

ance of each bank. These discussions shall include, but not be limited to organizational, administrative and procedural arrangements to remove impediments to the efficient and effective management of assistance programs necessary to protect and ensure the sustainable use of natural resources and to carry out such assistance programs in consultation with affected local communities.

**(h) Operation of “early warning system”**

The Administrator of the Agency for International Development, in consultation with the Secretaries of Treasury and State, shall continue, and work to enhance, the operation of the “early warning system”, by—

(1) instructing overseas missions of the Agency for International Development and embassies of the United States to analyze the impacts of Multilateral Development Bank loans well in advance of a loan’s approval. Such reviews shall address the economic viability of the project; adverse impacts on the environment, natural resources, public health, and indigenous peoples; and recommendations as to measures, including alternatives, that could eliminate or mitigate adverse impacts. If not classified under the national security system of classification, such information shall be made available to the public;

(2) compiling a list of proposed Multilateral Development Bank loans likely to have adverse impacts on the environment, natural resources, public health, or indigenous peoples. The list shall contain the information identified in paragraph (1), shall be updated in consultation with interested members of the public, and shall be made available to the Committees on Appropriations by April 1, 1988 and semiannually thereafter; and

(3) creating a cooperative mechanism for sharing information collected through the “early warning system” with interested donor and borrowing nations and encouraging the Multilateral Development Banks to institute a similar system.

**(i) Adverse impacts to environment, natural resources, or indigenous peoples; instructions to Executive Director of appropriate Multilateral Development Bank**

If a review required by subsection (h) identifies adverse impacts to the environment, natural resources, or indigenous peoples, the Secretary of the Treasury shall instruct the United States Executive Director of the appropriate MDB to seek changes to the project necessary to eliminate or mitigate those impacts.

**(j) Report by February 1, 1988**

The Committee on Health and Environment of the Agency for International Development, called for in section 262I(i) of this title, shall report its findings to the Committees on Appropriations by February 1, 1988.

**(k) Report by August 1, 1988**

The Secretary of State, in consultation with the Secretary of the Treasury, the Administrator of the Agency for International Development, other appropriate Federal agencies, and interested members of the public, shall prepare

and submit to the Committees on Appropriations and the appropriate authorizing committees by August 1, 1988, a report on a comprehensive strategy for maximizing the use of foreign assistance provided by the United States through multilateral and bilateral development agencies to address natural resources problems, such as desertification, tropical deforestation, the loss of wetlands, soil conservation, preservation of wildlife and biological diversity, estuaries and fisheries, croplands and grasslands. The report shall include, but not be limited to—

(1) an identification of the multilateral and bilateral agencies funded in part or in whole by the United States Government, whose activities have, or could have, a significant impact on sustainable natural resource use, and the rights and welfare of indigenous people, in the developing countries;

(2) a description of the internal policies and procedures by which each of these agencies addresses these issues, as well as a description of their own organizational structures for doing so;

(3) an assessment of how the funds contributed by the United States to these agencies can best be used in the future to address these issues.

(Pub. L. 100-202, §101(e) [title V, §537], Dec. 22, 1987, 101 Stat. 1329-131, 1329-161; Pub. L. 101-240, title V, §541(d)(8), Dec. 19, 1989, 103 Stat. 2518.)

CODIFICATION

Section is from the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1988.

Section was formerly classified to section 262I of this title.

AMENDMENTS

1989—Subsec. (c). Pub. L. 101-240 struck out subsec. (c) which related to “debt for conservation” initiatives.

**§ 262I-2. Sustainable use of natural resources; use of agricultural and industrial chemicals**

**(a) Instructions to Executive Directors of Multilateral Development Banks**

It is the policy of the United States that sustainable economic growth must be predicated on sustainable use of natural resources. The Secretary of the Treasury shall instruct the United States Executive Directors of the Multilateral Development Banks (MDB’s) to—

(1) promote the adoption of internal guidelines requiring the use of least-cost planning techniques in evaluating proposed energy loans, and consider refusal to support power generation, utilization or energy sector loans unless cost-effective conservation measures have been fully evaluated and considered;

(2) encourage each MDB to offer technical assistance to borrower nations in preparing national energy plans. Special emphasis shall be given to least-cost analysis in making decisions on energy use and development, and such analyses shall take into account all demand-side as well as supply-side options;

(3) promote expansion of MDB expertise in the areas of energy conservation and renewable energy sources;

(4) promote the adoption of lending strategies which place increased emphasis on energy

conservation and efficiency as opposed to merely increasing generating capacity;

(5) promote adoption of policies which minimize emissions of greenhouse gases;

(6) promote the adoption of lending strategies that place increased emphasis on energy efficient transportation programs. Such strategies shall consider alternatives to conventional mechanized transport such as non-motorized vehicles, public transport and increased energy and cost efficiency of transportation systems; and

(7) promote the use of existing and the development of new mechanisms to promote conservation of biological diversity. Existing resources to be consulted shall include but not be limited to Conservation Data Centers.

**(b) Bilateral and multilateral discussions to strengthen environmental performance of Multilateral Development Banks**

The Secretary of the Treasury and the Secretary of State, in cooperation with the Administrator of the Agency for International Development, shall conduct bilateral and multilateral discussions with other members of the MDB's to further strengthen the environmental performance of each bank. These discussions shall include, but not be limited to organizational, administrative and procedural arrangements to remove impediments to the efficient and effective management of assistance programs necessary to protect and ensure the sustainable use of natural resources and to carry out such assistance programs in consultation with affected local communities.

**(c) Duties of Administrator of Agency for International Development**

The Administrator of the Agency for International Development shall—

(1) in the submission of future “early warning system” reports, as required by the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1988, make use of resources that promote the conservation of biological diversity, such as Conservation Data Centers;

(2) submit a report to the Committees on Appropriations, by January 15, 1989, on the Agency's activities and practices which encourage or discourage the use of renewable energy technologies overseas, and on ways to correct or refocus those efforts. This report shall include but is not limited to Agency activities which could be directed to develop a stronger interface with the private sector through the establishment of a United States Renewable Energy Industry Advisory Council;

(3) issue guidance to all Agency missions stating that renewable energy resources and conservation are to be the centerpiece of its energy efforts, and meeting energy needs through these means shall be discussed in every Country Development Strategy Statement; and

(4) take steps to implement recommendations set forth by a report of the Committee on Health and Environment on opportunities for the Agency to assist developing countries in the proper use of agricultural and industrial chemicals.

(Pub. L. 100-461, title V, §535, Oct. 1, 1988, 102 Stat. 2268-28.)

REFERENCES IN TEXT

The Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1988, referred to in subsec. (c)(1), is Pub. L. 100-202, §101(e), Dec. 22, 1987, 101 Stat. 1329-131. The “early warning system” reports refer to the reports required by section 537(h)(1) of the Act (Pub. L. 100-202, §101(e) [title V, §537(h)(1)]), which is classified to section 2621-1(h)(1) of this title. For complete classification of this Act to the Code, see Tables.

CODIFICATION

Section is from the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989.

Section was formerly classified to section 2621 of this title.

**§ 2621-3. Environmental and energy initiatives; benchmarks; Global Warming Initiative; appropriations**

**(a) Instructions to Executive Directors of Multilateral Development Banks**

It is the policy of the United States that sustainable economic growth must be predicated on the sustainable management of natural resources. The Secretary of the Treasury shall instruct the United States Executive Director of each multilateral development bank (MDB) to continue to promote vigorously the environmental and energy initiatives established in section 533(a) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991 (Public Law 101-513). The Secretary of the Treasury, in cooperation with the Secretary of State, shall also undertake direct, bilateral discussions with appropriate officials of the governments of the member nations of the Organization for Economic Cooperation and Development with a goal of building greater international support for the environmental goals established in subsection (d) of this section. The Secretary of the Treasury shall submit a report to the Committees on Appropriations by March 1, 1993, which describes the progress of these bilateral discussions.

**(b) Report to Congress**

The Secretary of the Treasury shall, not later than March 1, 1993, submit a report to the Congress containing the same information as requested in section 533(b) of Public Law 101-513.

**(c) Improved environmental performance; benchmarks**

(1) In furtherance of the policies contained in section 533(a) of Public Law 101-513 and section 1308<sup>1</sup> of the International Development and Finance Act of 1989 (Public Law 101-240), and as a basis for measuring more effectively progress by the MDBs toward improved environmental performance, the Secretary of the Treasury shall instruct the United States Executive Directors of the MDBs to encourage each MDB, at a minimum, to meet the benchmarks established in paragraph (2) in the areas of sustainable energy development, forest conservation, forced displacement of populations, and environmental

<sup>1</sup> See References in Text note below.