

116TH CONGRESS
1ST SESSION

S. 3017

To increase transparency and accountability with respect to World Bank lending for the People's Republic of China, and for other purposes.

IN THE SENATE OF THE UNITED STATES

DECEMBER 11, 2019

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

A BILL

To increase transparency and accountability with respect to World Bank lending for the People's Republic of China, 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 “Accountability for
5 World Bank Loans to China Act of 2019”.

6 **SEC. 2. FINDINGS.**

7 Congress finds as follows:

8 (1) Possessing more than \$3,000,000,000,000
9 in foreign exchange reserves, the People's Republic
10 of China has devoted state resources to establish the

1 Asian Infrastructure Investment Bank, the New De-
 2 velopment Bank, and activities under the Belt and
 3 Road Initiative, potentially creating rivals to the
 4 multilateral development banks led by the United
 5 States and its allies.

6 (2) The International Bank for Reconstruction
 7 and Development (IBRD), the World Bank's pri-
 8 mary financing institution for middle-income coun-
 9 tries, ceases to finance ("graduates") countries that
 10 are able to sustain long-term development without
 11 recourse to Bank resources.

12 (3) The IBRD examines a country's potential
 13 graduation when the country reaches the Graduation
 14 Discussion Income (GDI), which amounts to a Gross
 15 National Income (GNI) per capita of \$6,975.

16 (4) The World Bank calculates China's GNI
 17 per capita as equivalent to \$9,470.

18 (5) According to the Center for Global Develop-
 19 ment, China has received \$7,800,000,000 in IBRD
 20 commitments since crossing the GDI threshold in
 21 2016.

22 **SEC. 3. UNITED STATES SUPPORT FOR GRADUATION OF**
 23 **CHINA FROM WORLD BANK ASSISTANCE.**

24 (a) IN GENERAL.—The United States Governor of
 25 the International Bank for Reconstruction and Develop-

1 ment (in this section referred to as the “IBRD”) shall
 2 instruct the United States Executive Director at the
 3 IBRD that it is the policy of the United States to pursue
 4 the expeditious graduation of the People’s Republic of
 5 China from assistance by the IBRD, consistent with the
 6 lending eligibility criteria of the IBRD.

7 (b) SUNSET.—Subsection (a) shall have no force or
 8 effect on or after the earlier of—

9 (1) the date that is 7 years after the date of the
 10 enactment of this Act; or

11 (2) the date that the Secretary of the Treasury
 12 reports to the Committee on Financial Services of
 13 the House of Representatives and the Committee on
 14 Foreign Relations of the Senate that termination of
 15 subsection (a) is important to the national interest
 16 of the United States, with a detailed explanation of
 17 the reasons therefor.

18 **SEC. 4. ACCOUNTABILITY FOR WORLD BANK LOANS TO THE**
 19 **PEOPLE’S REPUBLIC OF CHINA.**

20 (a) IN GENERAL.—Not later than 360 days after the
 21 date of the enactment of this Act, the United States Gov-
 22 ernor of the International Bank for Reconstruction and
 23 Development (in this section referred to as the “IBRD”) shall submit the report described in subsection (b) to the
 24 Committee on Financial Services of the House of Rep-
 25

1 representatives and the Committee on Foreign Relations of
2 the Senate.

3 (b) REPORT DESCRIBED.—The report described in
4 this subsection shall include the following:

5 (1) A detailed description of the efforts of the
6 United States Governor of the International Devel-
7 opment Association and the United States Governor
8 of the IBRD to enforce the timely graduation of
9 countries from the International Development Asso-
10 ciation and the IBRD, with a particular focus on the
11 efforts with regard to the People's Republic of
12 China.

13 (2) If the People's Republic of China is a mem-
14 ber country of the IBRD, an explanation of any eco-
15 nomic or political factors that have prevented the
16 graduation of the People's Republic of China from
17 the IBRD.

18 (3) A discussion of any effects resulting from
19 fungibility and IBRD lending to China, including
20 the potential for IBRD lending to allow for funding
21 by the Government of the People's Republic of
22 China of activities that may be inconsistent with the
23 national interest of the United States.

24 (4) An action plan to help ensure that the Peo-
25 ple's Republic of China graduates from the IBRD

1 not later than 2 years after submission of the report,
2 consistent with the lending eligibility criteria of the
3 IBRD.

4 (c) WAIVER OF REQUIREMENT THAT REPORT IN-
5 CLUDE ACTION PLAN.—The Secretary of the Treasury
6 may waive the requirement of subsection (b)(4) on report-
7 ing to the Committee on Financial Services of the House
8 of Representatives and the Committee on Foreign Rela-
9 tions of the Senate that the waiver is important to the
10 national interest of the United States, with a detailed ex-
11 planation of the reasons therefor.

12 **SEC. 5. ENSURING DEBT TRANSPARENCY WITH RESPECT**
13 **TO THE BELT AND ROAD INITIATIVE.**

14 Not later than 180 days after the date of the enact-
15 ment of this Act, the Secretary of the Treasury shall sub-
16 mit to the Committee on Financial Services of the House
17 of Representatives and the Committee on Foreign Rela-
18 tions of the Senate a report that includes the following:

19 (1) An analysis of debt management assistance
20 provided by the World Bank, the International Mon-
21 etary Fund, and the Office of Technical Assistance
22 of the Department of the Treasury to borrowing
23 countries of the Belt and Road Initiative of the Peo-
24 ple's Republic of China (or any comparable initiative
25 or successor initiative of China).

1 (2) A discussion of United States efforts at the
2 World Bank, the International Monetary Fund, and
3 any other international financial institution to pro-
4 mote debt transparency with respect to credit pro-
5 vided by China.

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