

Summary: The World Bank Group

International Development Association (IDA)

Request: \$874.3M

IDA is the concessional lending affiliate of the World Bank. It extends highly concessional loans to the world's poorest countries to finance priority investments in health, education, sanitation, and infrastructure required for lasting poverty reduction. It also promotes basic economic policy and institutional reforms needed for sustainable economic growth and development. IDA grants are used to provide interim relief on IBRD loans as a part of the World Bank's share of the debt relief provided under the enhanced Heavily Indebted Poor Countries (HIPC) initiative. Resources freed up by HIPC debt relief will be used to reduce poverty in HIPC countries. IDA operations are financed by periodic replenishments from donor countries, repayment reflows from past loans (including a .75% charge paid by borrowers on outstanding loans), and direct transfers from the World Bank's earnings on its market rate lending.

For FY2003, the Administration is requesting \$850 million for the first U.S. scheduled contribution under IDA-13, and \$24.3 million to pay one-third of its outstanding arrears.

Note: Internet website: www.worldbank.org/ida

International Bank for Reconstruction and Development (IBRD)

Request: \$0

The IBRD lends at market-based rates to lower and middle income developing countries to finance economic development, notably through poverty reduction investments and economic policy reforms. IBRD lending operations are financed by bond issues on international markets, on the basis of the World Bank's AAA credit rating, and by repayments of and interest earnings on, existing loans, and investments. The IBRD's charter limits lending to entities covered by a sovereign guarantee.

For FY2003, the Administration has no funding request for IBRD.

Note: Internet website: www.worldbank.org

Multilateral Investment Guarantee Agency (MIGA)

Request: \$3.6M

The MIGA was established in 1988 to promote economic development by providing investment insurance (guarantees) to foreign direct investors, against non-commercial risk in developing countries at market rates. To date, MIGA insurance has facilitated an estimated \$41 billion in foreign direct investments in 78 developing countries. MIGA operations are financed by capital subscriptions from its more than 150 member countries and by partnerships with national and private insurers.

For FY2003, the Administration is requesting \$3.6 million to pay one-third of its outstanding arrears with MIGA

Note: Internet website: www.worldbank.org or www.miga.org

International Finance Corporation (IFC)

Request: \$0

The IFC is the private sector investment arm of the World Bank, making direct equity investments and loans to promote private sector development, foreign investment, privatization, and efficient financial markets in developing countries. IFC operations are financed by bond issues on international capital markets on the basis of its AA credit rating. The IFC lends directly to private companies without a sovereign guarantee.

For FY2003, the Administration has no funding request for IFC.

Note: Internet website: www.worldbank.org or www.ifc.org

Note: All institutions in the World Bank Group use the
World Bank Fiscal Year: July 1- June 30