

# THE BRETTON WOODS COMMITTEE

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## FY22 Omnibus Analysis

Amidst the backdrop of the Ukraine crisis and the ongoing global pandemic, the U.S. Congress has passed an omnibus spending bill for FY22 including annual funding for the International Financial Institutions (IFIs).

The good news is that Biden Administration requests for the World Bank (IBRD and IDA) annual appropriations for FY22 were fully funded, and certain IMF support for low-income country funding. The African Development Bank and African Development Fund were also fully funded including paying down some AfDF arrears (unmet contributions). The Asian Development Fund was also fully funded including some arrears.

The bad news is that Congress failed to secure key authorizations required to lend SDRs to the IMF, to provide a SEC registration exemption to IDA, and to fund the next replenishment of the Asian Development Fund. It also did not deliver on paying down arrears to IDA. Below we outline what was funded, what was not, and the implications for the IFIs.

### International Financial Institutions

	FY21 Enacted	FY22 Request	FY22 Omnibus
IMF	-	\$102.00	\$102.00
IBRD	\$206.50	\$206.50	\$206.50
International Development Association	\$1,001.40	\$1,001.40	\$1,001.40
IDA - arrears	-	\$426.57	-
Asian Development Fund	\$47.40	\$43.61	\$43.61
AsDF - arrears	-	\$9.71	\$9.71
African Development Fund	\$171.30	\$171.30	\$171.30
AfDF - arrears	-	\$40.00	\$40.00
African Development Bank	\$54.65	\$54.65	\$54.65

*\*amounts listed in millions USD*

### IMF

#### *What Was Funded*

The Omnibus bill includes an appropriation of \$102 million for a contribution to the Poverty and Growth Trust Fund (PRGT) or other special purpose vehicle of the IMF. This allows the Treasury to donate to the PRGT subsidy

account which subsidizes the interest rate low-income countries pay on their PRGT loans (currently 0%).

### ***What Was Not Included***

The bill does not include the required authorization for lending SDRs to the PRGT or other IMF trust fund. In August the IMF Board of Governors approved a \$650 billion allocation of Special Drawing Rights (SDRs). SDRs are allocated to IMF member countries in proportion to their existing quotas. Advanced economies have the option to re-allocate their SDRs to low-income countries through lending to the PRGT or other trust fund—the IMF has proposed a new Resilience and Sustainability Trust Fund (RST). Without Congressional authorization for SDR lending, the US cannot lend to the RST. Read BWC’s primer on SDRs [here](#).

## **WORLD BANK**

### ***What Was Funded***

***International Development Association (IDA)*** - Consistent with FY21 enacted levels, \$1.01 billion covers the second of three contributions the U.S. committed under IDA’s last triennial replenishment exercise. IDA provides concessional financing primarily in the form of grants to the world’s 74 poorest countries.

***International Bank for Reconstruction and Development (IBRD)*** - \$206.5 million goes to IBRD, the World Bank’s vehicle for lending to middle-income and creditworthy low-income countries. This is consistent with FY21 enacted levels and represents the third of six payments committed by the U.S. during the IBRD’s last capital increase.

### ***What Was Not Included***

***SEC securities exemption for IDA*** - The Administration had requested an exemption for IDA from the U.S. Securities and Exchange Commission registration requirements. Registration requirements increase the cost to IDA of issuing securities in U.S. capital markets and have been waived for all other multilateral development banks. Waiving registration would put IDA on a par with other IFIs and would lower IDA’s borrowing costs, increasing the resources available to the world’s poorest countries to the tune of \$700 million over five years. Read BWC’s explainer [here](#).

***IDA arrears*** - \$426.6 million requested by the Administration to eliminate U.S. arrears—unmet contribution commitments that the U.S. government has made during IDA replenishments—was not appropriated.

## MULTILATERAL DEVELOPMENT BANKS

### African Development Bank

#### *What Was Funded*

*African Development Bank* - \$54.6 million for the African Development Bank (AfDB), the second of eight payments for the AfDB's seventh capital increase. Consistent with the FY21 enacted level, the U.S. also appropriated \$171 million per its commitment under the African Development Fund's (AfDF) recent replenishment. They also funded an additional \$40 million to reduce arrears to the AfDF.

*What Was Not Included* - Nothing

### Asian Development Bank

#### *What Was Funded*

*Asian Development Fund (AsDF)* - \$53.3 million was appropriated to the Asian Development Fund, the Asian Development Bank's lending vehicle for low-income countries. \$43.6 million towards the first of four installments to the recent replenishment and \$9.7 million for arrears to the AsDF.

#### *What Was Not Included*

The omnibus did not include authorization language for the twelfth AsDF replenishment. As a result, the \$43.6 million appropriation cannot be contributed to AsDF, pending the authorization. The \$9.7 million for arrears can be contributed because it was previously authorized.

### Other Multilateral Initiatives

	FY21 Enacted	FY22 Request	FY22 Omnibus
IFAD	\$32.50	\$43.00	\$43.00
Clean Technology Fund	-	\$300.00	\$125.00
Green Climate Fund	-	\$1,250.00	-
Global Environment Facility	\$139.58	\$149.29	\$149.29
DSSI + Debt treatment	-	\$52.00	\$52.00
Debt Restructuring - Tropical Forest	\$15.00	\$15.00	\$15.00

\*amounts listed in millions USD

#### *What Was Funded*

*IFAD* - \$43 million for the first of three installments towards the International Fund for Agricultural Development (IFAD) replenishment. This represents a \$10 million increase over FY21 enacted levels. IFAD supports rural economic

development, including in conflict-afflicted and fragile environments, by boosting farmers' agricultural productivity, incomes, and access to markets.

**CTF** - \$125 million contributed to the Clean Technology Fund (CTF). The U.S. has not contributed to the CTF since 2017. This includes \$125 million to subsidize a loan to the CTFs Accelerating Coal Transitions Investment Program. The CTF catalyzes private and public investment in low-income countries to cover the cost difference between clean-energy technologies and dirtier ones.

**GEF** - \$149.3 million contributed to the Global Environment Facility (GEF), a \$9.7 million increase over the FY21 enacted level. \$12.7 million of this reduces U.S. arrears to the GEF. The GEF is one of the largest global funders dedicated to environmental issues like land degradation, biodiversity, chemicals and waste with the World Bank serving as the Facility's trustee.

**Debt Initiatives** - \$67 million to provide poor countries with debt restructuring and relief. Of that, \$52 million in appropriated funds are intended to cover the subsidy cost of restructuring debt owed to the US government by countries receiving debt relief under the Debt Service Suspension Initiative (DSSI) and the Common Framework for Debt Treatments that were designed to ensure that all G20 members offer debtor countries comparable relief. The remaining \$15 million is to support debt-for-nature swaps in which developing countries with outstanding debts to the U.S. redirect payments to support forest and coral reef conservation efforts. [Read more](#) on debt from BWC's Sovereign Debt Working Group.

### **What Was Not Included**

**GCF** - \$1.25 billion (of which half was requested by Treasury and half by State) to the Green Climate Fund (GCF), the financing mechanism under the United Nations Framework Convention on Climate Change. The U.S. has not contributed to the GCF since 2017. The GCF works through the IFIs and other channels to support initiatives to lower greenhouse gas emissions and promote climate resilience in low-income countries.

## REFERENCES

BWC FY22 PBR analysis is available [here](#).

The text of the spending package, H.R. 2471, is available [here](#).

- Explanatory statements are available [here](#).
- A full summary of the 12 regular appropriations bills is [here](#).
- A summary of the Ukraine supplemental is [here](#) and a one-page fact sheet is [here](#).

*This paper was prepared by the Bretton Woods Committee's Legislative Working Group, which provides policy-makers in Congress and the Administration with non-partisan expertise on the International Financial Institutions. The Working Group is co-chaired by Whitney Debevoise and Meg Lundsager and includes Sara Aviel, Tony Fratto, Bill Frymoyer, Jim Kolbe, Clay Lowery, Scott Morris, and Mark Sobel.*