

THE ADMINISTRATION'S FY2003 BUDGET REQUEST FOR TREASURY INTERNATIONAL PROGRAMS

President Bush's FY2003 budget includes requests for U.S. contributions to the Multilateral Development Banks (MDBs) and for Treasury's International Technical Assistance programs. The attached document is intended to assist Congress in its deliberations on these requests.

The International Financial Institutions, which include the MDBs, are essential instruments for achieving the international economic policy goals of the United States, including raising economic growth and improving economic stability in the world economy. I am convinced that these institutions can do a better job in raising the living standards of people all over the world, and it has been a high priority from the beginning of the Bush Administration to improve their effectiveness. Our message is beginning to take hold, but much work remains to be done. We are aggressively pursuing a reform agenda that emphasizes such key elements as:

- Focussing MDB operations on projects and programs that raise productivity growth, the key to raising living standards and reducing poverty.
- Measuring results to determine the effectiveness and level of our contributions.
- Increasing use of grants as the best way to deliver assistance to the poorest countries.
- Strengthening efforts to stimulate private-sector investment, promote good government and the rule of law, and fight corruption.

If we stay the course on our reform efforts, we can make a very meaningful difference in the lives of millions of people by helping them to realize their potential as productive, thriving citizens of the world. I look forward to working together as you consider our request for your bipartisan support.

Paul H. O'Neill