

Calendar No. 112

111TH CONGRESS
1ST SESSION

S. 954

[Report No. 111-50]

To authorize United States participation in the replenishment of resources of the International Development Association, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 1, 2009

Mr. KERRY (for himself, Mr. LUGAR, and Mr. KAUFMAN) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

JULY 16, 2009

Reported by Mr. KERRY, with amendments

[Insert the part printed in *italic*]

A BILL

To authorize United States participation in the replenishment of resources of the International Development Association, 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 “World Bank Inter-
3 national Development Association Replenishment Act of
4 2009”.

5 **SEC. 2. DEFINITIONS.**

6 In this Act:

7 (1) **GREENHOUSE GAS.**—The term “greenhouse
8 gas” means carbon dioxide, methane, nitrous oxide,
9 sulfur hexafluoride, a perfluorocarbon, or a
10 hydrofluorocarbon.

11 (2) **MULTILATERAL DEVELOPMENT BANK.**—
12 The term “multilateral development bank” has the
13 meaning given that term in section 1307 of the
14 International Financial Institutions Act (22 U.S.C.
15 262m–7).

16 **SEC. 3. EXPANSION OF CLIMATE CHANGE MITIGATION AC-**
17 **TIVITIES OF, AND USE OF GREENHOUSE GAS**
18 **ACCOUNTING BY, MULTILATERAL DEVELOP-**
19 **MENT BANKS.**

20 Title XIII of the International Financial Institutions
21 Act (22 U.S.C. 262m et seq.) is amended by adding at
22 the end the following:

1 **“SEC. 1308. EXPANSION OF CLIMATE CHANGE MITIGATION**
2 **ACTIVITIES OF, AND USE OF GREENHOUSE**
3 **GAS ACCOUNTING BY, MULTILATERAL DE-**
4 **VELOPMENT BANKS.**

5 “(a) USE OF GREENHOUSE GAS ACCOUNTING.—The
6 Secretary of the Treasury shall seek to ensure that multi-
7 lateral development banks (as defined in section
8 1701(c)(4)) adopt and implement greenhouse gas account-
9 ing in analyzing the benefits and costs of individual
10 projects (excluding those with de minimus greenhouse gas
11 emissions) for which funding is sought from the bank.

12 “(b) SENSE OF CONGRESS.—It is the sense of Con-
13 gress that adopting and implementing greenhouse gas ac-
14 counting includes—

15 “(1) calculating net greenhouse gas flows;

16 “(2) establishing uniform calculation tech-
17 niques, with provision for modification as profes-
18 sional standards evolve;

19 “(3) making public the calculation techniques
20 and calculations;

21 “(4) measuring greenhouse gas emissions of in-
22 dividual projects;

23 “(5) considering global social costs of the emis-
24 sions when evaluating the economic cost benefit of
25 such projects; and

1 “(6) performing greenhouse gas accounting for
2 each such project.

3 “(c) EXPANSION OF CLIMATE CHANGE MITIGATION
4 ACTIVITIES.—The Secretary of the Treasury shall work
5 to ensure that the multilateral development banks (as de-
6 fined in section 1701(c)(4)) expand their activities sup-
7 porting climate change mitigation by—

8 “(1) expending support for *low-cost, high-gain*
9 investments in energy efficiency and renewable en-
10 ergy;

11 “(2) reviewing all proposed infrastructure in-
12 vestments to ensure that all opportunities for inte-
13 grating viable energy efficiency measures have been
14 considered;

15 “(3) increasing the dialogue with the govern-
16 ments of developing countries regarding—

17 “(A) analysis and policy measures needed
18 for low carbon emission economic development;
19 and

20 “(B) reforms needed to promote private
21 sector engagement in *low-cost, high-gain* renew-
22 able and energy efficiency investments; and

23 “(4) integrate low carbon emission economic de-
24 velopment objectives into multilateral development
25 bank country strategies.

1 “(d) REPORT TO CONGRESS.—Not later than 1 year
2 after the date of the enactment of this section, and annu-
3 ally thereafter, the Secretary of the Treasury shall submit
4 a report on the status of efforts to implement this section
5 to the Committee on Foreign Relations of the Senate and
6 the Committee on Financial Services of the House of Rep-
7 resentatives.”.

8 **SEC. 4. ANTI-CORRUPTION CAPACITY BUILDING.**

9 The Secretary of the Treasury shall instruct the
10 United States Executive Director at the World Bank to—

11 (1) urge the World Bank to help countries build
12 capacity to investigate, adjudicate, and punish cor-
13 ruption and all crimes in a manner consistent with
14 well-established law enforcement and judicial norms;
15 and

16 (2) actively promote efforts to enhance and ex-
17 tend programs that improve recipient countries’ abil-
18 ity to prevent, investigate, and prosecute fraud and
19 corruption, including in projects funded by the
20 World Bank, through initiatives aimed at—

21 (A) building institutional capacity across
22 recipient country government agencies;

23 (B) improving transparency and account-
24 ability mechanisms throughout government;

1 (C) promoting public education of the costs
2 of corruption;

3 (D) encouraging recipient countries to
4 adopt enforceable sanctions;

5 (E) supporting the judicial sector in low-
6 income countries to include investigative and
7 prosecutorial functions of the criminal justice
8 system, as permitted by determinations of non-
9 interference in political matters required by the
10 World Bank Articles of Agreement; and

11 (F) developing additional tools for the de-
12 tection of fraud and corruption in World Bank
13 projects as additional preventative measures
14 and to equip recipient countries with more real-
15 time data to support in-country investigations
16 at earlier stages of the project cycle.

17 **SEC. 5. REPORTS ON PROCESS TO ADDRESS INSPECTION**
18 **FUNCTIONS WITHIN THE MULTILATERAL DE-**
19 **VELOPMENT BANKS.**

20 The Secretary of the Treasury shall instruct the
21 United States Executive Director at each multilateral de-
22 velopment bank to use the voice and vote of the United
23 States to—

24 (1) encourage the World Bank Inspection
25 Panel, the Compliance Advisor Ombudsman of the

1 International Finance Corporation and Multilateral
 2 Investment Guarantee Agency, the African Develop-
 3 ment Bank Independent Review Mechanism, the
 4 InterAmerican Development Bank Independent In-
 5 vestigation Mechanism, the Asian Development
 6 Bank Accountability Mechanism, and the European
 7 Bank for Reconstruction and Development Inde-
 8 pendent Recourse Mechanism to include, if not done
 9 already, in their respective publications, an assess-
 10 ment of—

11 (A) the number of cases, key findings, and
 12 outcomes of completed inspection processes;

13 (B) the level and extent of participation of
 14 requesters and other affected people in the com-
 15 pliance investigation process, including the ex-
 16 tent to which their concerns were raised before
 17 the Board and senior management of the bank;

18 (C) the level and extent of participation of
 19 requesters and other affected people in the
 20 problem-solving process, where applicable; and

21 (D) inclusion of stakeholders in the cre-
 22 ation of action plans or remedial agreements
 23 to—

24 (i) remedy identified violations of the
 25 policies and procedures of the bank; and

1 (ii) address outstanding issues identi-
2 fied in a problem-solving process, if appli-
3 cable; and

4 (2) strengthen the inspection mechanism in
5 such development banks where the Department of
6 the Treasury has identified weaknesses.

7 **SEC. 6. EVALUATION.**

8 (a) IN GENERAL.—The Secretary of the Treasury
9 shall seek to ensure that multilateral development banks—

10 (1) rigorously evaluate the development impact
11 of selected bank projects, programs, and financing
12 operations; and

13 (2) use random assignment in conducting the
14 evaluations described in paragraph (1), to the extent
15 feasible.

16 (b) SENSE OF CONGRESS.—It is the sense of Con-
17 gress that—

18 (1) multilateral development banks should rig-
19 orously evaluate the development impact of selected
20 bank projects, programs, and financing operations;

21 (2) the evaluations described in paragraph (1)
22 should—

23 (A) focus strategically on building a body
24 of research-proven approaches that have size-

1 able, sustained impacts on important develop-
2 ment outcomes; and

3 (B) use random assignment to the extent
4 feasible; and

5 (3) multilateral development banks should issue
6 an annual report or similar publication with details
7 about—

8 (A) the questions being addressed;

9 (B) the rationale for selecting the projects,
10 programs, and financing operations that are
11 being evaluated;

12 (C) the methodologies used in the evalua-
13 tions; and

14 (D) the findings from the completed eval-
15 uations.

16 **SEC. 7. INTERNATIONAL DEVELOPMENT ASSOCIATION.**

17 The International Development Association Act (22
18 U.S.C. 284 et seq.) is amended by adding at the end the
19 following:

20 **“SEC. 24. FIFTEENTH REPLENISHMENT.**

21 “(a) The United States Governor of the International
22 Development Association is authorized to contribute, on
23 behalf of the United States, \$3,705,000,000 to the fif-
24 teenth replenishment of the resources of the Association,
25 subject to obtaining the necessary appropriations.

1 “(b) In order to pay for the United States contribu-
2 tion provided for in subsection (a), there are authorized
3 to be appropriated \$3,705,000,000 for payment by the
4 Secretary of the Treasury.

5 **“SEC. 25. MULTILATERAL DEBT RELIEF.**

6 “(a) The Secretary of the Treasury is authorized to
7 contribute, on behalf of the United States, not more than
8 \$356,000,000 to the International Development Associa-
9 tion for the purpose of funding debt relief under the Multi-
10 lateral Debt Relief Initiative in the period governed by the
11 fifteenth replenishment of resources of the International
12 Development Association, subject to obtaining the nec-
13 essary appropriations and without prejudice to any fund-
14 ing arrangements in existence on the date of the enact-
15 ment of this section.

16 “(b) In order to pay for the United States contribu-
17 tion provided for in subsection (a), there are authorized
18 to be appropriated, without fiscal year limitation, not more
19 than \$356,000,000 for payment by the Secretary of the
20 Treasury.

21 “(c) In this section, the term ‘Multilateral Debt Re-
22 lief Initiative’ means the proposal set out in the G8 Fi-
23 nance Ministers’ Communiqué entitled ‘Conclusions on
24 Development,’ done at London, June 11, 2005, and re-

1 affirmed by G8 Heads of State at the Gleneagles Summit
2 on July 8, 2005.”.

3 **SEC. 8. COORDINATION OF DEVELOPMENT POLICY.**

4 (a) STUDY.—The Secretary of the Treasury, in co-
5 ordination with the Secretary of State, the Administrator
6 of the United States Agency for International Develop-
7 ment, and other Federal agencies, as appropriate, shall
8 conduct a study on the respective roles each agency plays
9 in the formulation of United States policy concerning the
10 development policy, programs, and activities of the World
11 Bank Group.

12 (b) REPORT.—

13 (1) SUBMISSION.—Not later than 1 year after
14 the date of the enactment of this Act, the Secretary
15 of the Treasury shall submit a report that includes
16 the results of the study conducted under subsection

17 (a) to—

18 (A) the Committee on Foreign Relations of
19 the Senate; and

20 (B) the Committee on Financial Services
21 of the House of Representatives.

22 (2) CONTENTS.—The report submitted under
23 paragraph (1) shall specifically address and evaluate
24 the degree and extent of interagency coordination in
25 the formulation and implementation of United

- 1 States policy relating to the development activities of
- 2 the World Bank Group.

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