

116TH CONGRESS
2D SESSION

S. 4997

To authorize the tenth general capital increase for the Inter-American Development Bank and to strengthen recovery efforts in Latin America and the Caribbean related to the COVID–19 pandemic, and for other purposes.

IN THE SENATE OF THE UNITED STATES

DECEMBER 10, 2020

Mr. MENENDEZ (for himself and Mr. RUBIO) introduced the following bill;
which was read twice and referred to the Committee on Foreign Relations

A BILL

To authorize the tenth general capital increase for the Inter-American Development Bank and to strengthen recovery efforts in Latin America and the Caribbean related to the COVID–19 pandemic, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Inter-American Devel-
5 opment Bank General Capital Increase Act of 2020”.

6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

1 (1) The region of Latin America and the Carib-
 2 bean is the most severely impacted by SARS-CoV-
 3 2, the virus that causes the coronavirus disease 2019
 4 (commonly referred to as “COVID-19”), rep-
 5 resenting 11,527,596 confirmed cases or 23.08 per-
 6 cent of worldwide cases since February 2020, ac-
 7 cording to the Inter-American Development Bank.

8 (2) Decline in economic activity as a result of
 9 the COVID-19 pandemic will precipitate a 9.9 per-
 10 cent fall in gross domestic product per capita
 11 throughout Latin America and the Caribbean by the
 12 end of 2020, entirely reversing steady advancements
 13 in regional gross domestic product per capita since
 14 2010, according to the Economic Commission for
 15 Latin America and the Caribbean.

16 (3) The Economic Commission for Latin Amer-
 17 ica and the Caribbean predicts that, throughout
 18 Latin America and the Caribbean, the COVID-19
 19 pandemic will—

20 (A) push an additional 45,400,000 people
 21 into poverty, increasing the total number of
 22 people living in poverty from 185,500,000 to
 23 230,900,000, or approximately 37.3 percent of
 24 the Latin American and Caribbean population,
 25 by the end of 2020; and

1 (B) cause the total number of individuals
2 living in extreme poverty to increase by
3 28,500,000 from 67,700,000 to 96,200,000, or
4 approximately 15.5 percent of the Latin Amer-
5 ican and Caribbean population, by the end of
6 2020.

7 (4) The Inter-American Development Bank es-
8 timated in May 2020 that 17,000,000 formal jobs
9 would be lost as a result of the pandemic, increasing
10 the share of jobs in informal sectors of the region's
11 economies to 62 percent. September 2020 findings
12 from the International Labour Organization noted
13 that 34,000,000 workers across 9 countries in the
14 region lost their jobs in the first half of 2020.

15 (5) The pandemic also has complicated the hu-
16 manitarian and development challenges countries
17 across Latin America and the Caribbean face as
18 hosts to more than 4,300,000 Venezuelan refugees
19 and migrants, prompting the Inter-American Devel-
20 opment Bank to launch a migration initiative that
21 aims to provide \$85,000,000 in grants and leverage
22 investments of \$1,100,000,000 in social protection,
23 health, education, and employment.

24 (6) The pandemic has severely disrupted edu-
25 cation systems across Latin America and the Carib-

1 bean because of a lack of equipment and pedagogical
 2 tools required for effective remote schooling. Accord-
 3 ing to data compiled by the United Nations Edu-
 4 cational, Scientific and Cultural Organization and
 5 the Inter-American Development Bank, less than 30
 6 percent of low-income families impacted by decisions
 7 to halt in-person classes have access to a computer
 8 and only around 60 percent of secondary school
 9 teachers have the skills needed for virtual instruc-
 10 tion.

11 (7) Countries across Latin America and the
 12 Caribbean continue to face enduring economic chal-
 13 lenges, including persistent inequality, high levels of
 14 tax evasion and avoidance, and elevated debt levels.

15 (8) The stability, sustainable development, and
 16 inclusive growth of economies in Latin America and
 17 the Caribbean is in the national interest of the
 18 United States, as the region accounts for 21.7 per-
 19 cent of United States trade in goods in 2019, ac-
 20 cording to the Economic Commission for Latin
 21 America and the Caribbean.

22 (9) The Inter-American Development Bank is
 23 the world's oldest and largest regional development
 24 bank, and has worked continuously since 1959 to

1 foster economic, social, and institutional develop-
2 ment in Latin America and the Caribbean.

3 (10) The Inter-American Development Bank is
4 uniquely positioned to advance post-pandemic recov-
5 ery efforts and to mitigate the social and economic
6 impacts of the pandemic. As early as March 2020,
7 the Inter-American Development Bank announced
8 the allotment of up to \$12,000,000,000 toward im-
9 mediate public health responses, efforts to revitalize
10 social safety nets for vulnerable populations, and
11 strategic economic productivity and employment ini-
12 tiatives.

13 (11) With the support of 23 out of the 28
14 shareholding countries in the Western Hemisphere,
15 the Governors of the Inter-American Development
16 Bank duly elected a new President of the Bank on
17 September 12, 2020, to serve a 5-year term.

18 (12) The 48 borrowing and non-borrowing
19 member countries of the Inter-American Develop-
20 ment Bank last agreed to a ninth general capital in-
21 crease as part of the Bank’s annual meeting on
22 March 20–22, 2010.

23 (13) Under the Coronavirus Aid, Relief, and
24 Economic Security Act (Public Law 116–136; 134
25 Stat. 281) (commonly referred to as the “CARES

1 Act”), enacted on March 27, 2020, Congress ap-
2 proved capital stock increases for the International
3 Finance Corporation and the African Development
4 Bank to strengthen the “ability of foreign countries
5 to prevent, prepare for, and respond to coronavirus
6 and to the adverse economic impacts of
7 coronavirus”.

8 **SEC. 3. SENSE OF CONGRESS.**

9 It is the sense of Congress that—

10 (1) the spread of SARS-CoV-2 has had a sig-
11 nificant impact on economic, social, and humani-
12 tarian conditions throughout Latin America and the
13 Caribbean;

14 (2) the Inter-American Development Bank is
15 the preeminent multilateral development bank dedi-
16 cated to regional economic and social development
17 and the betterment of lives across Latin America
18 and the Caribbean;

19 (3) the Bank has played an integral role in sup-
20 porting member countries with the coordination and
21 implementation of policies to mitigate the effects of
22 the COVID-19 pandemic, the Venezuelan refugee
23 and migration crisis, and other crises in the Western
24 Hemisphere;

1 (4) a capital increase for the Bank would great-
2 ly increase its capacity to provide financing, institu-
3 tional knowledge, and technical support to foster re-
4 covery and inclusion initiatives between regional gov-
5 ernments, private sector entities, and international
6 organizations;

7 (5) the election on September 12, 2020, of a
8 new president of the Inter-American Development
9 Bank—

10 (A) demonstrated hope for the leadership
11 of the United States by regional partners facing
12 increased geopolitical competition and the sig-
13 nificant impact of the COVID–19 pandemic;
14 and

15 (B) presents an opportunity for the United
16 States to further strengthen its commitment to
17 helping build a financially stronger and more
18 transparent Bank in order to support the coun-
19 tries of the Americas during such historic cri-
20 ses; and

21 (6) the United States, as a founding member of
22 the Bank, should support a capital stock increase to
23 ensure the Bank is prepared to offer additional sup-
24 port to member countries severely impacted by the
25 COVID–19 pandemic and other crises.

1 **SEC. 4. TENTH GENERAL CAPITAL INCREASE.**

2 (a) **SUPPORT FOR A GENERAL CAPITAL INCREASE.**—

3 The President shall take steps to support a tenth general
4 capital increase for the Inter-American Development
5 Bank.

6 (b) **DIPLOMATIC ENGAGEMENT.**—The President
7 shall advance diplomatic engagement to build support
8 among member countries of the Inter-American Develop-
9 ment Bank for a tenth general capital increase for the
10 Bank in order to strengthen the capacity of the Bank—

11 (1) to support Latin American and Caribbean
12 countries in their efforts to address the COVID–19
13 pandemic and the related economic impact; and

14 (2) to advance inclusive economic and social de-
15 velopment in the Americas.

16 (c) **PROGRESS REPORT.**—Not later than 45 days
17 after the date of the enactment of this Act, the President
18 shall submit to the Foreign Relations Committee of the
19 Senate and the Committee on Financial Services of the
20 House of Representatives a report detailing efforts to
21 carry out subsections (a) and (b).

22 (d) **TENTH CAPITAL INCREASE.**—The Inter-Amer-
23 ican Development Bank Act (22 U.S.C. 283 et seq.) is
24 amended by adding at the end the following:

1 **“SEC. 42. TENTH CAPITAL INCREASE.**

2 “(a) VOTE AUTHORIZED.—The United States Gov-
3 ernor of the Bank is authorized to vote in favor of a reso-
4 lution to increase the capital stock of the Bank by
5 \$80,000,000,000 over a period not to exceed 5 years.

6 “(b) SUBSCRIPTION AUTHORIZED.—

7 “(1) IN GENERAL.—The United States Gov-
8 ernor of the Bank may subscribe on behalf of the
9 United States to 1,990,714 additional shares of the
10 capital stock of the Bank.

11 “(2) LIMITATION.—Any subscription by the
12 United States to the capital stock of the Bank shall
13 be effective only to such extent and in such amounts
14 as are provided in advance in appropriations Acts.

15 “(c) LIMITATIONS ON AUTHORIZATION OF APPRO-
16 PRIATIONS.—

17 “(1) IN GENERAL.—In order to pay for the in-
18 crease in the United States subscription to the Bank
19 under subsection (b), there is authorized to be ap-
20 propriated \$24,014,857,191 for payment by the Sec-
21 retary of the Treasury.

22 “(2) ALLOCATION OF FUNDS.—Of the amount
23 authorized to be appropriated under paragraph
24 (1)—

25 “(A) \$600,371,430 shall be for paid in
26 shares of the Bank; and

1 “(B) \$23,414,485,761 shall be for callable
2 shares of the Bank.”.

3 **SEC. 5. SUPPORT FOR ENVIRONMENTAL SUSTAINABILITY**
4 **INITIATIVES OF INTER-AMERICAN DEVELOP-**
5 **MENT BANK.**

6 (a) FINDINGS.—Congress makes the following find-
7 ings:

8 (1) The Inter-American Development Bank has
9 served as an executing agency for the Global Envi-
10 ronment Facility, a grant-making and financing fa-
11 cility supported by 182 countries to address global
12 environmental issues and sustainable development.

13 (2) The Inter-American Development Bank has
14 never had its own environmental grant-making and
15 financing facility despite the fact that the Americas
16 are home to the world’s largest tropical rain forest
17 and include countries significantly affected by nat-
18 ural disasters annually.

19 (b) SENSE OF CONGRESS.—It is the sense of Con-
20 gress that the Inter-American Development Bank
21 should—

22 (1) establish its own environmental grant-mak-
23 ing and financing facility in order to implement and
24 expand environmental policies, metrics, and stand-
25 ards, to strengthen resilience and disaster prepared-

1 ness, and to improve sustainability and conservation;
2 and

3 (2) continue to strengthen environmental safe-
4 guards as an element of economic development in
5 the Western Hemisphere.

6 (c) DIPLOMATIC ENGAGEMENT.—The President shall
7 advance diplomatic engagement to build support among
8 member countries of the Bank for the creation of an envi-
9 ronmental fund and financing facility as part of the tenth
10 general capital increase for the Bank.

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