

# Union Calendar No. 177

107<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 2604

[Report No. 107-291]

To authorize the United States to participate in and contribute to the seventh replenishment of the resources of the Asian Development Fund and the fifth replenishment of the resources of the International Fund for Agricultural Development, and to set forth additional policies of the United States towards the African Development Bank, the African Development Fund, the Asian Development Bank, the Inter-American Development Bank, and the European Bank for Reconstruction and Development.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 24, 2001

Mr. BEREUTER (for himself, Mr. SANDERS, Mrs. ROUKEMA, Mr. BAKER, Mr. SHAYS, Mrs. MALONEY of New York, and Mr. LAFALCE) introduced the following bill; which was referred to the Committee on Financial Services

NOVEMBER 15, 2001

Additional sponsor: Mr. FRANK

NOVEMBER 15, 2001

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on July 24, 2001]

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## A BILL

To authorize the United States to participate in and contribute to the seventh replenishment of the resources

of the Asian Development Fund and the fifth replenishment of the resources of the International Fund for Agricultural Development, and to set forth additional policies of the United States towards the African Development Bank, the African Development Fund, the Asian Development Bank, the Inter-American Development Bank, and the European Bank for Reconstruction and Development.

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

3 **SECTION 1. UNITED STATES CONTRIBUTION TO THE SEV-**  
 4                   **ENTH REPLENISHMENT OF THE RESOURCES**  
 5                   **OF THE ASIAN DEVELOPMENT FUND.**

6       *The Asian Development Bank Act (22 U.S.C. 285-*  
 7 *285aa) is amended by adding at the end the following:*

8 **“SEC. 31. SEVENTH REPLENISHMENT.**

9       “(a) *CONTRIBUTION AUTHORITY.*—

10               “(1) *IN GENERAL.*—*The United States Governor*  
 11 *of the Bank may contribute on behalf of the United*  
 12 *States \$412,000,000 to the Asian Development Fund,*  
 13 *a special fund of the Bank.*

14               “(2) *SUBJECT TO APPROPRIATIONS.*—*The au-*  
 15 *thority provided by paragraph (1) shall be effective*  
 16 *only to such extent or in such amounts as are pro-*  
 17 *vided in advance in appropriations Acts.*

18               “(b) *LIMITATIONS ON AUTHORIZATION OF APPROPRIA-*  
 19 *TIONS.*—*For contribution authorized by subsection (a),*

1 *there are authorized to be appropriated to the Secretary of*  
2 *the Treasury not more than \$412,000,000, without fiscal*  
3 *year limitation.”.*

4 **SEC. 2. UNITED STATES CONTRIBUTION TO THE FIFTH RE-**  
5 **PLENISHMENT OF THE RESOURCES OF THE**  
6 **INTERNATIONAL FUND FOR AGRICULTURAL**  
7 **DEVELOPMENT.**

8 (a) *CONTRIBUTION AUTHORITY.—*

9 (1) *IN GENERAL.—The United States Governor*  
10 *of the International Fund for Agricultural Develop-*  
11 *ment may contribute on behalf of the United States*  
12 *\$30,000,000 to the International Fund for Agricul-*  
13 *tural Development.*

14 (2) *SUBJECT TO APPROPRIATIONS.—The author-*  
15 *ity provided by paragraph (1) shall be effective only*  
16 *to such extent or in such amounts as are provided in*  
17 *advance in appropriations Acts.*

18 (b) *LIMITATIONS ON AUTHORIZATION OF APPROPRIA-*  
19 *TIONS.—For contribution authorized by subsection (a),*  
20 *there are authorized to be appropriated to the Secretary of*  
21 *the Treasury not more than \$30,000,000, without fiscal*  
22 *year limitation.*

23 (c) *REPORT ON PARTICIPATION OF THE IFAD IN THE*  
24 *ENHANCED HIPC INITIATIVE.—Within 3 months after the*  
25 *date of the enactment of this Act, the Secretary of the Treas-*

1 *ury shall submit to the Committee on Financial Services*  
2 *of the House of Representatives and the Committee on For-*  
3 *ign Relations of the Senate a report on the participation*  
4 *of the International Fund for Agricultural Development in*  
5 *the Enhanced HIPC Initiative. The report shall include a*  
6 *statement of the cost to the International Fund for Agricul-*  
7 *tural Development of participating in the Enhanced HIPC*  
8 *Initiative, the effects of such participation (if not reim-*  
9 *bursed) on current and future programs of the Inter-*  
10 *national Fund for Agricultural Development, the feasibility*  
11 *of allowing the World Bank HIPC Trust Fund to reimburse*  
12 *the International Fund for Agricultural Development for*  
13 *the costs of such participation, and the amount of addi-*  
14 *tional appropriations from the United States to the World*  
15 *Bank HIPC Trust Fund that would be necessary to allow*  
16 *such participation.*

17 **SEC. 3. HIV/AIDS STRATEGIC PLAN.**

18 *Title XVI of the International Financial Institutions*  
19 *Act (22 U.S.C. 262p—262p-7) is amended by adding at*  
20 *the end the following:*

21 **“SEC. 1625. HIV/AIDS STRATEGIC PLAN.**

22 *“The Secretary of the Treasury shall instruct the*  
23 *United States Executive Directors at the African Develop-*  
24 *ment Bank, the African Development Fund, the Asian De-*  
25 *velopment Bank, the Asian Development Fund, a special*

1 *fund of the Asian Development Bank, and the Inter-Amer-*  
2 *ican Development Bank, and the United States Governor*  
3 *of the International Fund for Agricultural Development to*  
4 *support continued efforts by such institutions as appro-*  
5 *priate in regard to HIV/AIDS, tuberculosis, malaria, and*  
6 *other infectious diseases, including—*

7           “(1) *development and implementation of a stra-*  
8 *tegic plan to fight against the spread of HIV/AIDS,*  
9 *tuberculosis, malaria, and other infectious diseases;*

10           “(2) *integration of HIV/AIDS, tuberculosis, ma-*  
11 *laria, and other infectious diseases activities in ongo-*  
12 *ing projects as appropriate, development of new dedi-*  
13 *cated HIV/AIDS, tuberculosis, malaria, and other in-*  
14 *fectious diseases, projects as appropriate that take*  
15 *into consideration the institution’s mandate and core*  
16 *strengths, and the building of AIDS-mitigation meas-*  
17 *ures into other projects;*

18           “(3) *design and implementation of HIV/AIDS,*  
19 *tuberculosis, malaria, and other infectious diseases*  
20 *impact assessment criteria into environmental and*  
21 *social assessment processes that the institution con-*  
22 *siders when designing and evaluating new project*  
23 *proposals;*

24           “(4) *work on disseminating information on best*  
25 *practices and project design for HIV/AIDS, tuber-*

1       *culosis, malaria, and other infectious diseases*  
2       *projects; and*

3               “(5) *support training for professional staff on*  
4       *HIV/AIDS, tuberculosis, malaria, and other infec-*  
5       *tious disease prevention issues to ensure that these*  
6       *health-related concerns are integrated into all aspects*  
7       *of the work of the institution.”.*

8       **SEC. 4. USER FEES.**

9       *Title XVI of the International Financial Institutions*  
10      *Act (22 U.S.C. 262p—262p-7) is further amended by add-*  
11      *ing at the end the following:*

12      **“SEC. 1626. USER FEES.**

13               *“The Secretary of the Treasury shall instruct the*  
14      *United States Executive Director at the African Develop-*  
15      *ment Bank, the African Development Fund, the Asian De-*  
16      *velopment Bank, the Asian Development Fund, a special*  
17      *fund of the Asian Development Bank, and the Inter-Amer-*  
18      *ican Development Bank, and the United States Governor*  
19      *of the International Fund for Agricultural Development to*  
20      *oppose any loan, grant, document, or strategy that is sub-*  
21      *ject to endorsement or approval by the board of directors*  
22      *of any such institution, which includes user fees or service*  
23      *charges in impoverished countries directly or under the*  
24      *guise of community financing, cost-sharing, or cost recovery*  
25      *mechanisms, for primary education or primary health care,*

1 *including prevention and treatment efforts for HIV/AIDS,*  
2 *malaria, tuberculosis, and infant, child, and maternal well-*  
3 *being.”.*

4 **SEC. 5. TRANSPARENCY.**

5 (a) UNITED STATES POLICY IN REGIONAL  
6 MULTILATERAL DEVELOPMENT INSTITUTIONS.—Title XV  
7 of the International Financial Institutions Act (22 U.S.C.  
8 2620—2620–2) is further amended by adding at the end  
9 the following:

10 **“SEC. 1504. TRANSPARENCY.**

11 “(a) IN GENERAL.—The Secretary of the Treasury  
12 shall instruct the United States Executive Director at the  
13 African Development Bank, the African Development Fund,  
14 the Asian Development Bank, the Asian Development Fund,  
15 a special fund of the Asian Development Bank, the Inter-  
16 American Development Bank, and the European Bank for  
17 Reconstruction and Development, and the United States  
18 Governor of the International Fund for Agricultural Devel-  
19 opment to—

20 “(1) continue to make efforts to promote greater  
21 transparency regarding the activities of such institu-  
22 tions, including project design, project monitoring  
23 and evaluation, project implementation, resource allo-  
24 cation, and decisionmaking;

1           “(2) support continued efforts to allow informed  
2 participation and input by affected communities, in-  
3 cluding translation of information on proposed  
4 projects, providing information through information  
5 technology applications, oral briefings, and outreach  
6 to and dialogue with community organizations and  
7 institutions in affected areas; and

8           “(3) work toward ensuring that—

9           “(A) meetings of the Boards of Directors  
10 (or, in the case of the International Fund for Ag-  
11 ricultural Development, the Board of Governors)  
12 of their respective institutions are open to the  
13 public and the media, except for discussion of  
14 sensitive matters such as individual personnel  
15 matters;

16           “(B) transcripts of such meetings are avail-  
17 able to the public no later than 60 calendar days  
18 after the meetings, except for discussion of sen-  
19 sitive matters such as individual personnel mat-  
20 ters; and

21           “(C) all key documents that are presented  
22 for endorsement or approval by the Board of Di-  
23 rectors (or, in the case of the International Fund  
24 for Agricultural Development, the Board of Gov-  
25 ernors) of their respective institutions will be

1           *made available to the public at least 15 days be-*  
2           *fore consideration by the Board.*

3           “(b) *STATEMENT OF GOALS.*—*The Secretary of the*  
4 *Treasury shall instruct the United States Executive Direc-*  
5 *tor at the African Development Bank, the African Develop-*  
6 *ment Fund, the Asian Development Bank, the Asian Devel-*  
7 *opment Fund, a special fund of the Asian Development*  
8 *Bank, the Inter-American Development Bank, and the Eu-*  
9 *ropean Bank for Reconstruction and Development, and the*  
10 *United States Governor of the International Fund for Agri-*  
11 *cultural Development to inform their respective institutions*  
12 *of the goals enumerated in subsection (a), in a manner that*  
13 *the Secretary of the Treasury deems appropriate.”.*

14           (b) *CONGRESSIONAL TESTIMONY REQUIRED.*—*The*  
15 *United States Executive Directors at the African Develop-*  
16 *ment Bank, the African Development Fund, the Asian De-*  
17 *velopment Bank, the Asian Development Fund, a special*  
18 *fund of the Asian Development Bank, the Inter-American*  
19 *Development Bank, and the European Bank for Reconstruc-*  
20 *tion and Development, and the United States Governor of*  
21 *the International Fund for Agricultural Development shall,*  
22 *at the request of the Committee on Financial Services of*  
23 *the House of Representatives or of the Committee on For-*  
24 *eign Relations of the Senate appear before the committee*  
25 *making the request, on an annual basis, and testify on the*

1 *efforts undertaken pursuant to section 1504 of the Inter-*  
2 *national Financial Institutions Act and on other matters*  
3 *relating to any such institution.*

4 (c) *GRANTS.—*

5 (1) *IN GENERAL.—The Secretary of the Treasury*  
6 *may make grants in such amounts as the Secretary*  
7 *deems appropriate to any institution specified in*  
8 *paragraph (2) which—*

9 (A) *has implemented the measures described*  
10 *in section 1504 of the International Financial*  
11 *Institutions Act; and*

12 (B) *provides assurances to the Secretary*  
13 *that the institution will use the grant solely for*  
14 *transparency activities.*

15 (2) *INSTITUTIONS.—The institutions specified in*  
16 *this paragraph are the African Development Bank,*  
17 *the African Development Fund, the Asian Develop-*  
18 *ment Bank, the Asian Development Fund, a special*  
19 *fund of the Asian Development Bank, the Inter-Amer-*  
20 *ican Development Bank, the European Bank for Re-*  
21 *construction and Development, and the International*  
22 *Fund for Agricultural Development.*

23 (3) *LIMITATIONS ON AUTHORIZATION OF APPRO-*  
24 *PRIATIONS.—For grants under this subsection, there*  
25 *are authorized to be appropriated to the Secretary of*

1        *the Treasury not more than \$10,000,000 for fiscal*  
2        *year 2002.*

3        *(d) CONGRESSIONAL PURSUIT OF TRANSPARENCY*  
4        *GOALS IN INTERPARLIAMENTARY DIALOGUES AND MEET-*  
5        *INGS.—The Congress shall pursue the transparency goals*  
6        *described in section 1504 of the International Financial In-*  
7        *stitutions Act, in all official interparliamentary dialogues*  
8        *and meetings as appropriate.*

9        *(e) PURSUIT OF TRANSPARENCY GOALS BY THE SEC-*  
10       *RETARY OF THE TREASURY.—The Secretary of the Treas-*  
11       *ury shall submit annually to the Committee on Financial*  
12       *Services of the House of Representatives and the Committee*  
13       *on Foreign Relations of the Senate a written report detail-*  
14       *ing the steps that have been taken by the United States Ex-*  
15       *ecutive Directors at the institutions, by the finance min-*  
16       *isters, and by the institutions, referred to in paragraph (1)*  
17       *to implement the measures described in such section 1504.*

18       **SEC. 6. GENERAL OBJECTIVES.**

19        *Title XVI of the International Financial Institutions*  
20       *Act (22 U.S.C. 262p—262p-7) is further amended by add-*  
21       *ing at the end the following:*

22       **“SEC. 1627. GENERAL OBJECTIVES.**

23        *“The Secretary of the Treasury shall instruct the*  
24       *United States Executive Director at the African Develop-*  
25       *ment Bank, the African Development Fund, the Asian De-*

1 *velopment Bank, the Asian Development Fund, a special*  
2 *fund of the Asian Development Bank, and the Inter-Amer-*  
3 *ican Development Bank, and the United States Governor*  
4 *of the International Fund for Agricultural Development to*  
5 *focus on poverty alleviation, economic growth, increased*  
6 *productivity, sustainable development, environmental pro-*  
7 *tection, labor rights, and an increased focus on education.”.*

8 **SEC. 7. REQUIREMENTS FOR FINANCIAL SUPPORT FOR**  
9 **DAMS.**

10 *Title XVI of the International Financial Institutions*  
11 *Act (22 U.S.C. 262p—262p-7) is further amended by add-*  
12 *ing at the end the following:*

13 **“SEC. 1628. REQUIREMENTS FOR FINANCIAL SUPPORT FOR**  
14 **DAMS.**

15 *“The Secretary of the Treasury shall instruct the*  
16 *United States Executive Directors at the African Develop-*  
17 *ment Bank, the African Development Fund, the Asian De-*  
18 *velopment Bank, the Asian Development Fund, a special*  
19 *fund of the Asian Development Bank, and the Inter-Amer-*  
20 *ican Development Bank, and the United States Governor*  
21 *of the International Fund for Agricultural Development to*  
22 *oppose any loan which provides support for any project that*  
23 *includes a dam unless the project conforms to all of the fol-*  
24 *lowing terms:*

1           “(1) *Comprehensive and participatory assess-*  
2           *ments of the energy, water, and flood management*  
3           *needs to be met and different options for meeting these*  
4           *needs are developed before detailed studies are done on*  
5           *any specific project.*

6           “(2) *Priority is given to demand side manage-*  
7           *ment measures and optimizing the performance of ex-*  
8           *isting infrastructure before building any new projects.*

9           “(3) *No dam is built without full consultation*  
10          *with affected people.*

11          “(4) *Periodic participatory reviews are done for*  
12          *existing dams to assess issues including dam safety,*  
13          *and the possibility of dam decommissioning.*

14          “(5) *Mechanisms are developed to provide social*  
15          *compensation for those who are suffering the impacts*  
16          *of dams, and to restore damaged ecosystems.”.*

17 **SEC. 8. STUDY BY THE GENERAL ACCOUNTING OFFICE.**

18          *Within 1 year after the date of the enactment of this*  
19          *Act, the Comptroller General of the United States shall pre-*  
20          *pare and submit to the Committee on Financial Services*  
21          *of the House of Representatives and the Committee on For-*  
22          *ign Relations of the Senate a report on the benefits and*  
23          *costs of the African Development Fund, the Asian Develop-*  
24          *ment Fund, a special fund of the Asian Development Bank,*  
25          *the International Fund for Agricultural Development, and*

1 *the Fund for Special Operations of the Inter-American De-*  
2 *velopment Bank, providing grants instead of loans.*

3 **SEC. 9. COMMENDATION.**

4 *(a) FINDINGS.—The Congress finds that—*

5 *(1) the African Development Bank and Fund*  
6 *elected Omar Kabbaj, an official of the Ministry of*  
7 *Finance of Morocco, as the new President in 1995;*

8 *(2) President Kabbaj implemented successful fis-*  
9 *cal and managerial reforms, including refocusing the*  
10 *activity of the African Development Fund on poverty*  
11 *alleviation;*

12 *(3) under the leadership of President Kabbaj, the*  
13 *African Development Bank began to issue yearly*  
14 *portfolio status reports reflecting improved project*  
15 *monitoring and supervision;*

16 *(4) President Kabbaj successfully emphasized the*  
17 *importance of project post-evaluation in helping the*  
18 *Bank avoid problems identified with earlier funded*  
19 *projects;*

20 *(5) President Kabbaj has taken a program ap-*  
21 *proach where all stakeholders, including the bene-*  
22 *ficiaries of the borrower countries, are involved in*  
23 *program design and implementation;*

24 *(6) President Kabbaj was unanimously ap-*  
25 *pointed to a second 5-year term in May 2000; and*

1           (7) *under the leadership of President Kabbaj, on*  
2           *June 6, 2001, Standard & Poor’s revised the outlook*  
3           *on its AA+ long term issuer ratings of the African*  
4           *Development Bank to stable from negative.*

5           (b) *COMMENDATION.—The Congress, on behalf of the*  
6           *people of the United States, commends President Omar*  
7           *Kabbaj for his successful reform efforts as President of the*  
8           *African Development Bank and Fund, and encourages his*  
9           *continued efforts at reform.*

10   **SEC. 10. ACTION BY THE PRESIDENT.**

11           *Title XVI of the International Financial Institutions*  
12           *Act (22 U.S.C. 262p—262p–7) is further amended by add-*  
13           *ing at the end the following:*

14   **“SEC. 1629. ACTION BY THE PRESIDENT.**

15           *“If the President determines that a foreign country has*  
16           *taken or has committed to take actions that either con-*  
17           *tribute or do not contribute to efforts of the United States*  
18           *to respond to, deter, or prevent acts of international ter-*  
19           *rorism, the Secretary of the Treasury may, consistent with*  
20           *other applicable law, instruct the United States Executive*  
21           *Director at, or the United States Governor of, the regional*  
22           *multilateral development bank to take the determination into*  
23           *account in considering whether to approve an application*  
24           *of the country for assistance from the institution.”.*

1 **SEC. 11. SENSE OF THE CONGRESS REGARDING PRIVATIZA-**  
2 **TION PROJECTS.**

3 *Title XVI of the International Financial Institutions*  
4 *Act (22 U.S.C. 262p—262p-7) is further amended by add-*  
5 *ing at the end the following:*

6 **“SEC. 1630. SENSE OF THE CONGRESS REGARDING PRIVAT-**  
7 **IZATION PROJECTS.**

8 *“The Secretary of the Treasury should instruct the*  
9 *United States Executive Director at the Asian Development*  
10 *Bank, the African Development Bank, the African Develop-*  
11 *ment Fund, the International Fund for Agricultural Devel-*  
12 *opment, the Inter-American Development Bank, and the*  
13 *European Bank for Reconstruction and Development, and*  
14 *the United States Governor of the International Fund for*  
15 *Agricultural Development to use the voice and vote of the*  
16 *United States to oppose the provision by the respective in-*  
17 *stitution of assistance for a project that involves privatiza-*  
18 *tion of a government-held industry or sector if—*

19 *“(1) the privatization transaction is not imple-*  
20 *mented in a transparent manner;*

21 *“(2) the privatization transaction is not imple-*  
22 *mented in a manner that adequately protects the in-*  
23 *terests of workers, small investors, and vulnerable*  
24 *groups in society to the extent that they are affected*  
25 *by the privatization transaction; or*

1           “(3) appropriate regulatory regimes have not  
2           been established to ensure the proper function of com-  
3           petitive markets in the industry or sector.”.

4 **SEC. 12. OPPOSITION OF UNITED STATES TO REDUCTION**  
5                           **OF MINIMUM WAGE BELOW INTERNATION-**  
6                           **ALLY RECOGNIZED LEVEL OF POVERTY.**

7           *Title XVI of the International Financial Institutions*  
8 *Act (22 U.S.C. 262p—262p-7) is further amended by add-*  
9 *ing at the end the following:*

10 **“SEC. 1631. OPPOSITION OF UNITED STATES TO REDUC-**  
11                           **TION OF MINIMUM WAGE BELOW INTER-**  
12                           **NATIONALLY RECOGNIZED LEVEL OF POV-**  
13                           **ERTY.**

14           *“The Secretary of the Treasury shall instruct the*  
15 *United States Executive Director at the African Develop-*  
16 *ment Bank, the African Development Fund, the Asian De-*  
17 *velopment Bank, the Asian Development Fund, a special*  
18 *fund of the Asian Development Bank, the Inter-American*  
19 *Development Bank, and the European Bank for Reconstruc-*  
20 *tion and Development, and the United States Governor of*  
21 *the International Fund for Agricultural Development to op-*  
22 *pose any loan, grant, document, or strategy that is subject*  
23 *to endorsement or approval by the board of directors of any*  
24 *such institution, which includes any provision that would*

1 *recommend or encourage the reduction of a country’s min-*  
2 *imum wage to a level of less than \$2.00 per day.”.*

3 **SEC. 13. SUPPORT FOR ASIAN DEVELOPMENT FUND ASSIST-**  
4 **ANCE FOR PROJECTS THAT ARE DIRECTED**  
5 **AT ADDRESSING ARSENIC CONTAMINATION**  
6 **IN DRINKING WATER IN SOUTH ASIA.**

7 *Title XVI of the International Financial Institutions*  
8 *Act (22 U.S.C. 262p—262p–7) is further amended by add-*  
9 *ing at the end the following:*

10 **“SEC. 1632. SUPPORT FOR PROJECTS THAT ARE DIRECTED**  
11 **AT ADDRESSING ARSENIC CONTAMINATION**  
12 **IN DRINKING WATER IN SOUTH ASIA.**

13 *“The Secretary of the Treasury shall instruct the*  
14 *United States Executive Director at the Asian Development*  
15 *Fund, a special fund of the Asian Development Bank, to*  
16 *use the voice and vote of the United States to support*  
17 *projects that are directed at addressing arsenic contamina-*  
18 *tion in drinking water in South Asia.”.*



**Union Calendar No. 177**

107<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

**H. R. 2604**

**[Report No. 107-291]**

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**A BILL**

To authorize the United States to participate in and contribute to the seventh replenishment of the resources of the Asian Development Fund and the fifth replenishment of the resources of the International Fund for Agricultural Development, and to set forth additional policies of the United States towards the African Development Bank, the African Development Fund, the Asian Development Bank, the Inter-American Development Bank, and the European Bank for Reconstruction and Development.

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NOVEMBER 15, 2001

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed