Subtitle F—Accountability for World Bank Loans to China

SEC. 1771. SHORT TITLE.

This subtitle may be cited as the “Accountability for World Bank Loans to China Act of 2019”.

SEC. 1772. FINDINGS.

The Congress finds as follows:

(1) Possessing more than $3,000,000,000,000 in foreign exchange reserves, the People’s Republic of China has devoted state resources to establish the Asian Infrastructure Investment Bank, the New Development Bank, and activities under the Belt and Road Initiative, potentially creating rivals to the multilateral development banks led by the United States and its allies.

(2) The International Bank for Reconstruction and Development (IBRD), the World Bank’s primary financing institution for middle-income countries, ceases to finance (“graduates”) countries that
are able to sustain long-term development without recourse to Bank resources.

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

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

(5) According to the Center for Global Development, China has received $7,800,000,000 in IBRD commitments since crossing the GDI threshold in 2016.

SEC. 1773. UNITED STATES SUPPORT FOR GRADUATION OF CHINA FROM WORLD BANK ASSISTANCE.

(a) In general.—The United States Governor of the International Bank for Reconstruction and Development (IBRD) shall instruct the United States Executive Director at the IBRD that it is the policy of the United States to—

(1) pursue the expeditious graduation of the People’s Republic of China from assistance by the IBRD, consistent with the lending criteria of the IBRD; and

(2) until the graduation of China from IBRD assistance, prioritize projects in China that con-
tribute to global public goods, to the extent practicable.

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

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

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

SEC. 1774. ACCOUNTABILITY FOR WORLD BANK LOANS TO THE PEOPLE’S REPUBLIC OF CHINA.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the United States Governor of the International Bank for Reconstruction and Development (in this section referred to as the “IBRD”) shall submit the report described in subsection (b) to the Committee on Financial Services of the House of Representatives and the Committee on Foreign Relations of the Senate.

(b) REPORT DESCRIBED.—The report described in this subsection shall include the following:
(1) A detailed description of the efforts of the United States Governor of the IBRD to enforce the timely graduation of countries from the IBRD, with a particular focus on the efforts with regard to the People’s Republic of China.

(2) If the People’s Republic of China is a member country of the IBRD, an explanation of any economic or political factors that have prevented the graduation of the People’s Republic of China from the IBRD.

(3) A discussion of any effects resulting from fungibility and IBRD lending to China, including the potential for IBRD lending to allow for funding by the government of the People’s Republic of China of activities that may be inconsistent with the national interest of the United States.

(4) An action plan to help ensure that the People’s Republic of China graduates from the IBRD within 2 years after submission of the report, consistent with the lending eligibility criteria of the IBRD.

(c) WAIVER OF REQUIREMENT THAT REPORT INCLUDE ACTION PLAN.—The Secretary of the Treasury may waive the requirement of subsection (b)(4) on reporting to the Committee on Financial Services of the House
of Representatives and the Committee on Foreign Relations of the Senate that the waiver is important to the national interest of the United States, with a detailed explanation of the reasons therefor.

SEC. 1775. ENSURING DEBT TRANSPARENCY WITH RESPECT TO THE BELT AND ROAD INITIATIVE.

Within 180 days after the date of the enactment of this Act, the Secretary of the Treasury shall, in consultation with the Secretary of State, submit to the Committee on Financial Services and the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate a report (which should be submitted in unclassified form but may include a classified annex) that includes the following:

(1) An assessment of the level of indebtedness of countries receiving assistance through the Belt and Road Initiative that are also beneficiary countries of the international financial institutions, including the level and nature of indebtedness to the People’s Republic of China or an entity owned or controlled by the government of the People’s Republic of China.

(2) An analysis of debt management assistance provided by the World Bank, the International Monetary Fund, and the Office of Technical Assistance
of the Department of the Treasury to borrowing
countries of the Belt and Road Initiative of the Peo-
ple’s Republic of China (or any comparable initiative
or successor initiative of China).

(3) An assessment of the effectiveness of
United States efforts, including bilateral efforts and
multilateral efforts, at the World Bank, the Inter-
ational Monetary Fund, other international finan-
cial institutions and international organizations to
promote debt transparency.