.S.-Mexico) development bank; the International Fund for Agricultural Development, which focuses on poverty and hunger in developing countries; and several trust funds administered by the World Bank, which focus on specific global issues such as food security and the environment.

The United States appropriates funding on an annual basis to various multilateral development banks and related funds. For FY2020, the Administration requested funding for a capital increase at the World Bank's non-concessional lending facility (the International Bank for Reconstruction and Development), as well as funding for annual payments to the concessional lending facilities associated with the World Bank, the Asian Development Bank, and the African Development Bank. For FY2020, Congress appropriated these funds, as well as providing funding to the International Fund for Agricultural Development and the Global Environmental Facility (administered by the World Bank) (P.L. 116-94).

The implementing legislation for the United States-Mexico-Canada trade agreement (USMCA) also includes funding for a capital increase at the North American Development Bank. The legislation (H.R. 5430) passed the House and the Senate, and is before the President for his signature.

For further information about the MDBs and relevant U.S. policy process, see the following CRS reports.

CRS Report R41170, *Multilateral Development Banks: Overview and Issues for Congress*, by Rebecca M. Nelson;

CRS Report R41537, *Multilateral Development Banks: How the United States Makes and Implements Policy*, by Rebecca M. Nelson and Martin A. Weiss;

CRS In Focus IF10144, *The Global Environment Facility (GEF)*, by Richard K. Lattanzio; and

CRS Report R45763, *Department of State, Foreign Operations, and Related Programs: FY2020 Budget and Appropriations*, by Cory R. Gill, Marian L. Lawson, and Emily M. Morgenstern.

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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 World Bank also administers trust funds, focused on particular global issues such as food security and the environment.

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 noneconomic 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. Most borrowers from the concessional programs have per capita incomes of less (often much less) than \$1,215 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.

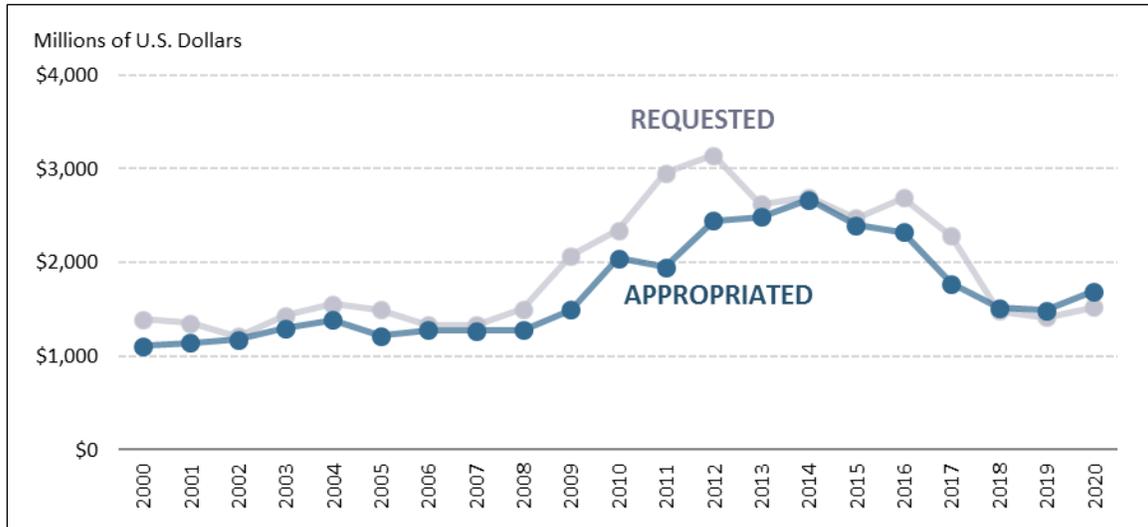
Countries' voting shares are determined mainly by the size of their contributions. The United States is the largest stockholder in most MDBs, and has maintained this position to preserve veto power in some institutions over major policy decisions.

U.S. Appropriations for MDBs

Figure 1, Figure 2, and Tables 1-5 show the amounts the Administration has requested and Congress has appropriated annually since FY2000 to the multilateral development banks. Note that the figures and tables do not include callable capital. Since the early 1980s, Congress has authorized but not appropriated callable capital.

As **Figure 1** illustrates, appropriations to the MDBs increased dramatically starting in 2009, from \$1.28 billion in 2008 to a peak of \$2.67 billion in FY2014. The uptick was driven largely by capital increases for the non-concessional lending facilities at the MDBs in response to the global financial crisis, as well as the proliferation of trust funds administered by the World Bank focused on specific policy issues. As these commitments have been met, particularly in funding the capital increases at the MDBs, overall funding levels started declining. Appropriations declined through FY2019 to \$1.49 billion. Appropriations to the MDBs rose in FY2020 to \$1.69 billion. U.S. contributions to a capital increase for the World Bank's non-concessional lending facility, as well as U.S. contributions to IFAD and the GEF, appropriated by Congress but not requested by the Administration, primarily drove the increase.

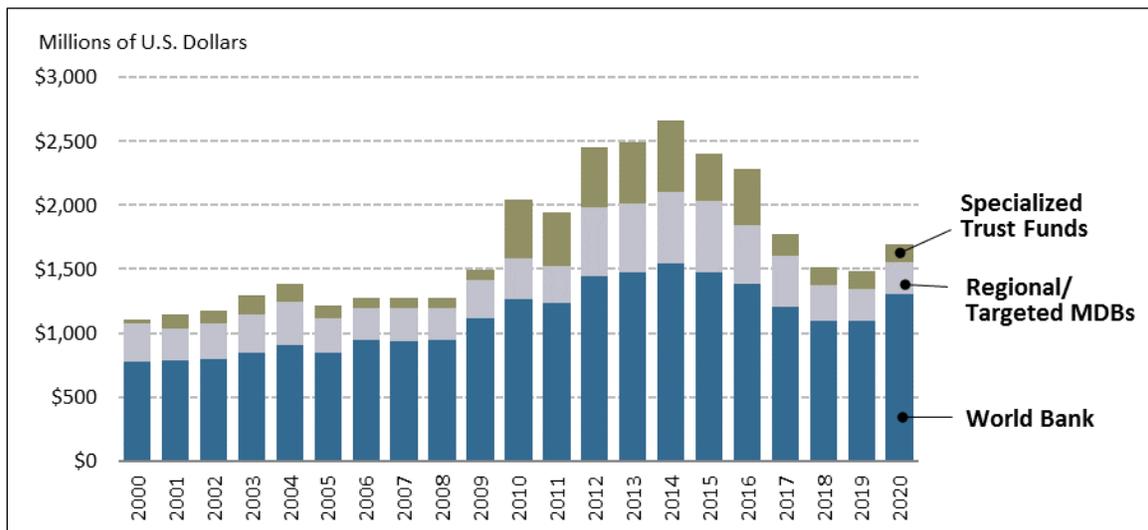
Figure 1. Multilateral Development Banks: Budget Requests and Appropriated Funds, FY2000-FY2020



Source: See Tables I-5.

Note: Nominal U.S. dollars.

Figure 2. Multilateral Development Banks: Appropriated Funds by Category, FY2000-FY2020



Source: See Tables I-5.

Note: Nominal U.S. dollars.

Table I. Multilateral Development Banks: Budget Requests and Appropriated Funds, FY2000-FY2004
(in millions of dollars)

	FY2000		FY2001		FY2002		FY2003		FY2004	
	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
Regional/Targeted Development Banks										
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	112.0
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
Inter-American Development Bank (IDB)	25.6	25.6								
Fund for Special Operations (FSO) ^a										
Inter-American Investment Corp (IIC) ^a	25.0	16.0	34.0	24.9	25.0	18.0	30.4	18.2	30.9	
Multilateral Investment Fund (MIF) ^a	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
North American Development Bank (NADB)										
Specialized Funds^b										
Global Environmental Facility (GEF)	143.3	35.8	175.6	107.8	107.5	100.5	177.8	146.9	185.0	138.4
Clean Technology Fund										
Strategic Climate Fund										
Green Climate Fund										
Global Agriculture and Food Security Program (GAFSP)										
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

(in millions of dollars)

	FY2005		FY2006		FY2007		FY2008		FY2009	
	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			
Regional/Targeted Development Banks										
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
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
Inter-American Development Bank (IDB)										
Fund for Special Operations (FSO) ^a										
Inter-American Investment Corp (IIC) ^a			1.7	1.7			7.3			
Multilateral Investment Fund (MIF) ^a	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
North American Development Bank (NADB)										
Specialized Funds^b										
Global Environmental Facility (GEF)	120.7	106.6	107.5	79.2	56.3	79.2	106.8	81.1	80.0	80.0
Clean Technology Fund									400.0	
Strategic Climate Fund										
Green Climate Fund										
Global Agriculture and Food Security Program (GAFSP)										
TOTAL MDB APPROPRIATION	1,492.7	1,219.2	1,335.2	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-FY2014

(in millions of dollars)

	FY2010		FY2011		FY2012		FY2013		FY2014	
	Request	Approp.								
World Bank Group										
Int'l Bank for Reconstruction & Development (IBRD)					117.4	117.4	187.0	181.0	187.0	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	1,291.4	1,358.5	1,355.0
Int'l Finance Corporation (IFC)										
Multilateral Investment Guarantee Agency (MIGA)										
Regional/Targeted Development Banks										
African Development Bank (AfDB)					32.4	32.4	32.4	30.8	32.4	32.4
African Development Fund (AfDF)	159.9	155.0	155.9	109.8	195.0	172.5	195.0	163.8	195.0	176.3
Asian Development Bank (AsDB)			106.6	106.4	106.6	106.6	106.8	101.2	106.6	106.6
Asian Development Fund (AsDF)	115.3	105.0	115.3	0.0	115.3	100.0	115.3	94.9	115.3	109.9
Inter-American Development Bank (IDB)					102.0	75.0	102.0	107.3	102.0	102.0
Fund for Special Operations (FSO) ^a										
Inter-American Investment Corp (IIC) ^a	4.7	4.7	21.0	21.0	20.4	4.7				
Multilateral Investment Fund (MIF) ^a	25.0	25.0	25.0	25.0	25.0	25.0	13.7		6.3	6.3
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	28.5	30.0	30.0
North American Development Bank (NADB)										
Specialized Funds^b										
Global Environmental Facility (GEF)	86.5	86.5	175.0	89.8	143.8	89.8	129.4	124.8	143.8	143.8
Clean Technology Fund	500.0	300.0	400.0	184.6	400.0	184.6	185.0	175.3	215.7	209.6
Strategic Climate Fund	100.0	75.0	235.0	49.9	190.0	49.9	50.0	47.4	68.0	74.9
Green Climate Fund										
Global Agriculture and Food Security Program (GAFSP)			408.4	99.8	308.0	135.0	134.0	128.2	135.0	133.0
TOTAL MDB APPROPRIATION	2,341.4	2,043.7	2,957.2	1,948.3	3,144.4	2,447.9	2,625.4	2,488.3	2,695.6	2,666.8

Table 4. Multilateral Development Banks: Budget Requests and Appropriated Funds, FY2015-FY2019

(in millions of dollars)

	FY2015		FY2016		FY2017		FY2018		FY2019	
	Request	Approp.								
World Bank Group										
Int'l Bank for Reconstruction & Development (IBRD)	192.9	187.0	192.9	187.0	6.0	5.9				
Int'l Development Association (IDA)	1,290.6	1,287.8	1,290.6	1,197.1	1,384.1	1,197.1	1,097.0	1,097.0	1,097.0	1,097.0
Int'l Finance Corporation (IFC)										
Multilateral Investment Guarantee Agency (MIGA)										
Regional/Targeted Development Banks										
African Development Bank (AfDB)	34.1	32.4	34.1	34.1	32.4	32.4	32.4	32.4	32.4	
African Development Fund (AfDF)	195.0	175.7	227.5	175.7	214.3	214.3	171.3	171.3	171.3	171.3
Asian Development Bank (AsDB)	112.2	106.6	5.6	5.6						
Asian Development Fund (AsDF)	115.3	105.0	166.1	105.0	99.2	99.2	47.4	47.4	47.4	47.4
Inter-American Development Bank (IDB)	102.0	102.0	102.0	102.0	21.9	21.9				
Fund for Special Operations (FSO)										
Inter-American Investment Corp (IIC)										
Multilateral Investment Fund (MIF)		3.4								
European Bank for Reconstruction and Development (EBRD)										
International Fund for Agricultural Development (IFAD)	30.0	30.	31.9	31.9	30.0	30.0	30.0	30.0		30.0
North American Development Bank (NADB)			45.0	10.0	45.0					
Specialized Funds										
Global Environmental Facility (GEF)	136.6	136.6	168.3	168.3	146.6	146.6	102.4	139.6	68.3	139.6
Clean Technology Fund	201.3	184.6	170.7	170.7						
Strategic Climate Fund	63.2	49.9	59.6	49.9						
Green Climate Fund			150.0		250.0					
Global Agriculture and Food Security Program (GAFSP)			43.0	43.0	23.0	23.0				

	FY2015		FY2016		FY2017		FY2018		FY2019	
	Request	Approp.								
Central America & Caribbean Catastrophe Risk Insurance Program					12.5					
Global Infrastructure Facility (GIF)					20.0					
TOTAL MDB APPROPRIATION	2,473.2	2,400.9	2,687.3	2,280.2	2,285.0	1,770.6	1,480.5	1,517.7	1,416.4	1,485.3

Table 5. Multilateral Development Banks: Budget Requests and Appropriated Funds, FY2020
(in millions of dollars)

	FY2020	
	Request	Approp.
World Bank Group		
Int'l Bank for Reconstruction & Development (IBRD)	206.5	206.5
Int'l Development Association (IDA)	1,097.0	1,097.0
Int'l Finance Corporation (IFC)		
Multilateral Investment Guarantee Agency (MIGA)		
Regional/Targeted Development Banks		
African Development Bank (AfDB)		
African Development Fund (AfDF)	171.3	171.3
Asian Development Bank (AsDB)		
Asian Development Fund (AsDF)	47.4	47.4
Inter-American Development Bank (IDB)		
Fund for Special Operations (FSO)		
Inter-American Investment Corp (IIC)		
Multilateral Investment Fund (MIF)		
European Bank for Reconstruction and Development (EBRD)		
International Fund for Agricultural Development (IFAD)		30.0
North American Development Bank (NADB)		
Specialized Funds		
Global Environmental Facility (GEF)		139.5
Clean Technology Fund		
Strategic Climate Fund		
Green Climate Fund		
Global Agriculture and Food Security Program (GAFSP)		
TOTAL MDB APPROPRIATION	1,522.2	1,691.8

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

Notes: Data include rescissions. Data do 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. Table does not include requests or appropriations for multilateral debt relief initiatives. Totals may not add due to rounding. Data are nominal U.S. dollars.

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

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

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