

ducted with government agencies working in social and economic sectors and with non-governmental groups in the borrowing country, especially those that have grassroots involvement with poor people.

(4) In an annual review document, such bank should describe the extent to which the goal of increasing the productive economic participation of the poor is being advanced or retarded and the steps that are being taken to overcome obstacles to its fulfillment. Such review should be based on information contained in the bank's country implementation review documents and in the country strategy documents for each borrowing country. Such country strategy documents should describe the national strategy for productive economic participation of the poor and the steps the bank plans to take to assist the borrowing country during the period covered by the country strategy document.

(5) Such bank should assist countries in assessing and monitoring progress in achieving poverty alleviation goals and targets through measurement by appropriate social indicators.

(6) Such bank should adopt procedures and budgetary allocations for administrative purposes, and establish appropriate staffing levels, to ensure that adequate resources are available to implement the bank's program for enhancing the productive economic participation of the poor, in consultation with non-governmental groups.

(7) Such bank should adopt, as a separate and major criterion in the allocation of concessional financing resources, a preferential allocation to each country which undertakes significant efforts to enhance the productive economic participation of the poor.

(8) Such bank should require each country which receives structural adjustment assistance to have in place, after a reasonable phase-in period, a strategy to enhance the productive economic participation of the poor.

(b) Progress report

Before the end of the 1-year period beginning on December 19, 1989, the Secretary of the Treasury shall submit to the Committee on Banking, Finance and Urban Affairs and the Committee on Appropriations of the House of Representatives, and the Committee on Foreign Relations and the Committee on Appropriations of the Senate, a report on the following:

(1) The status of advocacy and progress being made to implement the objectives of subsection (a), describing the success to date, the obstacles encountered, and future expectations of progress.

(2) A description of the progress to date in achieving the purposes of section 262p-4f of this title, including the institutional capacity and effort devoted to assisting in the development of statistical measures to assess the well-being of the poor.

(3) A description and evaluation of the progress to date in developing effective mechanisms for involving non-governmental organizations, directly or indirectly, in the design, implementation, and monitoring of development projects, programs, and policies of the multilateral development banks.

(Pub. L. 95-118, title XVI, § 1613, as added Pub. L. 101-240, title V, § 501, Dec. 19, 1989, 103 Stat. 2505.)

PRIOR PROVISIONS

A prior section 1613 of Pub. L. 95-118 was renumbered section 1622 and is classified to section 262p-5 of this title.

CHANGE OF NAME

Committee on Banking, Finance and Urban Affairs of House of Representatives treated as referring to Committee on Banking and Financial Services of House of Representatives by section 1(a) of Pub. L. 104-14, set out as a note preceding section 21 of Title 2, The Congress. Committee on Banking and Financial Services of House of Representatives abolished and replaced by Committee on Financial Services of House of Representatives, and jurisdiction over matters relating to securities and exchanges and insurance generally transferred from Committee on Energy and Commerce of House of Representatives by House Resolution No. 5, One Hundred Seventh Congress, Jan. 3, 2001.

DEFINITIONS

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

§ 262p-4i. Multilateral development banks and debt-for-nature exchanges

(a) Directions to United States Executive Directors

The Secretary of the Treasury shall direct the United States Executive Directors of the multilateral development banks to—

(1) negotiate for the creation in each respective multilateral development bank, except where the Secretary of the Treasury determines that the provisions of this subsection have previously been met, of a department that will—

(A) be responsible for environmental protection and resource conservation, including support for restoration, protection, and sustainable use policies;

(B) develop and monitor strict environmental guidelines and policies to govern lending activities; and

(C) actively promote, coordinate and facilitate debt-for-nature exchanges and the restoration, protection, and sustainable use of tropical forests, renewable natural resources, endangered ecosystems and species in debtor countries;

(2) support and encourage the approval of multilateral development bank loans which include provisions that foster and facilitate the implementation of a sound and effective environmental policy in the borrowing country;

(3) encourage the banks to assist such countries in reducing and restructuring private debt through the use of a portion of a project or policy based environmental loan in ways which will enable such countries to buy back private debt at a rate of discount available for such debt, at auction in the secondary market or through negotiations with creditors holding such debt;

(4) seek to ensure that staff of each bank facilitate debtor countries' collaboration with local and international non-governmental or private organizations in implementing debt-for-nature exchanges; and

(5) seek to ensure that each bank adopts policy guidelines which to the maximum extent possible provide for—

(A) the inclusion of sustainable use policies in loan agreements negotiated with borrower members;

(B) the adoption of economic programs to foster sound environmental policies; and

(C) the provision of debtor countries' policy changes or significant increases in financial resources for use in at least 1 of the following—

(i) restoration, protection, or sustainable use of the world's oceans and atmosphere;

(ii) restoration, protection, or sustainable use of diverse animal and plant species;

(iii) establishment, restoration, protection, and maintenance of parks and reserves;

(iv) development and implementation of sound systems of natural resource management;

(v) development and support of local conservation programs;

(vi) training programs to strengthen conservation institutions and increase scientific, technical, and managerial capabilities of individuals and organizations involved in conservation efforts;

(vii) efforts to generate knowledge, increase understanding, and enhance public commitment to conservation;

(viii) design and implementation of sound programs of land and ecosystem management; and

(ix) promotion of regenerative approaches in farming, forestry, and watershed management.

(b) Negotiation of guidelines for restoration, protection, or sustainable use policies

The United States Executive Directors of the multilateral development banks shall seek to negotiate with the other executive directors to provide guidelines for restoration, protection, or sustainable use policies. Pending the outcome of such negotiations, the United States Executive Directors shall consider restoration, protection, or sustainable use policies to be those which—

(1) support development that maintains and restores the renewable natural resource base so that present and future needs of debtor countries' populations can be met, while not impairing critical ecosystems and not exacerbating global environmental problems;

(2) are environmentally sustainable in that resources are conserved and managed in an effort to remove pressure on the natural resource base and to make judicious use of the land so as to sustain growth and the availability of all natural resources;

(3) support development that does not exceed the limits imposed by local hydrological cycles, soil, climate, vegetation, and human cultural practices;

(4) promote the maintenance and restoration of soils, vegetation, hydrological cycles, wildlife, critical ecosystems (tropical forests, wetlands, and coastal marine resources), biological diversity and other natural resources es-

sential to economic growth and human well-being and shall, when using natural resources, be implemented to minimize the depletion of such natural resources; and

(5) take steps, wherever feasible, to prevent pollution that threatens human health and important biotic systems and to achieve patterns of energy consumption that meet human needs and rely on renewable resources.

(c) Inclusion of certain items in guidelines

The United States Executive Directors shall endeavor to include the provisions of paragraphs (1) through (5) of subsection (b) in the guidelines developed through the negotiations specified in this section.

(Pub. L. 95-118, title XVI, § 1614, as added Pub. L. 101-240, title V, § 512, Dec. 19, 1989, 103 Stat. 2508.)

PRIOR PROVISIONS

A prior section 1614 of Pub. L. 95-118 was renumbered section 1622 and is classified to section 262p-5 of this title.

DEFINITIONS

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

§ 262p-4j. Promotion of lending for environment

The Secretary of the Treasury shall instruct the United States Executive Director of the International Bank for Reconstruction and Development to initiate discussions with the other executive directors of such bank and the management of such bank and propose that, in order to reduce the future need for bank lending for reforestation and restoration of environmentally degraded areas, the bank establish a project and policy based environmental lending program (including a loan a portion of which could be used to reduce and restructure private debt), to be made available to interested countries with a demonstrated commitment to natural resource conservation, which would be based on—

(1) the estimated long-term economic return which could be expected from the sustainable use and protection of tropical forests, including the value of tropical forests for indigenous people and for science;

(2) the value derived from such services as—

(A) watershed management;

(B) soil erosion control;

(C) the maintenance and improvement of—

(i) fisheries;

(ii) water supply regulation for industrial development;

(iii) food;

(iv) fuel;

(v) fodder; and

(vi) building materials for local communities;

(D) the extraction of naturally occurring products from locally controlled protected areas; and

(E) indigenous knowledge of the management and use of natural resources; and

(3) the long-term benefits expected to be derived from maintaining biological diversity and climate stabilization.