

THE WHITE HOUSE
WASHINGTON

June 27, 2007

Dear Mr. Speaker:

I ask the Congress to consider the enclosed FY 2007 Budget amendments for International Assistance Programs. The total discretionary budget authority in my FY 2007 Budget would not be increased by these requests.

The details of this proposal are set forth in the enclosed letter from the Director of the Office of Management and Budget.

Sincerely,

A handwritten signature in black ink, appearing to read "George W. Bush". The signature is written in a cursive style with a large, sweeping initial "G".

The Honorable J. Dennis Hastert
Speaker of the House of Representatives
Washington, D.C. 20515

Enclosure



THE DIRECTOR

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

June 27, 2007

The President
The White House

Submitted for your consideration are FY 2007 Budget amendments for International Assistance Programs. These amendments propose an increase in funding for the Global Environment Facility, fully offset by the elimination of funding for a new program at the Asian Development Bank. The total discretionary budget authority proposed in your Budget would not be increased by these amendments.

I have reviewed these proposals and am satisfied that they are necessary at this time. Therefore, I join the Secretary of the Treasury in recommending that you transmit the proposals to the Congress.

Sincerely,


Rob Portman

Enclosures

Agency: DEPARTMENT OF STATE AND OTHER INTERNATIONAL PROGRAMS

Bureau: Multilateral Assistance

Heading: Global Environment Facility

FY 2007 Budget

Appendix Page: 787

FY 2007

Pending Request: \$56,250,000

Proposed Amendment: \$23,750,000

Revised Request: \$80,000,000

This proposal would increase the FY 2007 request for the Global Environment Facility (GEF) by \$23.75 million to \$80 million for the scheduled payment for the first year of the latest replenishment (GEF-4) agreement. Negotiation of this agreement was completed in early June 2006.

The FY 2007 Budget requested \$56.25 million for the GEF and \$23.75 million for a possible new environmental program at the Asian Development Bank (AsDB), for a combined level of \$80 million for global environmental programs in the Multilateral Development Banks (MDBs). The Budget noted that the requested amounts might be rebalanced between these two accounts pending the outcome of the then-ongoing GEF-4 replenishment negotiations.

The Administration believes that the policy reforms obtained in the GEF-4 negotiation warrant a U.S. commitment of \$320 million over the four-year replenishment period (\$80 million per year). The reforms, which are consistent with U.S. legislative provisions enacted last year, include, among others, setting a target date for the expansion of the GEF's performance-based allocation system and the establishment of strong fiduciary standards at the GEF implementing and executing agencies. The United States will remain the largest contributor to the GEF.

Given the satisfactory results from the GEF-4 negotiations, the Administration is proposing to increase funding for the GEF in lieu of creating a new AsDB environmental program. The accompanying amendment fully offsets this proposed budget authority increase. Taken together, the amendments would reduce projected FY 2007 outlays by \$2.4 million.

Agency: DEPARTMENT OF STATE AND OTHER INTERNATIONAL PROGRAMS

Bureau: Multilateral Assistance

Heading: Contribution to the Asian Development Bank

FY 2007 Budget Appendix Page: 789

FY 2007 Pending Request: \$23,750,000

Proposed Amendment: -\$23,750,000

Revised Request: ---

(Delete the heading above and the appropriations language that follows.)

This amendment eliminates the funding request for a new environmental program at the Asian Development Bank (AsDB). The FY 2007 Budget included \$23.75 million for a possible new environmental program at the Asian Development Bank (AsDB) and \$56.25 million for the Global Environment Facility (GEF), for a combined level of \$80 million. The Budget noted that the requested amounts might be rebalanced between these two accounts pending the outcome of the then-ongoing GEF-4 replenishment negotiations. Given the satisfactory results from the GEF-4 replenishment negotiations, the Administration is proposing to increase funding for the GEF in lieu of creating a new AsDB environmental program.

This proposed budget authority decrease to AsDB fully offsets the requested budget authority increase for GEF in the accompanying amendment. Taken together, the amendments would reduce projected FY 2007 outlays by \$2.4 million.