

Authorization Requests

For FY2006, the Administration will be requesting authorization for three concessional windows of the multilateral development banks (MDBs): the International Development Association (IDA); the African Development Fund (AfDF); and the Asian Development Fund (AsDF). Additionally, the Administration will be seeking authority to reduce lend-lease debt under the Heavily Indebted Poor Countries (HIPC) initiative.

International Development Association (IDA-14): \$2.85 billion over 3 years (FY06-08).

- U.S. leadership in the IDA-14 replenishment negotiations achieved a number of key reforms, most notably a significant increase in grant financing. The share of new funding disbursed to the poorest countries through grants, rather than loans, will increase from about 25% to approximately 45%. Agreement was also reached on an expanded results measurement system and progress toward greater transparency.

See Tab 5 for a more detailed description of the International Development Association.

African Development Fund (AfDF-10): \$407 million over 3 years (FY06-08).

- In the AfDF-10 replenishment negotiations, the U.S. was also successful in attaining a substantial increase in grant financing to the poorest countries, from a level of about 20% to approximately 45%. The replenishment also achieved greater selectivity and effectiveness of operations, enhanced transparency and anti-corruption measures, and greater support to post-conflict countries.

See Tab 7 for a more detailed description of the African Development Fund.

Asian Development Fund (AsDF-9): \$461 million over 4 years (FY06-09).

- The AsDF-9 replenishment negotiations established, for the first time in the AsDF, a grant window where approximately 30% of assistance to the poorest countries will be in the form of grants. Agreement was also reached to increase the weight given to good governance and strong policy performance in the system used to allocate AsDF resources to countries, to provide a significant increase in resources for anti-corruption activities, and to establish a results management unit to oversee the implementation of a new results measurement strategy throughout the institution.

See Tab 8 for a more detailed description of the Asian Development Fund.

Debt Reduction: Authorization to reduce Lend-Lease Debt under the HIPC Initiative.

- Authorization is requested to expand the list of statutes contained in the original legislation to include the Lend-Lease Act of 1941. This amendment would provide the President authority to forgive amounts owing by Liberia under the Lend-Lease program. Liberia is the only HIPC country that has debt outstanding under that program.

See Tab 13 for a more detailed description of the Heavily Indebted Poor Countries Initiative.