

117TH CONGRESS
1ST SESSION

S. 616

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

MARCH 6 (legislative day, MARCH 5), 2021

Mr. MENENDEZ (for himself, Mr. RUBIO, Mr. Kaine, Mr. Cassidy, and Mr. Cardin) 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 2021”.

6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

1 (1) The region of Latin America and the Carib-
2 bean has suffered severely from the coronavirus dis-
3 ease 2019 (commonly referred to as “COVID–19”),
4 with more than 18,000,000 confirmed cases since
5 February 2020, according to the Inter-American De-
6 velopment Bank.

7 (2) In 2020, as a result of COVID–19, gross
8 domestic product per capita fell 8.5 percent across
9 Latin America and the Caribbean, entirely reversing
10 steady advancements in regional gross domestic
11 product per capita since 2010, according to the Eco-
12 nomic Commission for Latin America and the Carib-
13 bean.

14 (3) Initial assessments by the Economic Com-
15 mission for Latin America and the Caribbean indi-
16 cate that, throughout Latin America and the Carib-
17 bean, the COVID–19 pandemic will have—

18 (A) pushed an additional 45,500,000 peo-
19 ple into poverty, increasing the total number of
20 people living in poverty from 185,500,000 to
21 230,900,000, or approximately 37.3 percent of
22 the Latin American and Caribbean population,
23 in 2020; and

24 (B) caused the total number of individuals
25 living in extreme poverty to increase by

1 28,500,000 from 67,700,000 to 96,200,000, or
 2 approximately 15.5 percent of the Latin Amer-
 3 ican and Caribbean population, in 2020.

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

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

21 (6) The pandemic has severely disrupted edu-
 22 cation systems across Latin America and the Carib-
 23 bean because of a lack of equipment and pedagogical
 24 tools required for effective remote schooling. Accord-
 25 ing to data compiled by the United Nations Edu-

1 cational, Scientific and Cultural Organization and
 2 the Inter-American Development Bank, fewer than
 3 30 percent of low-income families impacted by deci-
 4 sions to halt in-person classes have access to a com-
 5 puter and only around 60 percent of secondary
 6 school teachers have the skills needed for virtual in-
 7 struction.

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

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

19 (9) The Inter-American Development Bank is
 20 the world's oldest and largest regional development
 21 bank, and has worked continuously since 1959 to
 22 foster economic, social, and institutional develop-
 23 ment in Latin America and the Caribbean.

24 (10) The Inter-American Development Bank is
 25 uniquely positioned to advance post-pandemic recov-

1 ery efforts and to mitigate the social and economic
2 impacts of the pandemic. As early as March 2020,
3 the Inter-American Development Bank announced
4 the allotment of up to \$12,000,000,000 toward im-
5 mediate public health responses, efforts to revitalize
6 social safety nets for vulnerable populations, and
7 strategic economic productivity and employment ini-
8 tiatives.

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

14 (12) Under the Coronavirus Aid, Relief, and
15 Economic Security Act (Public Law 116–136; 134
16 Stat. 281) (commonly referred to as the “CARES
17 Act”), enacted on March 27, 2020, Congress ap-
18 proved capital stock increases for the International
19 Finance Corporation and the African Development
20 Bank to strengthen the “ability of foreign countries
21 to prevent, prepare for, and respond to coronavirus
22 and to the adverse economic impacts of
23 coronavirus”.

24 **SEC. 3. SENSE OF CONGRESS.**

25 It is the sense of Congress that—

1 (1) the spread of SARS–CoV–2, the virus that
2 causes COVID–19, has had a significant impact on
3 economic, social, and humanitarian conditions
4 throughout Latin America and the Caribbean;

5 (2) the Inter-American Development Bank is
6 the preeminent multilateral development bank dedi-
7 cated to regional economic and social development
8 and the betterment of lives across Latin America
9 and the Caribbean;

10 (3) the Bank has played an integral role in sup-
11 porting member countries with the coordination and
12 implementation of policies to mitigate the effects of
13 the COVID–19 pandemic, the Venezuelan refugee
14 and migration crisis, and other crises in the Western
15 Hemisphere;

16 (4) a capital increase for the Bank would great-
17 ly increase its capacity to provide financing, institu-
18 tional knowledge, and technical support to foster re-
19 covery and inclusion initiatives between regional gov-
20 ernments, private sector entities, and international
21 organizations; and

22 (5) the United States, as a founding member of
23 the Bank, should support a capital stock increase to
24 ensure the Bank is prepared to offer additional sup-

1 port to member countries severely impacted by the
2 COVID–19 pandemic and other crises.

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

4 (a) SUPPORT FOR A GENERAL CAPITAL INCREASE.—

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

8 (b) DIPLOMATIC ENGAGEMENT.—The President
9 shall advance diplomatic engagement to build support
10 among member countries of the Bank for a tenth general
11 capital increase for the Bank in order to strengthen the
12 capacity of the Bank—

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

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

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

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

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

5 “(a) VOTE AUTHORIZED.—The United States Gov-
 6 ernor of the Bank is authorized to vote in favor of a reso-
 7 lution to increase the capital stock of the Bank by
 8 \$80,000,000,000 over a period not to exceed 5 years.

9 “(b) SUBSCRIPTION AUTHORIZED.—

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

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

18 “(c) LIMITATIONS ON AUTHORIZATION OF APPRO-
 19 PRIATIONS.—

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

1 “(2) ALLOCATION OF FUNDS.—Of the amount
2 authorized to be appropriated under paragraph
3 (1)—

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

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

8 **SEC. 5. SUPPORT FOR ENVIRONMENTAL SUSTAINABILITY**
9 **INITIATIVES OF INTER-AMERICAN DEVELOP-**
10 **MENT BANK.**

11 (a) FINDINGS.—Congress makes the following find-
12 ings:

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

18 (2) The Bank has never had its own environ-
19 mental grant-making and financing facility despite
20 the fact that the Americas are home to the world’s
21 largest tropical rain forest and include countries sig-
22 nificantly affected by natural disasters annually.

23 (b) SENSE OF CONGRESS.—It is the sense of Con-
24 gress that the Bank should—

1 (1) establish its own environmental grant-mak-
2 ing and financing facility in order to implement and
3 expand environmental policies, metrics, and stand-
4 ards, to strengthen resilience and disaster prepared-
5 ness, and to improve sustainability and conservation;
6 and

7 (2) continue to strengthen environmental safe-
8 guards as an element of economic development in
9 the Western Hemisphere.

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

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