

Opening Statement
Prepared, not delivered
Chairman Michael G. Oxley
House Committee on Financial Services
Subcommittee on International Monetary Policy and Trade
“Authorization Request for U.S. Participation in the World Bank - International
Development Association”

July 19, 2002

Today the Subcommittee undertakes the important task of reviewing the Administration’s request for the thirteenth reauthorization of the World Bank’s International Development Association, or IDA. I regret that it has taken so long for the Administration to send its legislative request to this Committee, as this proposal makes significant changes to the way that IDA money will be distributed to needy countries over the next several years. I want to thank Chairman Bereuter for convening this important hearing and I look forward to a thorough and thoughtful discussion.

I understand that the Administration has been in intense negotiations with the other donors to the World Bank over the past several months and I commend them on developing an innovative approach to dealing with poverty in developing countries. However, I am very concerned over the delay in providing this Committee with any formal details of the negotiated agreement. It has taken so long to reach a workable solution among the donor countries that a detailed authorization during this Congress may be difficult.

The current proposal calls for a commitment of \$2.55 billion for this replenishment, with the potential for an increase to up to \$2.85 billion based on IDA’s satisfactory achievement against key performance measures. I believe that it is important for there to be accountability for the programs that IDA funds and to ensure that we are not throwing U.S. taxpayer dollars at programs that are ineffectual and inefficient. However, again, we have not received any details as to how those performance measures will be developed or how success will be measured.

I am encouraged by the proposal to change the way IDA gives aid to developing countries to a mixture of both loans and grants. This is perhaps the most creative approach to improving the operations of the development institutions that has arisen in some time. I believe that this proposal will not only bring better access to critical services, but also could help reduce the crushing debt burden that the developing countries face.

I want to welcome our distinguished panel and look forward to hearing your perspective on the agreement reached, and on the future of the IDA. Your voices will be influential as this Committee reviews the U.S. commitment to the IDA.

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