

Union Calendar No. 214

115TH CONGRESS
1ST SESSION

H. R. 3326

[Report No. 115–298]

To increase accountability, combat corruption, and strengthen management effectiveness at the World Bank.

IN THE HOUSE OF REPRESENTATIVES

JULY 20, 2017

Mr. BARR introduced the following bill; which was referred to the Committee on Financial Services

SEPTEMBER 7, 2017

Additional sponsor: Mr. SHERMAN

SEPTEMBER 7, 2017

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 *italie*]

[For text of introduced bill, see copy of bill as introduced on July 20, 2017]

A BILL

To increase accountability, combat corruption, and
strengthen management effectiveness at the World Bank.

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 “World Bank Account-*
 5 *ability Act of 2017”.*

6 **SEC. 2. WITHHOLDING OF FUNDS UNTIL CERTAIN CONDI-**
 7 **TIONS ARE MET.**

8 *(a) INSTITUTIONAL REFORMS.—*

9 *(1) IN GENERAL.—With respect to each of fiscal*
 10 *years 2018 through 2023, in addition to any amounts*
 11 *withheld from disbursement under subsection (b), 15*
 12 *percent of the amounts provided in appropriations*
 13 *Acts for the International Development Association*
 14 *for the fiscal year—*

15 *(A) shall be withheld from disbursement*
 16 *until the conditions of paragraph (2) or (3) are*
 17 *satisfied; and*

18 *(B)(i) shall be disbursed after the conditions*
 19 *of paragraph (2) are satisfied; and*

20 *(ii) may be disbursed after the conditions of*
 21 *paragraph (3) are satisfied*

22 *(2) INITIAL CONDITIONS.—The conditions of this*
 23 *paragraph are satisfied with respect to the amounts*
 24 *provided in appropriations Acts for a fiscal year if,*
 25 *in the fiscal year, the Secretary of the Treasury re-*

1 ports to the appropriate congressional committees that
2 the International Bank for Reconstruction and Devel-
3 opment—

4 (A) is implementing institutional incen-
5 tives, including through formal staff evaluation
6 criteria, that prioritize poverty reduction, devel-
7 opment outcomes, and capable project manage-
8 ment over the volume of the Bank's lending and
9 grantmaking;

10 (B) is taking steps to address the manage-
11 ment failures described in Inspection Panel In-
12 vestigation Report 106710–UG, and to prevent
13 their recurrence in countries that are eligible for
14 World Bank support; and

15 (C) is taking measures to strengthen its
16 management of trust funds, with the goal of in-
17 creasing the accountability of the trust funds for
18 poverty reduction and development outcomes.

19 (3) *SUBSEQUENT CONDITIONS.*—The conditions
20 of this paragraph are satisfied if the Secretary of the
21 Treasury reports to the appropriate congressional
22 committees, in each of the 3 fiscal years most recently
23 preceding the fiscal year in which the report is made,
24 that the International Bank for Reconstruction and
25 Development has instituted the measures described in

1 *paragraph (2) of this subsection and the measures de-*
2 *scribed in subsection (b)(2).*

3 *(b) GOVERNANCE AND ANTICORRUPTION REFORMS.—*

4 *(1) IN GENERAL.—With respect to each of fiscal*
5 *years 2018 through 2023, in addition to any amounts*
6 *withheld from disbursement under subsection (a), 15*
7 *percent of the amounts provided in appropriations*
8 *Acts for the International Development Association*
9 *for the fiscal year—*

10 *(A) shall be withheld from disbursement*
11 *until the conditions of paragraph (2) or (3) are*
12 *satisfied; and*

13 *(B)(i) shall be disbursed after the conditions*
14 *of paragraph (2) are satisfied; and*

15 *(ii) may be disbursed after the conditions of*
16 *paragraph (3) are satisfied*

17 *(2) INITIAL CONDITIONS.—The conditions of this*
18 *paragraph are satisfied with respect to the amounts*
19 *provided in appropriations Acts for a fiscal year if,*
20 *in the fiscal year, the Secretary of the Treasury re-*
21 *ports to the appropriate congressional committees that*
22 *the International Bank for Reconstruction and Devel-*
23 *opment—*

24 *(A) is emphasizing in appropriate oper-*
25 *ational policies, directives, and country strate-*

gies its support for secure property rights, due process of law, and economic freedom as essential conditions for sustained poverty reduction in World Bank borrowing countries;

(B)(i) in the preceding fiscal year, has not approved any loans or grants assistance by the Bank to a country designated by the United States as a state sponsor of terrorism; and

(ii) is strengthening the ability of Bank-funded projects to undermine violent extremism;

(C) is taking steps to conduct forensic audits of projects receiving assistance from the Bank, increase the number of the forensic audits, and strengthen the capacity of the Bank's Integrity Vice Presidency, and that not less than 50 percent of the forensic audits initiated by the Bank in each fiscal year are of projects randomly selected from among International Development Association borrowing countries; and

(D) is taking measures to detect and minimize corruption in all World Bank projects involving development policy lending.

(3) *SUBSEQUENT CONDITIONS.*—The conditions of this paragraph are satisfied if the Secretary of the Treasury reports to the appropriate congressional

1 committees, in each of the 3 fiscal years most recently
2 preceding the fiscal year in which the report is made
3 that the International Bank for Reconstruction and
4 Development has instituted the measures described in
5 paragraph (2) of this subsection and the measures de-
6 scribed in subsection (a)(2).

7 (c) *APPROPRIATE CONGRESSIONAL COMMITTEES DE-*
8 *FINED.*—In this section, the term “appropriate congres-
9 sional committees” means the Committees on Financial
10 Services and on Appropriations of the House of Representa-
11 tives and the Committees on Foreign Relations and on Ap-
12 propriations of the Senate.

13 **SEC. 3. REPORTS TO CONGRESS.**

14 The Chairman of the National Advisory Council on
15 International Monetary and Financial Policies shall in-
16 clude in the report required by section 1701 of the Inter-
17 national Financial Institutions Act for each of fiscal years
18 2018 through 2023 a detailed description of the actions un-
19 dertaken by the International Bank for Reconstruction and
20 Development in the fiscal year covered by the report to in-
21 stitute the measures described in subsections (a)(2) and
22 (b)(2) of section 2 of this Act.

1 **SEC. 4. OPPOSITION TO WORLD BANK ASSISTANCE FOR**
 2 **GOVERNMENT THAT FAILS TO IMPLEMENT**
 3 **OR ENFORCE MEASURES REQUIRED UNDER**
 4 **AN APPLICABLE UNITED NATIONS SECURITY**
 5 **COUNCIL RESOLUTION.**

6 *The Bretton Woods Agreements Act (22 U.S.C. 286 et*
 7 *seq.) is amended by adding at the end the following:*

8 **“SEC. 73. OPPOSITION TO ASSISTANCE FOR GOVERNMENT**
 9 **THAT FAILS TO IMPLEMENT OR ENFORCE**
 10 **MEASURES REQUIRED UNDER AN APPLICA-**
 11 **BLE UNITED NATIONS SECURITY COUNCIL**
 12 **RESOLUTION.**

13 *“The Secretary of the Treasury should instruct the*
 14 *United States Executive Director at the International Bank*
 15 *for Reconstruction and Development to use the voice and*
 16 *vote of the United States to oppose the provision of assist-*
 17 *ance to the government of a borrowing country of the Inter-*
 18 *national Development Association if the President of the*
 19 *United States determines that the government has know-*
 20 *ingly failed to implement or enforce sanctions required*
 21 *under an applicable United Nations Security Council reso-*
 22 *lution (as defined in section 3 of the North Korea Sanctions*
 23 *and Policy Enhancement Act of 2016 (Public Law 114–*
 24 *122; 22 U.S.C. 9202)) that is in effect.”.*

1 **SEC. 5. EIGHTEENTH REPLENISHMENT OF THE INTER-**
2 **NATIONAL DEVELOPMENT ASSOCIATION; RE-**
3 **DUCTION FROM IDA-17 AUTHORIZED LEVEL.**

4 *The International Development Association Act (22*
5 *U.S.C. 284 et seq.) is amended by adding at the end the*
6 *following:*

7 **“SEC. 30. EIGHTEENTH REPLENISHMENT.**

8 *“(a) CONTRIBUTION AUTHORITY.—The United States*
9 *Governor of the International Development Association*
10 *may contribute on behalf of the United States*
11 *\$3,291,030,000 to the eighteenth replenishment of the re-*
12 *sources of the Association, subject to obtaining the necessary*
13 *appropriations.*

14 *“(b) LIMITATIONS ON AUTHORIZATION OF APPROPRIA-*
15 *TIONS.—In order to pay for the contribution provided for*
16 *in subsection (a), there are authorized to be appropriated,*
17 *without fiscal year limitation, \$3,291,030,000 for payment*
18 *by the Secretary of the Treasury.”.*

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