

maries and case studies of the fraud and corruption cases pursued by its investigations unit.

(5) The institution shall require that any health, education, or poverty-focused loan, credit, grant, document, policy, or strategy prepared by the institution includes specific outcome and output indicators to measure results, and that the indicators and results be published periodically during the execution, and at the completion, of the project or program.

(6) The institution shall establish a plan and schedule for conducting regular, independent audits of internal management controls and procedures for meeting operational objectives, complying with Bank policies, and preventing fraud, and making reports describing the scope and findings of such audits available to the public.

(7) The institution shall establish effective procedures for the receipt, retention, and treatment of: (A) complaints received by the Bank regarding fraud, accounting, mismanagement, internal accounting controls, or auditing matters; and (B) the confidential, anonymous submission by employees of the Bank of concerns regarding fraud, accounting, mismanagement, internal accounting controls, or auditing matters.

**(b) Report**

Not later than September 1, 2004, and 6 months thereafter, the Secretary of the Treasury shall submit a report to the appropriate congressional committees describing the actions taken by each multilateral development institution to implement the policy goals described in subsection (a) of this section, and any further actions that need to be taken to fully implement such goals.

**(c) Publication of written statements regarding inspection mechanism cases**

No later than 60 calendar days after a meeting of the Board of Directors of a multilateral development institution, the Secretary of the Treasury should provide for publication on the website of the Department of the Treasury of any written statement presented at the meeting by the United States Executive Director at the institution concerning—

- (1) a project on which a claim has been made to the inspection mechanism of the institution; or
- (2) a pending inspection mechanism case.

**(d) Congressional briefings**

The Secretary of the Treasury or the designee of the Secretary should brief the appropriate congressional committees, when requested, on the steps that have been taken by the United States Executive Director at any multilateral development institution, and by any such institution, to implement the measures described in this section.

**(e) Publication of “no” votes and abstentions by the United States**

Each month, the Secretary of the Treasury should provide for posting on the website of the Department of the Treasury of a record of all

“no” votes and abstentions made by the United States Executive Director at any multilateral development institution on any matter before the Board of Directors of the institution.

**(f) Multilateral development institution defined**

In this section, the term “multilateral development institution” shall have the meaning given in section 262r(c)(3) of this title.

(Pub. L. 95-118, title XV, §1504, as added Pub. L. 108-199, div. D, title V, §581, Jan. 23, 2004, 118 Stat. 202.)

DEFINITIONS

The definitions in section 262p-5 of this title apply to this section.

**§ 2620-4. Promotion of policy goals**

**(a) In general**

The Secretary of the Treasury shall instruct the United States Executive Director at each multilateral development bank to inform each such bank and the executive directors of each such bank of the policy of the United States as set out in this section and to actively promote this policy and the goals set forth in section 2620-3 of this title. It is the policy of the United States that each bank should—

(1) require the bank’s employees, officers and consultants to make an annual disclosure of their financial interests and income and of any other potential source of conflict of interest;

(2) link project and program design and results to management and staff performance appraisals, salaries, and bonuses;

(3) implement voluntary disclosure programs for firms and individuals participating in projects financed by such bank;

(4) ensure that all loan, credit, guarantee, and grant documents and other agreements with borrowers include provisions for the financial resources and conditionality necessary to ensure that a person or country that obtains financial support from a bank complies with applicable bank policies and national and international laws in carrying out the terms and conditions of such documents and agreements, including bank policies and national and international laws pertaining to the comprehensive assessment and transparency of the activities related to access to information, public health, safety, and environmental protection;

(5) implement clear anti-corruption procedures setting forth the circumstances under which a person will be barred from receiving a loan, contract, grant, guarantee or credit from such bank, make such procedures available to the public, and make the identity of such person available to the public;

(6) coordinate policies across multilateral development banks on issues including debarment, cross-debarment, procurement guidelines, consultant guidelines, and fiduciary standards so that a person that is debarred by one such bank is subject to a rebuttable presumption of ineligibility to conduct business with any other such bank during the specific ineligibility period;

(7) require each bank borrower and grantee and each bidder, supplier and contractor for MDB projects to comply with the highest standard of ethics prohibiting coercive, collusive, corrupt and fraudulent practices, such as are defined in the World Bank's Procurement Guidelines of May, 2004;

(8) maintain a functionally independent Investigations Office, Auditor General Office and Evaluation Office that are free from interference in determining the scope of investigations (including forensic audits), internal auditing (including assessments of management controls for meeting operational objectives and complying with bank policies), performing work and communicating results, and that regularly report to such bank's board of directors and, as appropriate and in a manner consistent with such functional independence of the Investigations Office and the Auditor General Office, to the bank's President;

(9) require that each candidate for adjustment or budget support loans demonstrate transparent budgetary and procurement processes including budget publication and public scrutiny prior to loan or grant approval;

(10) require that for each project where compensation is to be provided to persons adversely affected by the project, such persons have recourse to an impartial and responsive mechanism to receive and resolve complaints. The mechanism should be easily accessible to all segments of the affected community without impeding access to other judicial or administrative remedies and without retribution;

(11) implement best practices in domestic laws and international conventions against corruption for whistleblower and witness disclosures and protections against retaliation for internal and lawful public disclosures by the bank's employees and others affected by such bank's operations who challenge illegality or other misconduct that could threaten the bank's mission, including: (1) best practices for legal burdens of proof; (2) access to independent adjudicative bodies, including external arbitration based on consensus selection and shared costs; and (3) results that eliminate the effects of proven retaliation; and

(12) require, to the maximum extent possible, that all draft country strategies are issued for public consideration no less than 45 days before the country strategy is considered by the multilateral development bank board of directors.

**(b) Publication of position statement**

The Secretary of the Treasury shall, beginning thirty days after November 14, 2005, and within sixty calendar days of the meeting of the respective bank's Board of Directors at which such decisions are made, publish on the Department of the Treasury website a statement or explanation of the United States position on decisions related to: (1) operational policies; and (2) any proposal which would result or be likely to result in a significant effect on the environment.

**(c) "Multilateral development bank" defined**

In this section the term "multilateral development bank" has the meaning given that term in

section 262m-7 of this title and also includes the European Bank for Reconstruction and Development and the Global Environment Facility.

(Pub. L. 95-118, title XV, §1505, as added Pub. L. 109-102, title V, §599B, Nov. 14, 2005, 119 Stat. 2241.)

CODIFICATION

November 14, 2005, referred to in subsec. (b), was in the original "the enactment of this Act" which was translated as meaning the date of enactment of Pub. L. 109-102, which enacted this section, to reflect the probable intent of Congress.

DEFINITIONS

The definitions in section 262p-5 of this title apply to this section.

**§ 262p. Impact adjustment lending programs**

**(a) Establishment of guidelines; impact statements**

The Secretary of the Treasury shall instruct the United States Executive Director of the International Bank for Reconstruction and Development and the International Development Association to initiate discussions with other directors of the respective institutions and to propose that—

(1) guidelines be established which reflect clear and tangible concern for the impact adjustment lending programs, and the activities in support of which such lending is made, have and will have on human welfare; and

(2) impact statements be required which assess the effect an adjustment lending program, and the activities in support of which such lending is made, will have on the poor of the country to which such lending is made.

**(b) Proposed contents of impact statements**

In the discussions referred to in subsection (a) of this section with respect to the impact statement described in paragraph (2) of such subsection, the United States Executive Director should propose that such impact statements—

(1) specify what the projected effects of the adjustment loan will be on the poor;

(2) explain what procedures have been or will be taken to strengthen the in-country capacity of the borrower to—

(A) monitor nutrition levels in a timely manner; and

(B) measure the impact an adjustment loan, and the policies and activities in support of which such loan is made, has on the living standards of the country's population, especially the poorest; and

(3) indicate specifically what steps the borrower will take to—

(A) mitigate any adverse effect the policies and activities in support of which an adjustment loan is made are expected to have on the living standards of the poor (including the use of the proceeds of any adjustment loan, project aid, or other compensatory measure to mitigate such effect); and

(B) maximize the extent of the participation of the poor in the economic benefits resulting from an adjustment loan.