



# State, Foreign Operations Appropriations: A Guide to Component Accounts

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## Summary

The State, Foreign Operations, and Related Programs appropriations legislation provides annual funding for almost all of the international affairs programs generally considered as part of the 150 International Affairs Budget Function (the major exception being food assistance). The legislation has also served as a vehicle for Congress to place conditions on the expenditure of those funds, and express its views regarding certain foreign policy issues.

This report briefly discusses the legislation generally and then provides a short description of the various funding accounts as they appear in Division F, “Department of State, Foreign Operations, and Related Programs Appropriations Act, 2010,” of the Consolidated Appropriations Act, 2010 (P.L. 111-117). For FY2011, State, Foreign Operations programs are currently being funded under a continuing resolution (P.L. 111-242, as amended) that funds these programs through March 4, 2011.

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## Introduction

The Department of State, Foreign Operations, and Related Programs (State, Foreign Operations) appropriations bill provides annual appropriations for the vast majority of international affairs programs generally considered as part of the 150 International Affairs Budget Function.<sup>1</sup> The State Department portion makes up about one-third of the funding, and the Foreign Operations portion—often called the “foreign aid” bill—makes up the remainder of the funds appropriated.<sup>2</sup>

Among the areas covered by the State, Foreign Operations appropriations legislation, and explained below, are the Department of State and the U.S. Agency for International Development’s (USAID’s) operating budgets; both assessed and voluntary U.S. contributions to international organizations and peacekeeping operations; U.S. non-military international broadcasting; bilateral and multilateral U.S. foreign economic assistance; assistance to foreign militaries; anti-narcotics funding; and funding for the Peace Corps, the Millennium Challenge Corporation, and the many other programs operated primarily by the Department of State and USAID through which the United States engages with the world to protect and advance U.S. national interests. Beyond providing funds, the appropriations bills, in recent years, also have been an important vehicle in conditioning the use of these funds and stating congressional views regarding foreign policy issues.

There are, however, several funding areas that are not covered by the State, Foreign Operations appropriations legislation that might be considered international affairs activities. These programs would include P.L. 480 and other food assistance, included in the 150 budget function but funded by the Agriculture appropriations bill. While the State Department and USAID sponsor nearly four-fifths of U.S. and foreign participants in educational and cultural exchange programs, other government agencies are responsible for the remaining participants in such programs, including, for example, the short-term exchange of scientists program at the National Cancer Institute. The Department of Defense’s Commander’s Emergency Response Program (CERP) supports reconstruction needs in Iraq and Afghanistan, and its “Section 1206” authority supports the strengthening of foreign military capacities. These other-agency programs are funded through their own agency appropriations measures.

While the appropriation of funds is an authority reserved for Congress by the Constitution, the two-step authorization/appropriations process is established by House and Senate rules; and the authorization of appropriations is intended to provide guidance to appropriators as to a general amount and under what conditions funding might be provided to an agency or program.<sup>3</sup> However, in the case of the State Department and foreign assistance programs, it is prescribed by law that legislation authorizing appropriations is required before the appropriations can be made.<sup>4</sup>

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<sup>1</sup> International affairs is one category of the various components of the federal budget designated by the Office of Management and Budget (OMB). Each category represents a major objective and operation of the federal government. Each function and subfunction is assigned a three-digit code. International affairs is 150. Subfunction 151 encompasses international development and humanitarian assistance; subfunction 152 consists of security assistance programs, etc. Accounts under the International Commissions category of the legislation are the exception—they are part of the 300 Natural Resources Budget Function.

<sup>2</sup> Until the 110<sup>th</sup> Congress, the State Department and Foreign Operations portions of the bill were developed in different Appropriations subcommittees and considered as separate bills.

<sup>3</sup> CRS Report RS20371, *Overview of the Authorization-Appropriations Process*, by Bill Heniff, Jr.

<sup>4</sup> See sec. 15 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2680) and sec. 10 of the Foreign (continued...)

These provisions have been waived in the years for which Congress has not enacted authorizations.<sup>5</sup>

Within the appropriations legislation, account names have changed over the years and new accounts have been added. In FY2008, for example, the International Disaster and Famine Assistance account became the International Disaster Assistance account. In the FY2009 bill, the Former Soviet Union account was combined with the Eastern Europe and Baltic States account to form a new Europe, Eurasia, and Central Asia account. In the FY2006 bill, a new Democracy Fund was established. The overall organization of the legislation may change as well. The FY2009 bill added a new title (Title II), specifically for USAID operations.

In the FY2010 Consolidated Appropriations Act (P.L. 111-117), the State Department, Foreign Operations, and Related Programs appropriations legislation (Division F) is divided into seven titles:

Title I	Department of State and Related Agencies
Title II	United States Agency for International Development
Title III	Bilateral Economic Assistance
Title IV	International Security Assistance
Title V	Multilateral Assistance
Title VI	Export and Investment Assistance
Title VII	General Provisions

This report briefly explains the different accounts in the order they are presented in the FY2010 State, Foreign Operations appropriations legislation. For FY2011, State, Foreign Operations programs are currently being funded under a continuing resolution (P.L. 111-242, as amended) that funds these programs through March 4, 2011, on the basis of the FY2010 legislation.

## Account Descriptions

### Title I—Department of State and Related Agencies

Title I provides funds for (1) the personnel, operations, and programs of the Department of State; (2) U.S. participation in international organizations, such as the United Nations as well as small commissions such as the International Boundary and Water Commission between the United

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(...continued)

Military Sales Act amendments, 1971 (22 U.S.C. 2412).

<sup>5</sup> For example, see sec. 7023 of the FY2010 Consolidated Appropriations Act, Division F (P.L. 111-117). Most foreign operations program appropriations have not been authorized since 1987. For related discussion, see CRS Report R40089, *Foreign Assistance Act of 1961: Authorizations and Corresponding Appropriations*, by Dianne E. Rennack.

States and Mexico; (3) U.S. government, non-military-international broadcasting; and (4) several U.S. non-governmental agencies whose purposes also help promote U.S. interests abroad, and other U.S. commissions and interparliamentary groups more directly related to U.S. foreign policy initiatives, such as the U.S. Commission on International Religious Freedom.

## **Administration of Foreign Affairs**

The Administration of Foreign Affairs account category provides for the personnel, operations, and programs of the Department of State as well as the construction and maintenance of its facilities around the world.

### **Diplomatic and Consular Programs (D&CP)**

Diplomatic and Consular Programs is the operating account of the Department of State. It includes salaries for all its employees; funding for the operations of the Office of the Secretary, the deputy secretaries, and the under secretaries; funding for the operations of the various regional, functional, and administrative bureaus and their programs associated with the conduct of foreign policy; “non-bricks-and-mortar” security including funds for a guard force, armored vehicles, security training, and electronic and other technical security systems; telecommunications; medical care; transportation and travel; and training.

### **Civilian Stabilization Initiative (CSI)**

CSI seeks to improve and maintain an U.S. civilian capability to assist fragile and failed states that are coming out of crisis and conflict situations to stabilize and rebuild the country and its society. While the George W. Bush Administration requested funding for the Civilian Stabilization Initiatives to be fully under the Department of State, Congress divided funding of CSI through both the State Department and USAID. Working in the State Department, the Coordinator for Reconstruction and Stabilization (S/CRS) is to coordinate the U.S. government interagency response. Along with the funds identified for USAID to provide for the USAID’s component to the Civilian Stabilization Initiative, S/CRS is to recruit, organize, train, equip, and deploy if necessary a three-layer Civilian Response Corp—the Active Response Corps, and the Standby Response Corps from 17 federal agencies and the Department of Defense, and the larger Civilian Reserve Corps from the private sector. Under a planned reorganization, the State Department intends to create a new Bureau of Conflict and Stabilization Operations (CSO), which will subsume S/CRS and expand its mandate.

### **Capital Investment Fund (CIF)**

The Capital Investment Fund was created in 1994 to provide for purchasing information technology and other capital equipment to ensure efficient management, coordination, and communications.

### **Office of the Inspector General (OIG)**

This account funds the State Department’s Office of the Inspector General, which conducts independent audits, inspections, and investigations of the programs and offices of Department of State and the Broadcasting Board of Governors (BBG).



## **Educational and Cultural Exchange Programs**

With funds appropriated to this account, the State Department manages U.S. educational exchanges, such as the Fulbright and Humphrey Fellowships, and citizen exchanges, such as the International Visitors Leadership Program, and the Sports United and Youth Exchange programs that focus on middle and high school students. Cultural exchange programs include sending a variety of U.S. musical, theatrical, and other performing arts groups, as well to exhibitions, to showcase American arts in performances and workshops around the world.

## **Representation Allowances**

Funding for the Representation Allowances account provides partial reimbursement to Ambassadors, Principal Officers, and some Foreign Service for costs associated with maintaining vital contacts in the host country where they are assigned.

## **Protection of Foreign Missions and Officials**

The U.S. Diplomatic Security Service permanently or intermittently protects international organizations and foreign missions and officials in New York City and elsewhere in the United States.

## **Embassy Security, Construction, and Maintenance (ESCM)**

The Embassy Security, Construction and Maintenance account is divided in two parts: (1) On-going Operations, which funds the general maintenance and support of U.S. State Department facilities both in the United States and abroad, and (2) Worldwide Security (WWS) Upgrades, which funds the construction and security upgrades of embassy and facilities around the world.

## **Emergencies in the Diplomatic and Consular Services**

The Emergencies account addresses unexpected events, such as the evacuation of U.S. diplomats and their families from an embassy, medical evacuations, and travel expenses related to natural disasters. This account also pays for rewards for information related to international terrorism, narcotics-related activities, and war crimes tribunals.

## **Buying Power Maintenance Account**

The Buying Power Maintenance account helps the Department of State manage exchange rate losses in the cost of its overseas operations.

## **Repatriation Loan Program**

The Repatriation Loan Program allows the U.S. government to provide funds, on a loan basis, to U.S. citizens abroad who become destitute and are unable to fund their return to the United States.

## **Payment to the American Institute in Taiwan (AIT)**

The American Institute in Taiwan acts as an unofficial U.S. consulate. The account supports a contract providing for salaries, benefits, and other expenses associated with maintaining the Institute.

## **Foreign Service Retirement and Disability Fund**

The Fund is a mandatory expense that covers the U.S. government's portion of maintaining the retirement program for the Foreign Service and Foreign Service Nationals/Locally Hired Employees. Contributions to this fund are made by both the employee and the hiring agency.

## **International Organizations**

Through the two accounts in the International Organizations category, the United States meets its assessed obligations to the many international organizations and peacekeeping efforts that the United States supports.

### **Contributions to International Organizations (CIO)**

The International Organizations account under the Department of State funds the assessed U.S. contributions to the United Nations (U.N.) and U.N. system organizations, Inter-American organizations, and various regional organizations to which the United States belongs through U.S. law, treaty, or convention. U.S. contributions to organizations funded through the CIO account generally provide about 25% of each organization's budget.

### **Contributions for International Peacekeeping (CIPA)**

The International Peacekeeping account funds assessments on the United States for the 16 current U.N. Peacekeeping operations around the world and two ongoing War Crimes Tribunals regarding Yugoslavia and Rwanda. U.S. contributions generally provide about 27% of the various organizations' budgets.

## **International Commissions**

Accounts under the International Commissions category were established by treaties and agreements that the President ratified with the advice and consent of the Senate. The accounts provide funding for the U.S. portion of the salaries and programs of the following bilateral and multilateral commissions:

- International Boundary and Water Commission between the United States and Mexico,
- International Joint Commission (between the U.S. and Canada),
- International Boundary Commission (between the U.S. and Canada),
- Border Environment Cooperation Commission, and
- International Fisheries Commissions.

## **Broadcasting Board of Governors (BBG)**

The nine-member Broadcasting Board of Governors supervises and funds all non-military, U.S. government international broadcasting. Operating in 59 languages, these broadcasts include Voice of America (VOA), Broadcasting to Cuba (Radio and TV Marti), Radio Free Europe/Radio Liberty (RFE/RL), Radio Free Asia (RFA), and the Middle East Broadcasting Network (MBN), which includes Alhurra, Alhurra-Iraq, Alhurra-Europe, and Radio Sawa. The broadcasting category is generally divided into the following two accounts:

### **International Broadcasting Operations**

The Operations account funds the operations of the BBG and all U.S. government, non-military international broadcasts, including salaries and benefits of management, administrative staff, broadcasters, and reporters; contracts with surrogate broadcasters such as Radio Free Asia; provision of office and broadcasting studio facilities; transitioning to new communications methods such as greater use of the Internet; and other operating expenses.

### **Broadcasting Capital Improvements**

The Capital Improvements account supports maintenance of the BBG from broadcast station repair to the building of new antennas.

## **Related Programs**

Under this category, funds are provided to several non-governmental organizations that have objectives that are similar to views and positions advocated by the United States in its foreign policy. These non-governmental organizations provide educational programs, exchanges, and grants to organizations in foreign countries promoting democracy, rule of law, economic development, open markets, literacy, women's rights, and many similar objectives. Most of these organizations are nonprofit organizations and receive funding from both the U.S. government, through appropriated funds, and through private donations.

### **The Asia Foundation**

The Foundation seeks to strengthen democratic processes and institutions in Asia, open markets, and improve U.S.-Asian relations.

### **United States Institute of Peace (USIP)**

The U.S. Institute of Peace mission is to promote international peace through educational programs, conferences, and workshops, professional training, applied research, and dialogue facilitation in the United States and abroad.

### **International Center for Middle Eastern-Western Dialogue**

The Center convenes policy discussion meetings, and develops programs of cooperative study for those working on issues related to the growth of civil society and democratic institutions, and the

peaceful resolution of differences among the countries of the Middle East and between the countries of the Middle East and Western nations.

### **Eisenhower Exchange Fellowship Program**

The Exchange Program brings professionals who are rising leaders in their countries to the United States and sends their U.S. counterparts abroad with a custom-designed program for each participant to make contacts and learn about the other's country and work environment.

### **Israeli-Arab Scholarship Program (IASP)**

The IASP funds scholarships for Israeli Arabs to attend institutions of higher education in the United States.

### **East-West Center (The Center for Cultural and Technical Interchange Between East and West)**

The East-West Center promotes understanding and cooperation among the governments and peoples of the Asia/Pacific region and the United States.

### **National Endowment for Democracy (NED)**

NED is a private, non-profit organization established to support democratic institutions in over 90 countries.

### **Other Commissions**

The Commissions and groups in the Other Commissions category of the State, Foreign Operations legislation, are organizations that are established by an Act of Congress to advance certain U.S. objectives in the international arena. In the Federal Budget submission to the Congress, these organizations are listed under the legislative branch Boards and Commissions, but are funded through the State, Foreign Operations legislation. The funding meets the operational and programmatic requirements of these organizations.

### **Commission for the Preservation of America's Heritage Abroad**

The Commission seeks to purchase, restore, or preserve endangered cultural sites in Eastern and Central Europe important to the heritage of U.S. citizens, and seeks help from other governments in this effort.

### **Commission on International Religious Freedom (CIRF)**

In consultation with the State Department, the Commission seeks to promote international religious freedom.

### **Commission on Security and Cooperation in Europe (CSCE)**

The Commission oversees the work of the Organization on Security and Cooperation in Europe (OSCE), particularly in the area of humanitarian affairs.

### **Congressional-Executive Commission on the People’s Republic of China**

The Commission monitors China’s compliance with international human rights agreements and standards.

### **United States-China Economic and Security Review Commission**

The Commission monitors, investigates, and submits to Congress an annual report and recommendations on the national security implications of the bilateral trade and economic relationship between the United States and the People’s Republic of China.

## **Title II—United States Agency for International Development (USAID)**

This title provides operational funds for USAID, an independent agency directly responsible for implementing most bilateral development assistance and disaster relief programs, many of which are funded in Title III.

### **Funds Appropriated to the President**

#### **U.S. Agency for International Development Operating Expenses (OE)**

The Operating Expense account funds the operational costs of USAID including salaries and benefits, overseas and Washington operations, staff training, security, and information technology maintenance and upgrades.

#### **Civilian Stabilization Initiative**

The Civilian Stabilization Initiative, a portion of which is also funded under the Department of State Title I, here supports the hiring and training of USAID personnel and prepositioning of equipment for the standby Civilian Response Corps, the rapid “surge” element of any deployment to address emergency stabilization needs.

#### **Capital Investment Fund**

A program begun in FY2003, the Capital Investment Fund supports USAID modernization of information technology systems and the construction of facilities overseas.

## **USAID Office of Inspector General**

This account supports operational costs of USAID's Inspector General office, which conducts audits and investigations of USAID programs.

## **Title III—Bilateral Economic Assistance**

Under this title, funds are appropriated in support of U.S. government departments and independent agencies conducting humanitarian, development, and other programs meeting U.S. foreign policy objectives throughout the world.

### **Funds Appropriated to the President**

Funds in this category of appropriations are provided chiefly through USAID or in close association with the Department of State.

### **Global Health and Child Survival (GHCS)**

The Global Health and Child Survival account supports multiple health programs conducted by USAID and the Department of State through funding of two major elements:

#### ***GHCS-USAID***

Managed by USAID, appropriations in this sub-account fund programs focused on combating infectious diseases such as immunization and oral rehydration; HIV/AIDS; malaria; tuberculosis; maternal and child health; vulnerable children; and family planning and reproductive health.

#### ***GHCS-State***

Managed by the Office of the Global AIDS Coordinator (OGAC) in the Department of State, this sub-account is the largest source of funding for the President's Emergency Plan for AIDS Relief (PEPFAR). Programs funded from this sub-account are implemented by USAID, the Department of Defense, the Centers for Disease Control, and the Peace Corps, among others. GHCS-State also supports part of the U.S. contribution to the multilateral organization, the Global Fund to Fight AIDS, Tuberculosis and Malaria.

### **Development Assistance (DA)**

Managed by USAID, the Development Assistance account funds programs in agriculture, private sector development, microcredit, water and sanitation, education, environment, democracy and governance, among others.

## **International Disaster Assistance (IDA)**

Managed by the USAID Office of Foreign Disaster Assistance, the account aids nations struck by natural and manmade disasters and emergencies. It was previously referred to as the International Disaster and Famine Assistance account (IDFA).

## **Transition Initiatives**

The Transition Initiatives account supports the activities of USAID's Office of Transition Initiatives (OTI), a program launched in 1994 to bridge the gap between disaster and development aid. It supports flexible, short-term assistance projects in transition countries that are moving from war to peace, civil conflict to national reconciliation, or where political instability has not yet erupted into violence and where conflict mitigation might prevent the outbreak of such violence.

## **Complex Crises Fund**

The Fund allows USAID to respond to emerging or unforeseen crises with projects aimed at the root causes of conflict or instability. It is meant to replace funding formerly provided through the Department of Defense section 1207 authority.

## **Development Credit Authority (DCA)**

Managed by USAID, the Development Credit Authority specifies an amount of funds that may be transferred from other accounts to subsidize U.S. loan guarantees that assume a portion of the risk taken by private banks financing housing shelter projects, water and sanitation systems, and microcredit and small enterprise development programs, among others. The provision also directly appropriates administrative costs to run the credit program.

## **Economic Support Fund (ESF)**

The Economic Support Fund uses economic assistance to advance U.S. political and strategic goals in countries of special importance to U.S. foreign policy. Key recipients in recent years include Afghanistan, Iraq, Sudan, Egypt, and Jordan. Funding decisions are made by the State Department; programs are implemented largely by USAID.

## **Democracy Fund**

The Fund supports democratization programs run by the State Department's Bureau of Democracy, Human Rights and Labor (DRL), and USAID's Office of Democracy and Governance.

## **International Fund for Ireland**

This account represents the U.S. contribution to the International Fund for Ireland, established in 1986 to support reconciliation and efforts to spur economic and commercial development in Northern Ireland. In H.Rept. 111-366, conferees on the State, Foreign Operations appropriations noted that FY2010 would be the final year for this contribution.

## **Assistance for Europe, Eurasia, and Central Asia (AEECA)**

This account combines two formerly separate accounts into one. The two accounts were:

- Assistance for Eastern Europe and the Baltic States. This account was commonly known as the SEED Act account (Support for East European Democracy), its authorizing legislation (P.L. 101-179). Since 1989, USAID and other agencies, under the guidance of the State Department, channeled U.S. economic assistance to Eastern Europe through this regional program.
- Assistance for the Independent States of the former Soviet Union. This account was commonly known as the FREEDOM Support Act account (Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act), its authorizing legislation (P.L. 102-511). Through this regional program, launched in 1992, USAID and multiple other agencies, under the guidance of the State Department, extended economic aid to the 12 countries of the former Soviet Union.

## **Department of State**

### **Migration and Refugee Assistance (MRA)**

The Migration and Refugee Assistance program supports refugee relief activities worldwide and, in some cases, helps resettle refugees.

### **Emergency Refugee and Migration Assistance (ERMA) Fund**

ERMA holds contingency funds that can be drawn upon quickly in times of refugee emergencies. Appropriations replenish resources to this account.

## **Independent Agencies**

### **Peace Corps**

The Peace Corps sends U.S. volunteers to developing countries to provide technical aid and to promote mutual understanding on a people-to-people basis. In 2010, about 8,655 volunteers served in 77 nations.

### **Millennium Challenge Corporation (MCC)**

Established in 2004, the MCC supports large-scale, multi-year development projects designed and implemented by recipient countries, which are selected on the basis of their commitments to good governance, investment in health and education, and support for economic freedom.

### **Inter-American Foundation (IAF)**

The IAF finances small-scale enterprise and grassroots community self-help activities aimed at assisting poor people in Latin America.



## **African Development Foundation (ADF)**

The ADF finances small-scale enterprise and grassroots community self-help activities aimed at assisting poor people in Africa.

## **Department of the Treasury**

### **International Affairs Technical Assistance**

This technical assistance program supports financial advisors to countries seeking help in implementing economic reforms, focusing on banking and financial institutions, economic crimes, government debt, revenue policy, and budget and financial accountability.

### **Debt Restructuring**

This account provides funds to reduce, and in some cases forgive, debts owed to the U.S. by poor countries, especially those in Africa and the small economies in Latin America and the Caribbean. Funds support the U.S. commitment to the Heavily Indebted Poor Country (HIPC) Initiative.

## **Title IV – International Security Assistance**

## **Department of State**

### **International Narcotics Control and Law Enforcement (INCLE)**

The INCLE account funds international counternarcotics activities; anti-crime programs, including trafficking in women and children; and rule of law activities, including support for judicial reform. Funds support the efforts in Mexico to enhance bilateral and regional cooperation to combat drug trafficking and organized crime, in Colombia and the Andean region for both drug interdiction and alternative development, and in Iraq to train police.

### **Nonproliferation, Anti-terrorism, Demining, and Related programs (NADR)**

This account funds a variety of State Department-managed activities aimed at countering proliferation of weapons of mass destruction, supporting anti-terrorism training and related activities, and promoting demining operations in developing nations.

### **Peacekeeping Operations (PKO)**

Unlike the Title I Contributions to Peacekeeping Activities (CIPA) account, which provides assessed funds for peacekeeping forces, the PKO account provides voluntary support for multilateral efforts in conflict resolution, including the training of African peacekeepers and funding operations of the Multinational and Observers Mission in the Sinai. The State Department controls the funds and sets the policy; DOD implements.

## **Funds Appropriated to the President**

### **International Military Education and Training (IMET)**

Through IMET, the United States provides military training to selected foreign military and civilian personnel. The State Department controls the funds and has policy authority; the Department of Defense implements this program.

### **Foreign Military Financing (FMF) Program**

The Foreign Military Financing Program supports U.S. overseas arms transfers on a grant basis. The State Department controls the funds and has policy authority; the Department of Defense implements this program.

## **Title V—Multilateral Economic Assistance**

### **Funds Appropriated to the President**

Under this category, funds are provided through the Department of State to international organizations, including the United Nations.

#### **International Organizations and Programs (IO&P)**

This account provides voluntary donations to support the programs of international agencies involved in a range of development, humanitarian, and scientific activities, including the U.N. Development Program (UNDP), U.N. Environment Program (UNEP), U.N. Children’s Fund (UNICEF), and U.N. Population Fund (UNFPA).

#### **International Financial Institutions**

Under this category, funds are provided through the Department of the Treasury to a wide range of multilateral financial institutions, which offer loans—both “soft” (i.e., concessional) and “hard” (i.e., near-market rate)—and some grants to developing countries and private sector entities in those countries. Not all international financial institutions require or receive U.S. contributions from year to year.<sup>6</sup>

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<sup>6</sup> Among those that sometimes receive funding but for which there was no request or appropriation in FY2010 are:

The International Bank for Reconstruction and Development (IBRD). IBRD is the World Bank window that provides loans on near-market terms to promote economic development primarily in middle-income countries, based largely on bond sales.

The International Finance Corporation (IFC). IFC, another World Bank window, makes loans and equity investments to promote growth of productive private enterprise in developing nations.

World Bank Multilateral Investment Guaranty Agency (MIGA). MIGA encourages private investment in developing countries by offering insurance against noncommercial risks such as expropriation.

Inter-American Development Bank (IADB). The IADB promotes economic and social development in Latin America (continued...)

### **Global Environment Facility (GEF)**

Cosponsored by the UNDP, UNEP, and the World Bank, the GEF makes grants to help developing countries deal with global environmental problems.

### **World Bank: International Development Association (IDA)**

As the World Bank's "soft loan" window, IDA lends at concessional rates to low-income countries.

### **Clean Technology Fund (CTF)**

This multilateral fund, for which the World Bank is trustee, seeks to reduce the growth of greenhouse gas emissions in developing countries by financing the extra costs of commercially available cleaner technologies over dirtier, conventional alternatives.

### **Strategic Climate Fund (SCF)**

Another multi-donor fund seeking to address climate change under the auspices of the World Bank, the SCF supports three targeted programs: the Pilot Program for Climate Resilience, the Forest Investment Program, and the Program for Scaling-Up Renewable Energy in Low-Income Countries. Each program seeks to pilot new approaches and scaled-up activities to address climate change challenges in developing countries.

### **Inter-American Development Bank (IADB): Inter-American Investment Corporation (IIC)**

The IIC makes loans and equity investments to promote the growth of small and medium-sized private enterprise in Latin America and the Caribbean.

### **Enterprise for the Americas Multilateral Investment Fund (MIF)**

The MIF, a multi-donor trust fund residing within the Inter-American Development Bank, provides technical and financial assistance to help countries in Latin America and the Caribbean reform their investment policies in order to attract foreign investment.

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(...continued)

and the Caribbean by providing near-market rate loans through its ordinary capital account and concessional loans to the poorest nations through its Fund for Special Operations (FSO).

The African Development Bank (AfDB). The AfDB lends at near-market rates, with special emphasis on agriculture, infrastructure, and industrial development.

European Bank for Reconstruction and Development (EBRD). The EBRD lends at near-market rates to help East European and former Soviet states adopt market economies. Private sector and privatizing public sector firms receive substantial amounts of EBRD lending.

North American Development Bank (NADBank). The NADBank is governed by the United States and Mexico as part of the North American Free Trade Agreement (NAFTA). It began lending in 1996 to finance environmental infrastructure projects along the U.S./Mexico border, as well as community adjustment and investment activities in both nations.

### **Asian Development Fund (ADF)**

The ADF is the “soft loan” window of the Asian Development Bank (ADB), which finances economic development programs in Asia and the Pacific.

### **African Development Fund (AfDF)**

The African Development Fund (AfDF) lends on concessional terms to low-income sub-Saharan African countries. It resides within the African Development Bank.

### **International Fund for Agricultural Development (IFAD)**

IFAD is a multilateral financial institution helping developing countries increase agricultural productivity and income, improve nutritional levels, and integrate into larger markets.

## **Title VI—Export and Investment Assistance**

### **Export-Import Bank of the United States**

The Export-Import Bank issues loan guarantees and insurance to commercial banks that make trade credits available to American exporters. The Bank also extends direct loans to U.S. businesses, especially those whose counterparts abroad receive foreign government-subsidized trade credits. An appropriation is provided for the agency’s inspector general. An appropriation ceiling is also specified for a subsidy to support the agency’s programs and administrative expenses, but most, if not all, of these costs are annually covered by Bank receipts.

### **Overseas Private Investment Corporation (OPIC)**

OPIC offers political risk insurance, guarantees, and investment financing to encourage U.S. firms to invest in developing countries. Although the agency is self-sustaining, the appropriation sets ceilings on administrative expenses to carry out the insurance programs and denotes a level of support for credit financing.

### **Trade and Development Agency (TDA)**

The TDA finances feasibility studies and other project-planning services for major development activities in developing countries, to support economic development and to promote U.S. exports.

## **Title VII—General Provisions**

Under the General Provisions title are limitations and prohibitions on assistance, notification and reporting requirements, and more detailed funding mandates for specific accounts in other titles of the legislation.

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