

U.S. DEPARTMENT OF THE TREASURY

Press Center



The Presidential Policy Directive on Global Development: Treasury Advances Key Measures

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On September 22, President Obama announced a new U.S. global development policy that places a premium on broad-based economic growth, democratic governance, game-changing innovations, and sustainable systems for meeting basic human needs; positions the United States to be a more effective partner and to leverage our leadership; and harnesses development capabilities spread across government in support of common objectives.

The Treasury Department supports these efforts through its leadership on multilateral development assistance, debt relief, and food security and climate change multilateral funds, as well as through its on-the-ground efforts to foster economic growth in developing countries. Specific areas of support include:

- Strengthening Multilateral Development Assistance:** Treasury's leadership in the multilateral development banks (MDBs) supports broad-based economic growth through vital investments that help the poorest nations around the world. The MDBs are the premiere mechanism through which the United States supports infrastructure investment in poor countries. U.S. investments in these institutions are highly effective and provide the most leverage of all U.S. development funding-- \$25 in assistance for each dollar invested by conservative estimates. The effectiveness of these institutions is fundamental to their impact on the ground, which is why Treasury is leading a robust reform agenda at the MDBs. Specifically, the Administration has achieved commitments from the institutions to instill a stronger focus on results and transparency, deliver greater resources for the poor, and incorporate impact evaluation findings in program, policy, and budget decisions. U.S. investments in the MDBs are tied to these reforms.
- Forging Multilateral Cooperation on Food Security and Climate Change:** To strengthen food security, Treasury has partnered with other countries, the World Bank, multilateral and civil society organizations, to establish the Global Agriculture and Food Security Program (GAFSP). This innovative fund is helping millions of poor farmers grow and earn more so they can lift themselves out of hunger and poverty. Five countries--Bangladesh, Haiti, Rwanda, Sierra Leone, and Togo--received the first grants from the fund, totaling \$224 million, to implement their plans to enhance agricultural productivity. To address climate change, Treasury supports efforts to combat its effects and help developing countries respond to its impacts. Multilateral programs such as the Global Environment Facility and the Climate Investment Funds help the poorest and most vulnerable countries prepare for and respond to the impacts of climate change, and also spur the deployment of clean energy technologies, which can create new job opportunities and propel economic growth.
- Assisting the Poorest by Leading on Innovative Debt Relief Measures:** The Treasury Department's efforts on debt relief and restructuring and its leadership on the Heavily Indebted Poor Country (HIPC) initiative have been fundamental to helping some of the world's poorest countries stabilize, restart economic growth, and reduce poverty and instability. Countries such as Haiti and Liberia have all benefitted from U.S. debt relief and restructuring programs. In Haiti, following the devastating earthquake, the United States led international efforts to relieve Haiti's debt, which provided one more positive boost for Haiti's economic recovery.
- Exercising Global Leadership on Development:** U.S. leadership through Treasury participation in international forums, such as the G-20, helps us leverage and maximize the full range of our development tools and policies. Specifically, during the financial crisis, other G-20 leaders joined President Obama in calling for the MDBs to increase their lending, and the MDBs responded in force, providing \$222 billion in lending. Treasury has supported these efforts and led initiatives to further stimulate private sector growth in developing countries, including the development of an SME Finance Challenge, which will identify new ideas to finance small businesses and help them grow.
- Working Directly with Countries to Foster Economic Growth:** The United States also pursues innovative policies to foster economic growth through its direct engagement with countries around the world. Treasury's Office of Technical Assistance partners on-the-ground with governments in more than 40 countries to develop effective public financial systems, which in turn strengthen governments' ability to build human capacity and reliable, secure systems that support delivery of public services, sustainable economic growth, security, and stability. Treasury also pursues a wide range of bilateral discussions to improve economic policies that strengthen development.

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