



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 4, 2008

H.R. 6306

A bill to authorize United States participation in, and appropriations for the United States contributions to, the fifteenth replenishment of the resources of the International Development Association and the eleventh replenishment of the resources of the African Development Fund, and for other purposes

As ordered reported by the House Committee on Financial Services on June 25, 2008

SUMMARY

H.R. 6306 would authorize the appropriation of \$4.2 billion to replenish the resources of the International Development Association and the African Development Fund. Also, the bill would delineate several sets of policy goals to be communicated to multilateral development banks (such as the World Bank) in conjunction with the funding.

CBO estimates that implementing this bill would cost \$1.1 billion in 2009 and \$4.2 billion over the 2009-2013 period, assuming appropriation of the authorized amounts. Enacting the bill would not affect direct spending or revenues.

H.R. 6306 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 6306 is shown in the following table. The costs of this legislation fall within budget function 150 (international affairs).

	By Fiscal Year, in Millions of Dollars					2009-
	2009	2010	2011	2012	2013	2013
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
International Development Association						
Estimated Authorization Level	1,235	1,235	1,235	0	0	3,705
Estimated Outlays	1,041	1,235	1,235	194	0	3,705
African Development Fund						
Estimated Authorization Level	156	156	156	0	0	468
Estimated Outlays	94	156	156	62	0	468
Total Changes						
Estimated Authorization Level	1,391	1,391	1,391	0	0	4,173
Estimated Outlays	1,135	1,391	1,391	256	0	4,173

BASIS OF ESTIMATE

The bill would authorize the appropriation of nearly \$4.2 billion to replenish the resources of two international lending institutions (which lend money to some of the world's poorest countries) as follows:

- \$3.7 billion for the International Development Association, a member of the World Bank Group, and
- \$468 million for the African Development Fund.

The President has requested the appropriation of those amounts to implement agreements with each of the multilateral banks. International agreements to replenish the resources of multilateral development banks typically cover a number of years. According to Administration documents, the replenishment agreements for the International Development Association and the African Development Fund cover the 2009-2011 period. CBO assumes, for this estimate, that the replenishment amounts would be provided in equal installments over that period. CBO estimates that implementing this bill would cost about \$4.2 billion over the 2009-2013 period, assuming appropriation of the authorized amounts.

Section 3 of the bill would require the Secretary of the Treasury to separately report on the World Bank's workforce indicators and the management practices of its inspection panel, while section 7 would require the President of the United States to report on efforts to

terminate loans to Iran by the International Bank for Reconstruction and Development. CBO estimates that producing those reports would have an insignificant budgetary effect.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 6306 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

PREVIOUS CBO ESTIMATES

On July 31, 2008, CBO transmitted a cost estimate for S. 3168, the International Development Association Replenishment Act of 2008, as ordered reported by the Senate Committee on Foreign Relations on June 24, 2008. Section 3 of S. 3168 is similar to section 1 of H.R. 6306 and the estimated costs are identical.

On July 31, 2008, CBO transmitted a cost estimate for S. 3169, a bill to authorize U.S. participation in, and appropriations for the U.S. contribution to, the eleventh replenishment of the resources of the African Development Fund, as ordered reported by the Senate Committee on Foreign Relations on June 24, 2008. S. 3169 is similar to section 2 of H.R. 6306 and the estimated costs are identical.

ESTIMATE PREPARED BY:

Federal Costs: Jennifer Reynolds
Impact on State, Local, and Tribal Governments: Neil Hood
Impact on the Private Sector: Jacob Kuipers

ESTIMATE APPROVED BY:

Theresa Gullo
Deputy Assistant Director for Budget Analysis