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## **Statement of Nita M. Lowey**

### **Subcommittee on State Foreign Operations and Related Programs**

**March 9, 2011**

Secretary Geithner, I join Chairwoman Granger in welcoming you – my constituent – to discuss the President's request for the Treasury Department's International Programs.

Thirty years ago, President Reagan affirmed that international financial institutions – and I quote – "have contributed enormously to the spread of hope of a better life throughout the world community. They have been inspired by the ideal of a far better world in which economic growth and development would spread to all parts of the globe. For more than three decades, they have worked toward these goals and contributed to results that are now clearly visible to all." Those words still hold true today.

Multilateral Development Banks reflect our fundamental values and support our economic interests, by lowering trade and investment barriers, supporting private sector growth, opening the markets of tomorrow, and giving people a chance to succeed. Over the past decade, the

World Bank has built over 73,000 miles of roads, constructed and renovated 23,000 health facilities, saved 13 million lives, immunized 310 million children, provided water to 177 million people, brought better education to over 100 million children each year, and established more transparent and open systems to fight corruption and build strong government institutions in developing countries.

These investments both alleviate suffering and play a vital role in helping countries to build trade capacity and become reliable economic partners. I am pleased the President requested \$3.4 billion for international financial institutions, climate change funds, food security initiatives, debt relief, and technical assistance. This request is an acknowledgement of the importance of these institutions in promoting economic growth and stability and protecting our national security interests.

The Continuing Resolution recently passed by the House, on the other hand, cut their funding to fiscal year 2008 levels. I hope you will share with us what these substantial cuts would mean for economic growth, infrastructure development, health care, and education, as well as the impact on frontline countries such as Pakistan and Afghanistan. In addition, your insight on the impact of scaling back the U.S. contribution to these institutions on our ability to influence lending decisions would be helpful.

The CR also contained significant cuts to the international funds that address climate change and the environment, as well as to the Treasury Department's technical assistance and debt restructuring budgets. I hope you can describe the effect these cuts will have on developing countries and, in turn, on the United States.

While I continue to support the work of the World Bank, I remain troubled by the Bank's interactions with Iran. I would like to hear details about the Treasury Department's efforts to prevent loans to Iran and to ensure that the Bank complies with United Nations sanctions. The World Bank Group simply cannot re-engage with Iran if it is to maintain credibility and future U.S. support.

In these tough economic times, international financial institutions and multilateral development funds seem like an easy target for budget cuts. But by supporting emerging economies, addressing widespread health and education challenges, and building infrastructure, we are creating business opportunities for American companies. These programs are directly related to our primary focus of creating jobs and should not be on the chopping block.

Thank you again for your service, and I look forward to your testimony.

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