

Public Law 96-259  
96th Congress

An Act

To provide for increased participation by the United States in the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund.

June 3, 1980

[S. 662]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

Inter-American,  
Asian, and  
African  
Development  
Banks and Fund,  
increased U.S.  
participation.  
22 USC 283z.

TITLE I—INTER-AMERICAN DEVELOPMENT BANK

SEC. 101. The Inter-American Development Bank Act (22 U.S.C. 283 et seq.) is amended—

(1) by redesignating section 29 as section 28; and

(2) by adding at the end thereof the following new section:

“SEC. 29. (a) The United States Governor of the Bank is authorized to vote for two resolutions which were proposed by the Governors at a special meeting in December 1978 and are pending before the Board of Governors of the Bank. These resolutions provide for (1) an increase in the authorized capital stock of the Bank and additional subscriptions thereto, and (2) an increase in the resources of the Fund for Special Operations and contributions thereto. Upon adoption of these resolutions, the United States Governor is authorized on behalf of the United States (A) to subscribe to two hundred twenty-seven thousand eight hundred and ninety-six shares of the increase in the authorized capital stock of the Bank, of which two hundred ten thousand eight hundred and four shall be callable and seventeen thousand and ninety-two shall be paid-in, and (B) to contribute to the Fund for Special Operations \$630,000,000; except that any commitment to make such subscriptions to paid-in and callable capital stock and to make such contributions to the Fund for Special Operations shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.

Authorized  
capital stock  
increase.  
22 USC 283z-1.

“(b) In order to pay for the increase in the United States subscription and contribution provided for in this section, there are authorized to be appropriated, without fiscal year limitation, for payment by the Secretary of the Treasury (1) \$2,474,287,189 for the United States subscription to the capital stock of the Bank, and (2) \$630,000,000 for the United States share of the increase in the resources of the Fund for Special Operations.

Appropriation  
authorization.

“(c) For the purpose of keeping to a minimum the cost to the United States, the Secretary of the Treasury—

U.S. cost,  
minimization.

“(1) shall pay the United States contribution to the Fund for Special Operations authorized by this section by letter of credit in four annual installments; and

“(2) shall take the steps necessary to obtain a certification from the Bank that any undisbursed balances resulting from draw-downs on such letter of credit will not exceed at any time the United States share of expected disbursement requirements for the following three-month period.

Funds,  
limitation.

"(d) None of the funds authorized to be appropriated by this section may be used for any form of assistance to any country which is not a member of the Bank."

Energy and  
mineral  
exploration,  
Presidential  
report to  
Congress.  
22 USC 283 note.

SEC. 102. The President shall evaluate a proposal for joint action by the countries of the Western Hemisphere and other countries which participate in the Inter-American Development Bank to increase exploration for and exploitation of energy and mineral resources of the Western Hemisphere through multilateral incentives, administered by the Inter-American Development Bank, to private investment in such resources. The President shall report his findings to the Congress not later than September 30, 1980, together with such recommendations as he considers appropriate.

## TITLE II—ASIAN DEVELOPMENT BANK

Asian  
Development  
Fund, U.S.  
contribution.  
22 USC 285u.

SEC. 201. The Asian Development Bank Act (22 U.S.C. 285 et seq.) is amended by adding at the end thereof the following new sections:

"SEC. 24. (a) The United States Governor of the Bank is authorized to contribute on behalf of the United States \$378,250,000 to the Asian Development Fund, a special fund of the Bank, except that any commitment to make such contribution shall be made subject to obtaining the necessary appropriations.

Appropriation  
authorization.

"(b) In order to pay for the United States contribution to the Asian Development Fund provided for in this section, there are authorized to be appropriated, without fiscal year limitation, \$378,250,000 for payment by the Secretary of the Treasury.

U.S. cost,  
minimization.

"(c) For the purpose of keeping to a minimum the cost to the United States, the Secretary of the Treasury—

"(1) shall pay the United States contribution to the Asian Development Fund authorized by this section by letter of credit in four annual installments; and

"(2) shall take the steps necessary to obtain a certification from the Bank that any undisbursed balances resulting from draw-downs on such letter of credit will not exceed at any time the United States share of expected disbursement requirements for the following three-month period.

Taiwan, Bank  
membership.  
22 USC 285v.

"SEC. 25. It is the sense of the Congress that it is the policy of the United States that Taiwan (before January 1, 1979, known as the Republic of China) shall be permitted to retain membership in the Asian Development Bank and that the United States Executive Director of the Bank shall notify the Bank that a serious review of future United States participation, including any future payments to the Asian Development Fund, would ensue if Taiwan were expelled from the Bank."

## TITLE III—AFRICAN DEVELOPMENT FUND

22 USC 290g-10.

SEC. 301. The African Development Fund Act (22 U.S.C. 290g et seq.) is amended—

(1) by redesignating section 212 as section 211; and

(2) by adding at the end thereof the following new section:

U.S.  
contribution.  
22 USC 290g-11.

"SEC. 212. (a) The United States Governor of the Fund is authorized to contribute on behalf of the United States \$125,000,000 to the Fund as the United States contribution to the second replenishment of the resources of the Fund, except that any commitment to make such

contribution shall be made subject to obtaining the necessary appropriations.

“(b) In order to pay for the United States contribution provided for in this section, there is authorized to be appropriated, without fiscal year limitation, \$125,000,000 for payment by the Secretary of the Treasury.

Appropriation  
authorization.

“(c) For the purpose of keeping to a minimum the cost to the United States, the Secretary of the Treasury—

U.S. cost,  
minimization.

“(1) shall pay the United States contribution to the African Development Fund authorized by this section by letter of credit in three annual installments; and

“(2) shall take the steps necessary to obtain a certification from the Fund that any undisbursed balances resulting from draw-downs on such letter of credit will not exceed at any time the United States share of expected disbursement requirements for the following three-month period.”

#### TITLE IV—EXPORT OPPORTUNITY ENHANCEMENT

SEC. 401. The Secretary of the Treasury shall instruct the United States Executive Directors of the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund to take all possible steps to assure that information relative to potential procurement opportunities for United States firms is expeditiously communicated to the Secretary of the Treasury, the Secretary of State, and the Secretary of Commerce. Such information shall be disseminated as broadly as possible to both large and small business.

22 USC 262i.

#### TITLE V—HUMAN RIGHTS REPORTING

SEC. 501. (a) Section 701 of the Act of October 3, 1977 (Public Law 95-118; 22 U.S.C. 262g), is amended in subsection (c)—

22 USC 262d.

(1) by inserting “(1)” immediately after “(c)”; and

(2) by adding at the end thereof the following new paragraph:

“(2)(A) The Secretary of the Treasury shall report quarterly on all loans considered by the Boards of Executive Directors of the institutions listed in subsection (a) to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate. Each such quarterly report shall include a list of all loans considered by the Boards of Executive Directors of such institutions and shall specify with respect to each such loan—

“(i) the institution involved;

“(ii) the date of final action;

“(iii) the borrower;

“(iv) the amount;

“(v) the project or program;

“(vi) the vote of the United States Government;

“(vii) the reason for United States Government opposition, if any;

“(viii) the final disposition of the loan; and

“(ix) if the United States Government opposed the loan, whether the loan meets basic human needs.

“(B) The information required to be reported under subparagraph (A) also shall be included in the annual report to the Congress of the National Advisory Council on International Monetary and Financial Policies.”

(b) Such section is further amended by adding at the end thereof the following new subsection:

“(g)(1) The Secretary of the Treasury, in consultation with the Secretary of State, shall report quarterly to the chairmen and ranking minority members of the Committee on Banking, Finance and Urban Affairs of the House of Representatives, the Subcommittee on International Development Institutions and Finance of such Committee, and the Committee on Foreign Relations of the Senate, in each instance in which the United States Executive Director of an institution listed in subsection (a) opposes any loan, financial assistance, or technical assistance for reasons regarding human rights. Each such report shall include—

“(A) the reasons for such opposition;

“(B) all policy considerations taken into account in reaching the decision to oppose such loan, financial assistance, or technical assistance;

“(C) a description of the human rights conditions in the country involved;

“(D) a record of how the United States Government voted on all other loans, financial assistance, and technical assistance to such country during the preceding two years; and

“(E) information as to how the decision to oppose such loan, financial assistance, or technical assistance relates to overall United States Government policy on human rights in such country.

“(2) The Secretary of the Treasury or his delegate shall consult frequently and in a timely manner with the chairmen and ranking minority members specified in paragraph (1) to inform them regarding any prospective changes in policy direction toward countries which have or recently have had poor human rights records.”.

(c) Title VII of the Act of October 3, 1977, is amended by adding at the end thereof the following new section:

“SEC. 705. The President shall direct the United States Governor of the International Bank for Reconstruction and Development, the United States Governor of the International Finance Corporation, the United States Governor of the International Development Association, the United States Governor of the Inter-American Development Bank, the United States Governor of the Asian Development Bank, and the United States Governor of the African Development Fund, to consult with the other Governors of those institutions concerning adoption of an amendment to the Articles of Agreement of their respective institutions to establish human rights standards to be considered in connection with each application for assistance.”.

#### TITLE VI—USE OF RENEWABLE RESOURCES FOR ENERGY PRODUCTION

SEC. 601. The Congress finds that—

(1) without an adequate supply of energy at affordable prices the world's poor will continue to be deprived of jobs, food, water, shelter, and clothing, and poor countries will continue to be economically and politically unstable;

(2) dependence on increasingly expensive fossil fuel resources consumes too much of the capital available to poor countries with the result that funds are not available to meet the basic needs of poor people;

22 USC 262d.

22 USC 262d  
note.

22 USC 262j  
note.

(3) in many developing countries the cost of large central generators and long distance electrical distribution makes it unlikely that rural energy by means of a national grid will contribute to meeting the needs of poor people;

(4) only one of eight rural inhabitants lives in an area which has access to electricity and even fewer rural inhabitants actually have or can afford electricity;

(5) wood, animal and agricultural waste, and other "noncommercial" fuels still supply about half the total energy in developing countries and all but a seventh in rural sectors;

(6) growing dependence of the world's poor on wood for heating and cooking has forced the overcutting of forests and as a consequence erosion and loss of available agricultural land; and

(7) recent initiatives by the international financial institutions to develop and utilize decentralized solar, hydro, biomass, geothermal, and wind energy should be significantly expanded to make renewable energy resources increasingly available to the world's poor on a wide scale.

SEC. 602. (a) The United States Government, in connection with its voice and vote in the Inter-American Development Bank, the African Development Fund, and the Asian Development Bank, shall encourage such institutions— 22 USC 262j.

(1) to promote the decentralized production of renewable energy;

(2) to identify renewable resources to produce energy in rural development projects and determine the feasibility of substituting them for systems using fossil fuel;

(3) to train personnel in developing technologies for getting energy from renewable resources;

(4) to support research into the use of renewable resources, including hydropower, biomass, solar photovoltaic, and solar thermal;

(5) to support an information network to make available to policymakers the full range of energy choices;

(6) to broaden their energy planning, analyses, and assessments to include consideration of the supply of, demand for, and possible uses of renewable resources; and

(7) to coordinate with the Agency for International Development and other aid organizations in supporting effective rural energy programs.

(b) For purposes of this section, the term "renewable resource" means any energy resource which— "Renewable resource."

(1) meets the needs of rural communities;

(2) saves capital without wasting labor;

(3) is modest in scale and simple to install and maintain and which can be managed by local individuals;

(4) is acceptable and affordable; and

(5) does not damage the environment.

Report to  
Congress.

(c) **The Secretary of the Treasury, in consultation with the Director of the United States International Development Cooperation Agency, shall report to the Congress not later than six months after the date of enactment of this Act and annually thereafter on the progress toward achieving the goals set forth in this title.**

Approved June 3, 1980.

#### LEGISLATIVE HISTORY:

**HOUSE REPORTS:** No. 96-135 accompanying H.R. 3829 (Comm. on Banking, Finance and Urban Affairs) and Nos. 96-837, 96-867, and 96-974 (all from Comm. of Conference).

**SENATE REPORT** No. 96-135 (Comm. on Foreign Relations).

#### **CONGRESSIONAL RECORD:**

Vol. 125 (1979): May 17, considered and passed Senate.

Vol. 126 (1980): Mar. 5, 6, H.R. 3829 considered and passed House; passage vacated and S. 662, amended, passed in lieu.

Mar. 25, Apr. 17, House recommitted conference report on S. 662.

May 21, House agreed to conference report.

May 22, Senate agreed to conference report.