

103<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 3063

To authorize United States participation in the replenishment of the resources of the International Development Association and the Asian Development Bank, to authorize a United States contribution to the Global Environment Facility, to authorize the provision of special debt relief for the poorest, most heavily indebted countries through the multilateral approach of the Paris Club, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 14, 1993

Mr. FRANK of Massachusetts introduced the following bill; which was referred to the Committee on Banking, Finance and Urban Affairs

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## A BILL

To authorize United States participation in the replenishment of the resources of the International Development Association and the Asian Development Bank, to authorize a United States contribution to the Global Environment Facility, to authorize the provision of special debt relief for the poorest, most heavily indebted countries through the multilateral approach of the Paris Club, and for other purposes.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “International Develop-  
3 ment and Debt Relief Act of 1993”.

4 **TITLE I—INTERNATIONAL**  
5 **DEVELOPMENT ASSOCIATION**

6 **SEC. 101. TENTH REPLENISHMENT.**

7 The International Development Association Act (22  
8 U.S.C. 284–284s) is amended by adding at the end the  
9 following:

10 **“SEC. 22. TENTH REPLENISHMENT.**

11 “(a) **AUTHORITY TO AGREE TO REPLENISHMENT**  
12 **RESOLUTION.**—The United States Governor may, on be-  
13 half of the United States, agree to the resolution of the  
14 Association entitled ‘Additions to Resources: Tenth Re-  
15 plenishment’.

16 “(b) **CONTRIBUTION AUTHORITY.**—The United  
17 States Governor may, on behalf of the United States, con-  
18 tribute funds to the Association for the subscription and  
19 contribution of the United States in accordance with the  
20 resolution specified in subsection (a), subject to obtaining  
21 the necessary appropriations.

22 “(c) **LIMITATIONS ON AUTHORIZATION OF APPRO-**  
23 **PRIATIONS.**—In order to pay for the United States con-  
24 tribution authorized by subsection (b), there are author-  
25 ized to be appropriated for payment by the Secretary of

1 the Treasury \$3,750,000,000, without fiscal year limita-  
2 tion.”.

3 **SEC. 102. ADVOCACY OF CERTAIN POLICIES.**

4 (a) IN GENERAL.—Title XVI of the International Fi-  
5 nancial Institutions Act (22 U.S.C. 262p–262p–5) is  
6 amended by redesignating section 1620 as section 1621  
7 and by inserting after section 1619 the following:

8 **“SEC. 1620. ADVOCACY OF CERTAIN POLICIES.**

9 “The Secretary of the Treasury shall instruct the  
10 United States Executive Directors of the International  
11 Bank for Reconstruction and Development and the Inter-  
12 national Development Association to use the voices and  
13 votes of the Executive Directors to encourage vigorously  
14 their respective institutions to—

15 “(1) develop new methodologies to evaluate ade-  
16 quately the effectiveness of the projects and pro-  
17 grams of the respective institution in improving, on  
18 a sustainable basis, the standard of living of the  
19 poorest segments of the populations of the borrowing  
20 countries, and increase the amount of resources of  
21 the respective institution devoted to the projects and  
22 programs identified as most effective;

23 “(2) include affected populations, local govern-  
24 ments, and nongovernmental organizations in all

1 phases of the project cycle, from project identifica-  
2 tion to post-project evaluation;

3 “(3) include the economic empowerment of  
4 women as a factor in evaluating the projects and  
5 programs of the respective institution;

6 “(4) encourage borrowing countries to redirect  
7 military expenditures to fund investments in human  
8 capital, including measures that promote education,  
9 training, and health;

10 “(5) evaluate adequately, through environ-  
11 mental impact assessments, the effect on the envi-  
12 ronment and nonrenewable resource base of recipi-  
13 ents’ economic growth strategies and the structural  
14 adjustment and sector lending programs of the re-  
15 spective institution; and

16 “(6) maintain or expand debt relief programs;  
17 and

18 “(7) promote good governance and the rule of  
19 law in borrowing countries, by promoting fair and  
20 workable laws that are—

21 “(A) necessary for economic development,  
22 private sector development, and human rights;

23 “(B) fully communicated to the public; and

24 “(C) administered by an independent and  
25 well-trained judiciary.”.

1 (b) REPORTS TO THE CONGRESS.—Not later than  
2 September 30, 1994, and not later than September 30,  
3 1995, the Secretary of the Treasury shall submit to the  
4 Committee on Banking, Finance and Urban Affairs of the  
5 House of Representatives and the Committee on Foreign  
6 Relations of the Senate reports on the efforts made pursu-  
7 ant to section 1620 of the International Financial Institu-  
8 tions Act, and the results of such efforts.

9 **SEC. 103. USE OF LOANS FOR MILITARY DEMOBILIZATION.**

10 Title XVI of the International Financial Institutions  
11 Act (22 U.S.C. 262p-262p-5), as amended by section 102  
12 of this Act, is amended by redesignating section 1621 as  
13 section 1622 and by inserting after section 1620 the fol-  
14 lowing:

15 **“SEC. 1621. USE OF LOANS FOR MILITARY DEMOBILIZA-**  
16 **TION.**

17 “The Secretary of the Treasury shall instruct the  
18 United States Executive Director of the International De-  
19 velopment Association to use the voice and vote of the Ex-  
20 ecutive Director to encourage the Association to emphasize  
21 the importance of facilitating the demobilization of mili-  
22 tary forces.”.

1 **TITLE II—ASIAN DEVELOPMENT**  
2 **BANK**

3 **SEC. 201. FIFTH REPLENISHMENT.**

4 The Asian Development Bank Act (22 U.S.C. 285–  
5 285aa) is amended by adding at the end the following:

6 **“SEC. 31. FIFTH REPLENISHMENT.**

7 “(a) **AUTHORITY TO AGREE TO REPLENISHMENT**  
8 **RESOLUTION.**—The United States Governor may, on be-  
9 half of the United States, agree to the resolution of the  
10 Bank entitled ‘Fifth Replenishment of the Asian Develop-  
11 ment Fund and Second Regularized Replenishment of the  
12 Technical Assistance Special Fund’.

13 “(b) **CONTRIBUTION AUTHORITY.**—The United  
14 States Governor may, on behalf of the United States, con-  
15 tribute funds to the Asian Development Fund, a special  
16 fund of the Bank, for the subscription and contribution  
17 of the United States in accordance with the resolution  
18 specified in subsection (a), subject to obtaining the nec-  
19 essary appropriations.

20 “(c) **LIMITATIONS ON AUTHORIZATION OF APPRO-**  
21 **PRIATIONS.**—In order to pay for the United States con-  
22 tribution authorized by subsection (b), there are author-  
23 ized to be appropriated for payment by the Secretary of  
24 the Treasury \$680,000,000 without fiscal year limita-  
25 tion.”.

1                   **TITLE III—GLOBAL**  
2                   **ENVIRONMENT FACILITY**

3   **SEC. 301. GLOBAL ENVIRONMENT FACILITY.**

4           The Bretton Woods Agreement Act (22 U.S.C. 286–  
5 286mm) is amended by adding at the end the following:

6   **“SEC. 61. GLOBAL ENVIRONMENT FACILITY.**

7           “(a) CONTRIBUTION AUTHORIZED.—The Secretary  
8 of the Treasury may contribute to the Global Environment  
9 Facility \$30,810,000, subject to obtaining the necessary  
10 appropriations.

11           “(b) LIMITATIONS ON AUTHORIZATION OF APPRO-  
12 PRIATIONS.—In order to pay for the United States con-  
13 tribution provided for in subsection (a), there are author-  
14 ized to be appropriated for payment by the Secretary of  
15 the Treasury, \$30,810,000 without fiscal year limitation,  
16 if, not later than September 30, 1994, the Secretary of  
17 the Treasury has certified that—

18                   “(1) the Facility has established clear proce-  
19 dures ensuring public availability of documentary in-  
20 formation on all Facility projects;

21                   “(2) the Facility has established clear proce-  
22 dures ensuring that affected peoples in recipient  
23 countries are consulted on all aspects of identifica-  
24 tion, preparation, and implementation of Facility  
25 projects; and

1           “(3) the Facility governance process will pro-  
2           vide for contributor country oversight of individual  
3           projects in the work program, and specific provisions  
4           will be established for the participation of non-  
5           governmental organizations in all phases of the  
6           project cycle, including identification, appraisal, im-  
7           plementation, and evaluation.”.

8           **TITLE IV—REGIONAL MULTILAT-**  
9           **ERAL DEVELOPMENT BANKS**

10          **SEC. 401. ADVOCACY OF CERTAIN POLICIES.**

11           (a) IN GENERAL.—Title XVI of the International Fi-  
12          nancial Institutions Act (22 U.S.C. 262p–262p–5), as  
13          amended by sections 102 and 103 of this Act, is amended  
14          by redesignating section 1622 as section 1623 and by in-  
15          serting after section 1621 the following:

16          **“SEC. 1622. ADVOCACY OF CERTAIN POLICIES.**

17           “The Secretary of the Treasury shall instruct the  
18          United States Executive Directors of each regional multi-  
19          lateral development bank and of the European Bank for  
20          Reconstruction and Development to use their voices and  
21          votes to encourage vigorously their respective institutions  
22          to—

23                   “(1) develop new methodologies to evaluate ade-  
24                   quately the effectiveness of projects and programs of  
25                   the respective institution in improving, on a sustain-

1       able basis, the standard of living of the poorest seg-  
2       ments of the populations of the borrowing countries,  
3       and increase the amount of resources of the respec-  
4       tive institution devoted to the projects and programs  
5       identified as most effective;

6               “(2) include affected populations, local govern-  
7       ments, and nongovernmental organizations in all  
8       phases of the project cycle, from project identifica-  
9       tion to post-project evaluation;

10              “(3) include the economic empowerment of  
11       women as a factor in evaluating projects and pro-  
12       grams of the respective institution;

13              “(4) encourage borrowing countries to redirect  
14       military expenditures to fund investments in human  
15       capital, including measures that promote education,  
16       training, and health; and

17              “(5) evaluate adequately, through environ-  
18       mental impact assessments, the effect on the envi-  
19       ronment and nonrenewable resource base of recipi-  
20       ents’ economic growth strategies and structural ad-  
21       justment and sector lending programs of the respec-  
22       tive institution.”.

23       (b) REPORTS TO THE CONGRESS.—Not later than  
24       September 30, 1994, and not later than September 30,  
25       1995, the Secretary of the Treasury shall submit to the

1 Committee on Banking, Finance and Urban Affairs of the  
2 House of Representatives and the Committee on Foreign  
3 Relations of the Senate reports on the efforts made pursu-  
4 ant to section 1622 of the International Financial Institu-  
5 tions Act, and the results of such efforts.

## 6 **TITLE V—SPECIAL DEBT RELIEF**

### 7 **SEC. 501. SPECIAL DEBT RELIEF FOR THE POOREST, MOST** 8 **HEAVILY INDEBTED COUNTRIES.**

9 (a) DEBT REDUCTION AUTHORITY.—The President  
10 may reduce amounts of principal and interest owed by any  
11 eligible country to the Export-Import Bank of the United  
12 States as a result of loans or guarantees made under the  
13 Export-Import Bank Act of 1945.

14 (b) LIMITATIONS.—

15 (1) TYPES OF DEBT REDUCTION.—The author-  
16 ity provided by subsection (a) may be exercised only  
17 to implement multilateral agreements to reduce the  
18 burden of official bilateral debt as set forth in the  
19 minutes of the so-called “Paris Club” (also known  
20 as “Paris Club Agreed Minutes”).

21 (2) ELIGIBLE COUNTRIES.—

22 (A) DEFINITION.—As used in subsection  
23 (a), the term “eligible country” means any  
24 country that—

1 (i) has excessively burdensome exter-  
2 nal debt;

3 (ii) is eligible to borrow from the  
4 International Development Association;  
5 and

6 (iii) is not eligible to borrow from the  
7 International Bank for Reconstruction and  
8 Development.

9 (B) DETERMINATIONS.—Subject to sub-  
10 paragraph (A), the President may determine  
11 whether a country is an eligible country for  
12 purposes of subsection (a).

13 (C) AUTHORITY TO EXCLUDE COUNTRIES  
14 WITH UNACCEPTABLE HUMAN RIGHTS RECORDS  
15 OR EXCESSIVE MILITARY EXPENDITURES.—  
16 Notwithstanding subparagraphs (A) and (B), a  
17 country shall not be an eligible country for pur-  
18 poses of subsection (a) if, in the sole discretion  
19 of the President, the President determines  
20 that—

21 (i) the human rights record of the  
22 country is unacceptable; or

23 (ii) the level of military expenditures  
24 by the country is excessive.

1           (3) APPROPRIATIONS.—The authority provided  
2           by subsection (a) may be exercised only in such  
3           amounts or to such extent as is provided in advance  
4           in appropriations Acts.

5           (c) LIMITATIONS ON AUTHORIZATION OF APPRO-  
6           PRIATIONS.—For debt reduction pursuant to this section,  
7           there are authorized to be appropriated to the President  
8           \$48,300,000, without fiscal year limitation, except that  
9           not more than \$11,500,000 may be so appropriated for  
10          fiscal year 1994.

11          (d) The Congress encourages the President to use the  
12          amounts appropriated pursuant to subsection (c) to reduce  
13          the bilateral debt of any eligible country in accordance  
14          with the so-called “Trinidad Terms”.

## 15                   **TITLE VI—MEASURES OF** 16                   **MILITARY SPENDING**

### 17   **SEC. 601. JOINT DEVELOPMENT OF MEASURES OF MILI-** 18                   **TARY SPENDING.**

19          Section 60 of the Bretton Woods Agreements Act (22  
20   U.S.C. 286mm) is amended—

21                  (1) in subsection (a)—

22                                  (A) in paragraph (1)—

23    (i) by striking “BY THE FUND”;

1 (ii) by striking “Director of the  
2 Fund” and inserting “Directors of the  
3 Fund and of the Bank”;

4 (iii) by striking “urge the Fund, in  
5 consultation with the Bank, to continue to  
6 develop” and inserting “urge the Fund and  
7 the Bank to cooperate and coordinate in  
8 the continued development of”; and

9 (iv) by inserting “, and in the report-  
10 ing of such levels” before the period; and

11 (B) in paragraph (2), by inserting “and  
12 the Bank” after “Fund”; and

13 (2) in subsection (b)—

14 (A) by striking “BY FUND”;

15 (B) by striking “Director of the Fund”  
16 and inserting “Directors of the Fund and of the  
17 Bank”;

18 (C) by striking “urge the Fund” and in-  
19 serting “urge the Fund and the Bank”;

20 (D) by striking “Board of the Fund” and  
21 inserting “Boards of the Fund and of the  
22 Bank, respectively,”; and

23 (E) by striking “estimate by the Fund”  
24 and inserting “joint estimate of the Fund and  
25 the Bank”.

