

## COUNTRY SYNOPSIS

### U.S.A.

In the past, U.S. involvement in concessional financing has been relatively limited. However, perceptions of a changed global economic environment and, not least, frustration with a lack of progress amongst OECD Consensus members towards reduction if not elimination of concessional financing to developing country markets, have resulted in new U.S. concessional financing initiatives and increased legislative activity over the past year.

A joint Exim Bank/USAID \$500 million mixed-credit package was established to be split evenly among four countries in Asia (Indonesia, Philippines, Thailand and Pakistan), spoiled markets which the U.S. views as representative of the endemic concessional financing problem. Sectoral focuses are energy, telecoms, transport, and construction, chosen because of the high level of concessional activity in these sectors, their importance to the development process, and perceived U.S. expertise.

Exim Bank serves as the single disbursing agency, with mixed credits coming from a combination of grant funds from either USAID or Exim Bank and Exim Bank loan guarantees. Funds already have been allocated for a major telecoms project in Indonesia, and transactions are in the pipeline for the other targeted countries.

There also is a greater inclination on the part of the U.S. to allocate funds from the "War Chest," the U.S. \$300 million tied aid credit fund which was authorized by Congress in December 1987, and which has been relatively untapped to date. Submissions to access these funds go through Treasury by way of the National Advisory Council On International Monetary and Financial Policies (NAC). Use of the War Chest is intended to focus on sectors for which the U.S. seeks to untie aid, in markets where tied aid is used