

115TH CONGRESS  
1ST SESSION

# H. R. 4502

To establish a review of United States multilateral aid.

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IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 30, 2017

Mr. MCCAUL (for himself, Mr. SIRES, and Mr. YOHO) introduced the following bill; which was referred to the Committee on Foreign Affairs

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## A BILL

To establish a review of United States multilateral aid.

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 “Multilateral Aid Re-  
5 view Act of 2017”.

6 **SEC. 2. PURPOSE.**

7 The purpose of this Act is to establish a United  
8 States Multilateral Aid Review (in this Act referred to as  
9 the “Review”) to publicly assess the value of United States  
10 Government investments in multilateral entities.

1 **SEC. 3. APPROPRIATE CONGRESSIONAL COMMITTEES DE-**  
2 **FINED.**

3 In this Act, the term “appropriate congressional com-  
4 mittees” means—

5 (1) the Committee on Foreign Relations and  
6 the Committee on Appropriations of the Senate; and

7 (2) the Committee on Foreign Affairs, the  
8 Committee on Financial Services, and the Com-  
9 mittee on Appropriations of the House of Represent-  
10 atives.

11 **SEC. 4. OBJECTIVES.**

12 The objectives of the Review are as follows:

13 (1) Provide a tool to guide the United States  
14 Government’s decisionmaking and prioritization with  
15 regard to funding multilateral entities and to provide  
16 a methodological basis for allocating scarce budg-  
17 etary resources to entities that advance relevant  
18 United States foreign policy objectives.

19 (2) Incentivize improvements in the perform-  
20 ance of multilateral entities to achieve better out-  
21 comes on the ground in developing, fragile, and cri-  
22 sis-afflicted regions.

23 (3) Protect United States taxpayer investments  
24 in foreign assistance by improving transparency with  
25 regard to the funding of multilateral entities.

1 **SEC. 5. SCOPE.**

2       The Review shall include in its assessment multilat-  
3 eral entities to which the United States Government con-  
4 tributes voluntary or assessed funding, whether cash or  
5 in-kind.

6 **SEC. 6. TRIENNIAL REPORT ON REVIEW.**

7       (a) IN GENERAL.—Not later than twenty-one months  
8 after the date of the enactment of this Act, and every  
9 three years thereafter, the United States Multilateral Aid  
10 Review Task Force established under section 7, in regular  
11 consultation with the Peer Review Group established  
12 under section 8, shall submit to the appropriate congress-  
13 sional committees a final report on the findings of the Re-  
14 view. The Secretary of State shall publish the report on  
15 the Internet website of the Department of State within  
16 seven days of submitting the report to the appropriate  
17 congressional committees.

18       (b) METHODOLOGY.—

19           (1) USE OF CRITERIA.—The Task Force shall  
20 establish an analytical framework and assessment  
21 scorecard for the Review using the criteria set forth  
22 in subsection (c).

23           (2) CONSULTATION WITH CONGRESS.—Not  
24 later than 120 days after the date of the enactment  
25 of this Act, the Task Force shall submit the method-  
26 ology for the initial Review to the appropriate con-

1       gressional committees. The Task Force may not pro-  
2       ceed with the Review until 30 days after submission  
3       of the methodology to the appropriate congressional  
4       committees, taking into consideration the views of  
5       the Chairmen and Ranking Members of each of the  
6       appropriate congressional committees. For each sub-  
7       sequent Review, the Task Force shall consult with  
8       the Chairmen and Ranking Members of each of the  
9       appropriate congressional committees regarding any  
10      changes to the methodology.

11      (c) ASSESSMENT CRITERIA.—The assessment score-  
12      card shall include the following criteria:

13           (1) RELATIONSHIP OF STATED GOALS TO AC-  
14      TUAL RESULTS.—The extent to which the stated  
15      mission, goals, and objectives of the entity have been  
16      achieved during the review period, including—

17           (A) an identification of the stated mission,  
18           goals, and objectives of each entity;

19           (B) an evaluation of the major projects  
20           and programs selected for implementation by  
21           the entity in comparison with the stated mis-  
22           sion, goals, and objectives of the entity;

23           (C) an evaluation of whether the major  
24           projects and programs selected by the entity  
25           within the given review period were more likely

1 than not to further the achievement of the stat-  
2 ed mission, goals, and objectives of the entity;

3 (D) an evaluation of the extent to which  
4 the major selected projects and programs met  
5 their own stated implementation timelines and  
6 achieved declared results; and

7 (E) an evaluation of whether the entity op-  
8 timizes resources to achieve the stated mission,  
9 goals, and objectives of the entity.

10 (2) RESPONSIBLE MANAGEMENT.—The extent  
11 to which management of the entity follows best man-  
12 agement practices, including—

13 (A) an evaluation of the ratio of manage-  
14 ment and administrative expenses to program  
15 expenses, including an evaluation of entity re-  
16 sources spent on nonprogrammatic expenses;

17 (B) an evaluation of program expense  
18 growth, including a comparison of the annual  
19 growth of program expenses to the annual  
20 growth of management and administrative ex-  
21 penses; and

22 (C) an evaluation of whether the entity has  
23 established appropriate levels of senior manage-  
24 ment compensation.

1           (3) ACCOUNTABILITY AND TRANSPARENCY.—

2           The extent to which the policies and procedures of  
3           the entity follow best practices of accountability and  
4           transparency, taking into consideration credible re-  
5           porting regarding unauthorized conversion or diver-  
6           sion of entity resources, and including—

7                   (A) an evaluation of whether the entity has  
8                   established and enforced appropriate auditing  
9                   procedures;

10                   (B) an evaluation of whether the entity has  
11                   established and enforced appropriate rules to  
12                   reduce the risk of conflicts of interest among  
13                   the senior leadership of the entity;

14                   (C) an evaluation of whether the entity has  
15                   established and enforced appropriate whistle-  
16                   blower policies;

17                   (D) an evaluation of whether the entity  
18                   has established and maintained appropriate  
19                   records retention policies and guidelines;

20                   (E) an evaluation of whether the entity has  
21                   established and maintained best practices with  
22                   respect to transparency and public disclosure;  
23                   and

24                   (F) an evaluation of whether the entity has  
25                   established and maintained best practices with

1           respect to disclosure of the compensation of  
2           senior leadership officials.

3           (4) ALIGNMENT WITH UNITED STATES FOREIGN  
4           POLICY OBJECTIVES.—The extent to which the poli-  
5           cies and practices of the entity align with relevant  
6           United States foreign policy objectives, including—

7                   (A) an evaluation of the entity’s stated  
8                   mission, goals, and objectives in comparison to  
9                   relevant United States foreign policy objectives;

10                   (B) an evaluation of whether continued  
11                   participation by the United States in the entity  
12                   contributes a net benefit towards achieving rel-  
13                   evant United States foreign policy objectives,  
14                   including the reasons for the conclusion; and

15                   (C) an evaluation of any divergence be-  
16                   tween the actions of the entity and relevant  
17                   United States foreign policy objectives.

18           (5) MULTILATERAL APPROACH COMPARED TO  
19           BILATERAL APPROACH.—The extent to which pur-  
20           suing relevant United States foreign policy objectives  
21           through a multilateral approach is effective and cost-  
22           efficient compared to a bilateral approach, includ-  
23           ing—

24                   (A) an evaluation of whether relevant  
25                   United States foreign policy objectives are effec-

1 tively pursued through the entity, compared to  
2 existing or potential bilateral approaches; and

3 (B) an evaluation of whether relevant  
4 United States foreign policy objectives are pur-  
5 sued on a cost-effective basis through the enti-  
6 ty, compared to existing or potential bilateral  
7 approaches.

8 (6) REDUNDANCIES AND OVERLAP.—The extent  
9 to which the mission, goals, and objectives of the en-  
10 tity overlap with the mission, goals, and objectives of  
11 other multilateral institutions to which United  
12 States Government entities contribute voluntary or  
13 assessed funding, whether cash or in-kind, includ-  
14 ing—

15 (A) an identification of significant redun-  
16 dancies or overlap with the mission, goals, and  
17 objectives of other multilateral entities to which  
18 United States Government entities contribute  
19 voluntary or assessed funding, whether cash or  
20 in-kind; and

21 (B) a comparison of the extent to which  
22 relevant United States foreign policy objectives  
23 are effectively pursued on a cost-effective basis  
24 through each of the overlapping entities.



1 **SEC. 7. UNITED STATES MULTILATERAL REVIEW TASK**  
2 **FORCE.**

3 (a) **ESTABLISHMENT.**—The President shall establish  
4 an interagency Multilateral Review Task Force (referred  
5 to in this Act as the “Task Force”) to review and assess  
6 United States participation in multilateral entities identi-  
7 fied in section 5 and to develop and transmit to the appro-  
8 priate congressional committees the reports required  
9 under section 6.

10 (b) **LEADERSHIP.**—The Task Force shall be chaired  
11 by the Secretary of State. The Secretary may delegate his  
12 or her responsibilities under this Act to an appropriate  
13 senior Senate-confirmed official.

14 (c) **MEMBERSHIP.**—The President may appoint to  
15 the interagency Task Force senior Senate-confirmed offi-  
16 cials from the Department of State, the Department of  
17 the Treasury, the United States Agency for International  
18 Development, the Office of Management and Budget, and  
19 any other relevant executive branch department or agency.

20 (d) **CONSULTATION.**—In the preparation of each re-  
21 port under section 6, including the initial review of meth-  
22 odology, the Task Force shall consult regularly with the  
23 Peer Review Group established under section 8.

1 **SEC. 8. UNITED STATES MULTILATERAL AID REVIEW PEER**  
2 **REVIEW GROUP.**

3 (a) **ESTABLISHMENT.**—There is established the  
4 United States Multilateral Aid Review Peer Review Group  
5 (referred to in this Act as the “Peer Review Group”).

6 (b) **MEMBERSHIP.**—

7 (1) **COMPOSITION.**—The Peer Review Group  
8 shall be composed of 8 nongovernmental volunteer  
9 members, of whom—

10 (A) two shall be appointed by the majority  
11 leader of the Senate;

12 (B) two shall be appointed by the minority  
13 leader of the Senate;

14 (C) two shall be appointed by the Speaker  
15 of the House of Representatives; and

16 (D) two shall be appointed by the minority  
17 leader of the House of Representatives.

18 (2) **APPOINTMENT CRITERIA.**—The members of  
19 the Peer Review Group shall have appropriate exper-  
20 tise and knowledge of the multilateral entities sub-  
21 ject to the Review established by this Act. In making  
22 appointments to the Peer Review Group, potential  
23 conflicts of interest should be taken into account.

24 (3) **DATE.**—The initial appointments of the  
25 members of the Peer Review Group shall be made  
26 not later than 100 days after the date of the enact-

1       ment of this Act, and the terms of such appoint-  
2       ments shall begin on that date.

3               (4) CHAIRMAN AND VICE CHAIRMAN.—The Peer  
4       Review Group shall select a Chairman and Vice  
5       Chairman from among the members of the Peer Re-  
6       view Group.

7               (c) EXPERT ANALYSIS.—The Peer Review Group  
8       shall meet regularly with the Task Force, including re-  
9       garding the initial review of methodology, to offer their  
10      expertise of the funding and performance of multilateral  
11      entities.

12              (d) REVIEW OF REPORT.—

13                   (1) IN GENERAL.—Not later than 180 days be-  
14      fore submitting each report required under section  
15      6(a), the Task Force shall transmit a draft of the  
16      report to the Peer Review Group and the appro-  
17      priate congressional committees.

18                   (2) REVIEW.—The Peer Review Group shall re-  
19      view the draft report submitted under paragraph (1)  
20      and provide to the Task Force and the appropriate  
21      congressional committees not later than 90 days be-  
22      fore the submission of each report required under  
23      section 6(a) the following:

24                           (A) An analysis of the conclusions of the  
25      report.

1           (B) An analysis of the established meth-  
2           odologies used to reach conclusions in the re-  
3           port.

4           (C) An analysis of the evidence used to  
5           reach conclusions in the report.

6           (D) Any additional comments to improve  
7           the evaluations and analysis of the report.

8           (e) PERIOD OF APPOINTMENT; VACANCIES.—

9           (1) IN GENERAL.—Each member of the Peer  
10          Review Group shall be appointed for a 6-year term  
11          and may be reappointed under subsection (b)(1) for  
12          one additional term.

13          (2) VACANCIES.—Any vacancy in the Peer Re-  
14          view Group—

15                 (A) shall not affect the powers of the Peer  
16                 Review Group; and

17                 (B) shall be filled in the same manner as  
18                 the original appointment.

19          (f) MEETINGS.—

20                 (1) IN GENERAL.—The Peer Review Group  
21                 shall meet at the call of the Chairman.

22                 (2) INITIAL MEETING.—Not later than 120  
23                 days after the date of the enactment of this Act, the  
24                 Peer Review Group shall hold its first meeting.

1           (3) QUORUM.—A majority of the members of  
2           the Peer Group shall constitute a quorum, but a  
3           lesser number of members may hold meetings.

4 **SEC. 9. TERMINATION.**

5           The authorities and requirements provided under this  
6 Act shall terminate 11 years after the date of the enact-  
7 ment of this Act.

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