

**FRANK 187
(Revised)**

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 6306
OFFERED BY MR. FRANK OF MASSACHUSETTS (ON
BEHALF OF HIMSELF, MR. BACHUS OF ALA-
BAMA, AND MS. WATERS OF CALIFORNIA)**

Strike all after the enacting clause and insert the following:

1 **SECTION 1. INTERNATIONAL DEVELOPMENT ASSOCIATION.**

2 The International Development Association Act (22
3 U.S.C. 284–284u) is amended by adding at the end the
4 following:

5 **“SEC. 24. FIFTEENTH REPLENISHMENT.**

6 **“(a) CONTRIBUTION AUTHORITY.—**

7 **“(1) IN GENERAL.—**The United States Gov-
8 ernor may contribute on behalf of the United States
9 \$3,705,000,000 to the fifteenth replenishment of the
10 resources of the Association.

11 **“(2) SUBJECT TO APPROPRIATIONS.—**Any com-
12 mitment to make the contribution authorized by
13 paragraph (1) shall be effective only to such extent
14 or in such amounts as are provided in advance in
15 appropriations Acts.

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“(b) LIMITATIONS ON AUTHORIZATION OF APPRO-
PRIATIONS.—For the contribution authorized by sub-
section (a) of this section, there are authorized to be ap-
propriated \$3,705,000,000 without fiscal year limitation,
for payment by the Secretary of the Treasury.”.

SEC. 2. AFRICAN DEVELOPMENT FUND.

The African Development Fund Act (22 U.S.C.
290g–290g-17) is amended by adding at the end the fol-
lowing:

“SEC. 219. ELEVENTH REPLENISHMENT.

“(a) CONTRIBUTION AUTHORITY.—

“(1) IN GENERAL.—The United States Gov-
ernor of the Fund may contribute on behalf of the
United States \$468,165,000 to the eleventh replen-
ishment of the resources of the Fund.

“(2) SUBJECT TO APPROPRIATIONS.—Any com-
mitment to make the contribution authorized by
paragraph (1) shall be effective only to such extent
or in such amounts as are provided in advance in
appropriations Acts.

“(b) LIMITATIONS ON AUTHORIZATION OF APPRO-
PRIATIONS.—For the contribution authorized by sub-
section (a) of this section, there are authorized to be ap-
propriated \$468,165,000 without fiscal year limitation, for
payment by the Secretary of the Treasury.”.

1 **SEC. 3. PROMOTION OF POLICY GOALS AT THE MULTILAT-**
2 **ERAL DEVELOPMENT BANKS.**

3 Title XVI of the International Financial Institutions
4 Act (22 U.S.C. 262p--262p-8) is amended by adding at
5 the end the following:

6 **"SEC. 1626. LIMITATION ON CONDITIONALITY.**

7 "(a) IN GENERAL.—The Secretary of the Treasury
8 shall instruct the United States Executive Director at each
9 multilateral development bank (as defined in section
10 1701(e)(4)) to inform the bank of the following United
11 States policy goals, and to use the voice and vote of the
12 United States to actively promote and work to achieve the
13 following goals before the completion of the fifteenth re-
14 plenishment of the resources of the International Develop-
15 ment Association:

16 "(1) All assistance provided to a recipient coun-
17 try should be subject to all and only the following
18 conditions: That the government of the country—

19 "(A) take steps so that the financial bene-
20 fits of assistance are applied to programs to
21 combat poverty and promote development (in
22 particular through concrete measures to im-
23 prove economic infrastructure, basic services in
24 education, nutrition, and health, particularly
25 treatment and prevention of the leading causes

1 of mortality, and to redress environmental deg-
2 radation);

3 “(B) make policy decisions through trans-
4 parent and participatory processes;

5 “(C) adopt an integrated development
6 strategy to support poverty reduction through
7 economic growth, that includes monitorable pov-
8 erty reduction goals;

9 “(D) implement transparent policy making
10 and budget procedures, good governance, and
11 effective anticorruption measures;

12 “(E) broaden public participation and pop-
13 ular understanding of the principles and goals
14 of poverty reduction, particularly through eco-
15 nomic growth, and good governance; and

16 “(F) promote the participation of citizens
17 and nongovernmental organizations in the eco-
18 nomic policy choices of the government.

19 “(2) Any Country Assistance Strategy docu-
20 ment, prepared by the institutions of the World
21 Bank Group, outlining the development assistance
22 program for a recipient country shall not undermine
23 the country’s sovereign commitments under inter-
24 national conventions, including the Declaration on
25 Fundamental Principles and Rights at Work, or

1 under national and local agreements reached
2 through collective bargaining.

3 “(b) WORLD BANK GROUP DEFINED.—In this sec-
4 tion, the term ‘World Bank Group’ means the Inter-
5 national Bank for Reconstruction and Development, the
6 International Development Association, the International
7 Finance Corporation, and the Multilateral Investment
8 Guarantee Agency.

9 **“SEC. 1627. LIMITATIONS ON UNITED STATES SUPPORT FOR**
10 **MULTILATERAL DEVELOPMENT ASSISTANCE.**

11 “The Secretary of the Treasury shall instruct the
12 United States Executive Director at each multilateral de-
13 velopment bank (as defined in section 1701(e)(4) of this
14 Act) to use the voice and vote of the United States to
15 oppose the provision of assistance to any country—

16 “(1) that does not have transparent and effec-
17 tive budget execution and public financial manage-
18 ment systems to ensure that development assistance
19 is used effectively to promote growth and reduce
20 poverty;

21 “(2) the government of which has an excessive
22 level of military expenditures;

23 “(3) the government of which has provided sup-
24 port for acts of international terrorism, as deter-
25 mined by the Secretary of State under section

1 6(j)(1) of the Export Administration Act of 1979
2 (50 U.S.C. App. 2405(j)(1)), or section 620A(a) of
3 the Foreign Assistance Act of 1961 (22 U.S.C.
4 2371(a));

5 “(4) the government of which is not cooperating
6 with the United States on international narcotics
7 control matters;

8 “(5) the government of which (including its
9 military or other security forces) engages in a pat-
10 tern of gross violations of internationally recognized
11 human rights (as defined in section 116 of the For-
12 eign Assistance Act of 1961 (Public Law 87-195));

13 “(6) the government of which has been identi-
14 fied in the most recent Trafficking in Persons Re-
15 port issued by the Department of State as not fully
16 complying with minimum standards for eliminating
17 human trafficking and not making significant efforts
18 to do so; and

19 “(7) the government of which has been deter-
20 mined by the President as not cooperating with
21 United States efforts to stop illegal immigration to
22 the United States.

1 "SEC. 1628. REFORM OF THE "DOING BUSINESS" REPORT
2 OF THE WORLD BANK.

3 "(a) IN GENERAL.—The Secretary of the Treasury
4 shall instruct the United States Executive Director at the
5 World Bank and the International Finance Corporation
6 of the following United States policy goals, and to use the
7 voice and vote of the United States to actively promote
8 and work to achieve these goals before the mid-term re-
9 view of the fifteenth replenishment of the resources of the
10 International Development Association:

11 "(1) Cease any use of the Employing Workers
12 Indicator for the purpose of ranking or scoring
13 country performance in the annual Doing Business
14 Report of the World Bank until a set of indicators
15 can be devised that fairly represent the value of
16 internationally recognized workers' rights, including
17 core labor standards, in creating a stable and favor-
18 able environment for attracting private investment.
19 The indicators shall comprise an approach to em-
20 ployment and labor market policy that can be ap-
21 proved by the governing body of the World Bank,
22 which can bring to bear the experiences of the mem-
23 ber governments in dealing with the economic, social
24 and political complexity of labor market issues. The
25 constituent parts of such a framework should take
26 into account a primary concern of many investors in

1 the developing world in having a stable, educated
2 and skilled workforce, and should recognize the es-
3 sential role of the state in establishing an attractive
4 investment climate that encourages private-sector led
5 growth, promotes job creation, and ensures sustain-
6 able and equitable development outcomes.

7 “(2) Complete elimination of the Non-Wage
8 Labor Cost Index from the mandate of the annual
9 Doing Business Report of the World Bank, which
10 actively discourages the provision of non-wage social
11 benefits such as healthcare, unemployment insur-
12 ance, pensions and maternity leave.

13 “(3) Until the Employing Workers Indicator is
14 redesigned, as mandated in paragraph (1), the indi-
15 cator shall not be used as a guidepost in determining
16 the annual Country Policy and Institutional Assess-
17 ment (CPIA) scores for each recipient country,
18 which are used by the World Bank in determining
19 the allocation of concessionary loans and grants by
20 the International Development Association.

21 “(b) REPORT.—At the time of the mid-term review
22 of the fifteenth replenishment of the resources of the
23 International Development Association, and at the conclu-
24 sion of the replenishment, the Secretary of the Treasury
25 shall submit to the Committee on Financial Services of

1 the House of Representatives and the Committee on For-
2 eign Relations of the Senate a report on the progress made
3 in achieving the goals described in subsection (a), includ-
4 ing—

5 “(1) a description of all efforts made by the
6 Secretary of the Treasury in advocacy of the goals,
7 including the outcomes of collaborative discussions
8 with and between the World Bank, the International
9 Labor Organization, private firms, and global
10 unions; and

11 “(2) any written statement made by any rep-
12 resentative of the Department of the Treasury at
13 any meeting of the Board of Executive Directors of
14 the World Bank or of the International Finance
15 Corporation at which the goals are discussed, and an
16 explanation of any argument or objection that is
17 raised against any of the goals that has not yet been
18 achieved, as well as the responses made by any such
19 representative to any such argument or objection.

20 “(c) WORLD BANK DEFINED.—In this section, the
21 term ‘World Bank’ means the International Bank for Re-
22 construction and Development and the International De-
23 velopment Association.

1 "SEC. 1629. REFORM OF THE INSPECTION PANEL OF THE
2 WORLD BANK.

3 "(a) ENSURING INVOLVEMENT OF AFFECTED PAR-
4 TIES IN THE WORLD BANK INSPECTION PANEL PROC-
5 ESS.—The Secretary of the Treasury shall direct the
6 United States Executive Director at the World Bank to
7 use the voice and vote of the United States to clarify or
8 revise World Bank Procedure 17.55, which establishes the
9 operating procedures of the World Bank with regard to
10 the Inspection Panel, to ensure that—

11 "(1) pursuant to paragraph 15 of the '1999
12 Clarification of the Board's Second Review of the
13 Inspection Panel', the management of the World
14 Bank (in this section referred to as the 'Manage-
15 ment') involves, and consults with, claimants when
16 an action plan is agreed to between the borrower
17 and the World Bank that seeks to improve project
18 implementation;

19 "(2) the Management involves, and consults
20 with, claimants in the development of the report of
21 the management to the Board of Executive Direc-
22 tors (in this section referred to as the 'Board') rec-
23 ommending possible Bank remedial actions in re-
24 sponse to Inspection Panel findings presented to the
25 Board;

1 “(3) Inspection Panel claimants have access to
2 a summary of the response of the Management to
3 the final report of the Panel and the Action Plan of
4 the Board before consideration of these items by the
5 Board, and that the summary includes all sub-
6 stantive proposals contained in the response of the
7 Management with sufficient detail for requesters to
8 make informed judgments;

9 “(4) requesters are afforded the opportunity to
10 share their views with the Board regarding sum-
11 maries of the Panel report, the response of the Man-
12 agement, and the Action Plan, before the Board con-
13 siders the reports; and

14 “(5) the Management prepares and makes
15 available to the public semiannual progress reports
16 describing implementation of Action Plans by the
17 Management.

18 “(b) ENHANCING INDEPENDENCE AND EFFECTIVE-
19 NESS OF INSPECTION PANEL.—The Secretary of the
20 Treasury shall direct the United States Executive Director
21 at the World Bank to use the voice and vote of the United
22 States to ensure the continued independence and effective-
23 ness of the Inspection Panel by—

1 “(1) ensuring that the Selection Committee for
2 Inspection Panel members includes a representative
3 of civil society; and

4 “(2) ensuring that measures are adopted to se-
5 cure the ability of the Inspection Panel to follow-up
6 with requesters to determine whether the findings of
7 the Inspection Panel have been addressed.

8 “(c) EVALUATIONS OF THE USE OF COUNTRY ENVI-
9 RONMENTAL AND SOCIAL SAFEGUARD POLICIES.—Before
10 any expansion of the pilot program designated by World
11 Bank Operational Policy 4.00 (‘Piloting the Use of Bor-
12 rower Systems to Address Environmental and Social Safe-
13 guard Issues in Bank-Supported Projects’) or adoption of
14 the use of country safeguard systems more broadly, the
15 Secretary of the Treasury shall direct the United States
16 Executive Directors at the World Bank to use the voice
17 and vote of the United States to secure an evaluation by
18 the Independent Evaluation Group to determine the de-
19 gree to which, in practice, the use of country systems pro-
20 vides the same level of social and environmental protection
21 as do the safeguard policies of the World Bank.

22 “(d) REPORT.—At the conclusion of the fifteenth re-
23 plenishment of the resources of the International Develop-
24 ment Association, the Secretary of the Treasury shall sub-
25 mit to the Committee on Financial Services of the House

1 of Representatives and the Committee on Foreign Rela-
2 tions of the Senate a report describing the progress made
3 in achieving the goals and objectives outlined in this sec-
4 tion.

5 “(e) WORLD BANK DEFINED.—In this section, the
6 term ‘World Bank’ means the International Bank for Re-
7 construction and Development and the International De-
8 velopment Association.”.

