



H.R. 3326: World Bank Accountability Act of 2017 (Rep. Barr, R-KY)

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FLOOR SCHEDULE:

H.R. 3326 is expected to be considered January 17, 2018, under a [rule](#). The rule provides for consideration of three amendments, which are described below.

The rule also provides for consideration of H.R. 2954, the Home Mortgage Disclosure Adjustment Act.

TOPLINE SUMMARY:

[H.R. 3326](#) would authorize appropriations for the World Bank's International Development Association (IDA) equal to President Trump's budget request and would withhold 15 percent of funding for the IDA until the World Bank meets conditions relating to management accountability, supporting economic freedom, and opposing violent extremism.

COST:

The [Congressional Budget Office](#) (CBO) estimates that "implementing H.R. 3326 would cost about \$3.3 billion over the 2018-2022 period, assuming appropriation of the specified amounts... H.R. 3326 would authorize the appropriation of almost \$3.3 billion for the United States' share of the eighteenth general replenishment of the resources of the International Development Association (IDA; a part of the World Bank). That replenishment agreement covers the three-year period ending in June 2020."

CONSERVATIVE CONCERNS:

- **Expand the Size and Scope of the Federal Government?** No.
- **Encroach into State or Local Authority?** No.
- **Delegate Any Legislative Authority to the Executive Branch?** No.
- **Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** No.

DETAILED SUMMARY AND ANALYSIS:

The [Financial Services Committee](#) has found that "the [World] Bank falls short in its anti-poverty mission," including because of:

- Institutional incentives that prioritize generating high loan volume rather than delivering results and managing projects capably;
- Lending to corrupt regimes that abuse their citizens and trample on economic freedom for the poor; and
- Insufficient attention paid to auditing Bank initiatives for corruption.

The International Development Association (IDA) is the World Bank's concessional lending window for poor countries. Seventy-seven countries are currently eligible for IDA funding. According to the [Committee Report](#), "IDA's resource levels are generally authorized every three years and funded through annual appropriations. The 18th replenishment—known as IDA-18 encompasses Fiscal Year 2018 through Fiscal Year 2020.

"Prior to leaving office, President Barack Obama pledged \$3.871 billion for IDA-18, the same funding level as IDA-17 before it. Under the Trump Administration's Fiscal Year 2018 Budget, however, IDA-18 was cut by \$580 million, which represents 15 percent reduction from Obama Administration-era levels."

H.R. 3326 would authorize \$ 3,291,030,000 in appropriations for IDA-18, equal to the President's budget request.

The bill would withhold 15 percent of any amounts appropriated over the FY 2018 – 2023 period for the IDA until the Secretary of the Treasury reports that:

- The Bank is implementing institutional incentives that prioritize poverty reduction, development outcomes, and capable project management over the Bank's lending volume;
- The Bank is taking, or has completed, steps to address the management failures identified from the Uganda Transport Sector Development Project scandal, and is preventing those failures' recurrence in other countries eligible for Bank support; and
- The Bank is strengthening its management of trust funds, with the goal of increasing their accountability for poverty reduction and development outcomes.

The bill would further withhold an additional 15 percent of any amounts appropriated over the FY 2018 – 2023 period for the IDA until the Secretary of the Treasury reports that:

- The Bank is emphasizing its support for secure property rights, due process of law, and economic freedom as essential to sustained poverty reduction in appropriate Bank policies, directives, and country strategies;
- The Bank has not approved any assistance in the previous fiscal year for a country designated by the U.S. as a state sponsor of terrorism, and is strengthening its projects' ability to undermine violent extremism;
- The Bank is taking steps to conduct randomized forensic project audits, increase the number of such audits, and strengthen the capacity of the relevant Bank division that oversees them; and
- The Bank is working to detect and minimize corruption in all projects involving development policy lending (also referred to as "budget support").

The bill would require the Chairman of the National Advisory Council on International Monetary and Financial Policies to include in a report a detailed description of the World Bank's actions to meet the conditions described above.

The bill would state that the Secretary of the Treasury should direct the U.S. Executive Director at the World Bank to use the voice and vote of the U.S. to oppose assistance to the government of a country that the President has determined that the government has knowingly failed to enforce sanctions on North Korea required under a United Nations Security Council resolution.

The Committee Report for H.R. 3326 can be found [here](#).

AMENDMENTS:

1. **[Norman \(R-SC\)](#)**: Would modify the conditions the World Bank must meet to include economic freedom “including reduction of government barriers to entrepreneurship”.
2. **[Connolly \(D-VA\)](#)**: Would require a report to include a description of steps taken by the World Bank to inform holders of [G-5 visas](#) (personal employees or domestic workers of diplomats) of their rights under the William Wilberforce Trafficking Victims Protection Reauthorization Act.
3. **[Barr \(R-KY\)](#)**: Would require (as opposed to “should” in the underlying bill) the Secretary of the Treasury to direct the U.S. Executive Director at the World Bank to use the voice and vote of the U.S. to oppose assistance to the government of a country that the President has determined that the government has knowingly failed to enforce sanctions on North Korea required under a United Nations Security Council resolution. The amendment would allow the President to waive this requirement for no more than 180 days if the President reports to Congress that the waiver is vital to the national security interests of the United States or the failure of a country to enforce sanctions is due to a lack of capacity by the government or the government is taking steps to prevent the failure from reoccurring.

COMMITTEE ACTION:

H.R. 3326 was introduced on July 20, 2017, and referred to the Financial Services Committee. The Committee marked up and reported the bill on [July 25, 2017](#), by a 60 – 0 vote.

The Committee held a hearing titled [Examining Results and Accountability at the World Bank](#) on March 22, 2017.

ADMINISTRATION POSITION:

No Statement of Administration Policy is available at this time.

CONSTITUTIONAL AUTHORITY:

“Congress has the power to enact this legislation pursuant to the following: Article I, Section 8”. No enumerating clause was specified.

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