

118TH CONGRESS
1ST SESSION

H. R. 4865

To increase transparency regarding the activities, and reduce the malign influence of, the People's Republic of China in the Inter-American Development Bank, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 25, 2023

Mr. GALLAGHER (for himself, Mr. GOTTHEIMER, Mr. DIAZ-BALART, Mr. GALLEG0, Ms. STEFANIK, Mr. PANETTA, Mr. GIMENEZ, Mr. LARSEN of Washington, Mr. WALTZ, and Mr. VEASEY) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To increase transparency regarding the activities, and reduce the malign influence of, the People's Republic of China in the Inter-American Development Bank, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “IDB Transparency
5 Act”.

1 **SEC. 2. REPORT ON INFLUENCE OF THE PEOPLE'S REPUB-**
2 **LIC OF CHINA AT THE INTER-AMERICAN DE-**
3 **VELOPMENT BANK.**

4 (a) IN GENERAL.—Within 180 days after the date
5 of the enactment of this Act, the Secretary of the Treas-
6 ury, in consultation with the Secretary of State, shall sub-
7 mit to the appropriate congressional committees a report
8 that includes the following:

9 (1) The scope and scale of the influence of the
10 PRC and PRC companies in the IDB, including
11 in—

12 (A) the organization and personnel of the
13 IDB;

14 (B) IDB governance and transparency;

15 (C) the financing of the IDB;

16 (D) determinations around which projects
17 to fund or finance;

18 (E) deliberations regarding the involve-
19 ment or membership of Taiwan in the IDB; and

20 (F) any other modes through which the
21 PRC or PRC companies influence the IDB.

22 (2) A complete list of all projects of the IDB
23 that include financing or funding from the PRC,
24 PRC companies, or PRC trust funds created at the
25 IDB since the PRC joined the IDB as a member
26 country on January 12, 2009, including—

1 (A) the title and identification number of
2 the project;

3 (B) a description of the project;

4 (C) the location of the project;

5 (D) the amount of funding or financing
6 initially allocated for the project;

7 (E) the amount of funding or financing
8 disbursed under the project;

9 (F) a summary of the status of the imple-
10 mentation of the project; and

11 (G) a description of any incidents in which
12 funding or financing for a project has been dis-
13 bursed, but has not been implemented or com-
14 pleted.

15 (3) A complete list of the projects of the IDB
16 in which PRC companies participate, whether
17 through direct or indirect procurement or other con-
18 tracting, including—

19 (A) the title and identification number of
20 the project;

21 (B) a description of the project;

22 (C) the location of the project;

23 (D) the amount of funding or financing
24 initially allocated for the project;

1 (E) the amount of funding or financing
2 disbursed under the project;

3 (F) the name of the participating PRC
4 companies and, in the case of each such com-
5 pany, whether the participation consists of di-
6 rect or indirect procurement or other con-
7 tracting;

8 (G) the amount of funding or financing re-
9 ceived by the PRC companies under the project;

10 (H) a summary of the work conducted by
11 the PRC companies as part of direct or indirect
12 procurement or other contracting; and

13 (I) a description of any incidents in which
14 the PRC companies received funding or financ-
15 ing as part of a direct or indirect procurement
16 or other contracting, but required work has not
17 been implemented or completed.

18 (4) A full review of projects described in para-
19 graphs (2) and (3) to assess whether any of the
20 projects featured any human rights abuses, delays,
21 corruption, or poor results, and an analysis of the
22 procurement practices involved in the projects.

23 (5) The extent to which—

24 (A) the IDB uses equipment or services
25 produced by technology providers covered by

1 section 2 of the Secure and Trusted Commu-
2 nications Networks Act of 2019 or PRC compa-
3 nies on the list of entities set forth in Supple-
4 ment No. 4 to part 744 of the Export Adminis-
5 tration Regulations, set forth in subchapter C
6 of chapter VII of title 15, Code of Federal Reg-
7 ulations, or any successor regulations; or

8 (B) projects funded or financed by the
9 IDB use technology provided by the providers
10 or entities.

11 (6) A review of how and to what extent the
12 PRC has used the IDB to, within IDB member
13 countries—

14 (A) spread the diplomatic, economic, and
15 military influence of the PRC;

16 (B) promote the adoption and use of tech-
17 nologies of PRC companies; and

18 (C) promote the preferred values of the
19 PRC.

20 (7) An action plan for the Executive Director to
21 work to reduce the involvement of the PRC and
22 PRC companies in the IDB and projects funded or
23 financed by the IDB, as determined under this sub-
24 section.

1 (8) The extent to which PRC persons sanc-
2 tioned by the United States serve in leadership or
3 management positions in PRC companies working
4 on IDB-funded or IDB-financed projects.

5 (9) The extent to which the PRC has used its
6 voice, vote, and influence in the IDB to promote the
7 interests of the PRC at the expense of regional de-
8 velopment interests.

9 (10) A summary of the in-depth reviews con-
10 ducted under section 3(a)(2)(A) of this Act.

11 (11) A list of IDB projects funded by the PRC
12 or PRC companies assessed to pose a risk to United
13 States interests due to their proximity to a coopera-
14 tive security location, a United States military in-
15 stallation outside the contiguous United States, or a
16 military installation of a partner or ally of the
17 United States.

18 (b) SUBSEQUENT REPORTS.—Within 2 years after
19 the Secretary submits the report required by subsection
20 (a), and every 2 years thereafter for 8 years, the Secretary
21 shall submit to the appropriate congressional committees
22 a report that includes—

23 (1) any updates to information included in all
24 reports submitted under subsection (a); and

1 (2) any new information related to the matters
2 described in subsection (a).

3 (c) **FORMAT.**—The reports required under sub-
4 sections (a) and (b) shall be submitted to the appropriate
5 congressional committees in unclassified form, but may in-
6 clude a classified annex.

7 (d) **PUBLIC AVAILABILITY.**—Not earlier than 60
8 days, and not later than 90 days, after the Secretary sub-
9 mits a report required by subsection (a) or (b), the Sec-
10 retary shall post an unclassified summary of the report
11 on a public-facing web page of the Department of the
12 Treasury.

13 **SEC. 3. REQUIRED USE OF UNITED STATES VOICE, VOTE,**
14 **AND INFLUENCE AT THE INTER-AMERICAN**
15 **DEVELOPMENT BANK.**

16 (a) **IN GENERAL.**—The Secretary of the Treasury
17 shall instruct the United States Executive Director at the
18 Inter-American Development Bank to use the voice, vote,
19 and influence of the United States to do the following:

20 (1) Facilitate greater IDB transparency about
21 the role of the PRC and PRC companies in the
22 IDB, including by fostering a more open release pol-
23 icy toward working papers, past evaluations, and
24 other IDB documents.

1 (2) Reduce the influence of the PRC and PRC
2 companies in all IDB deliberations, activities, and
3 projects, including by—

4 (A) conducting an in-depth review of all
5 projects, financing, loans, and grants in which
6 at least 10 percent of—

7 (i) the funding or financing for such
8 a project, financing, loan, or grant comes
9 from the PRC or PRC companies; or

10 (ii) the value of direct or indirect pro-
11 curements or other contracting for such a
12 project, financing, loan, or grant is pro-
13 vided to PRC companies; and

14 (B) voting against or taking action to pre-
15 vent a quorum for all votes related to—

16 (i) any project, financing, loan, or
17 grant for which the in-depth review re-
18 quired in subparagraph (A) determines
19 presents risks to United States national in-
20 terests; and

21 (ii) any project, financing, loan, or
22 grant that would include the participation
23 of PRC trust funds created with the IDB.

24 (3) Beginning 180 days after date of the enact-
25 ment of this Act, if the Secretary has failed to sub-

1 mit the report required by section 2, vote against, or
2 take action to prevent a quorum for all votes related
3 to, IDB budgets until the IDB provides the Sec-
4 retary with the information required for the Sec-
5 retary to prepare and submit the report.

6 (4) Vote against, or withhold quorum for all
7 votes related to, the issuance, sale, or transfer of ad-
8 ditional shares of stock in the IDB to the PRC.

9 (b) WAIVER.—The Secretary may waive the require-
10 ments of subsection (a)(3) on a case-by-case basis if the
11 Secretary certifies and reports to the appropriate congres-
12 sional committees before the waiver is exercised that the
13 waiver would serve a national interest of the United States
14 or address basic human needs.

15 **SEC. 4. DEFINITIONS.**

16 In this Act:

17 (1) APPROPRIATE CONGRESSIONAL COMMIT-
18 TEES.—The term “appropriate congressional com-
19 mittees” means—

20 (A) the Committee on Foreign Relations of
21 the Senate; and

22 (B) the Committee on Financial Services
23 and the Select Committee on the Strategic
24 Competition Between the United States and the

1 Chinese Communist Party of the House of Rep-
2 resentatives.

3 (2) EXECUTIVE DIRECTOR.—The term “Execu-
4 tive Director” means the United States Executive
5 Director at the IDB.

6 (3) IDB.—The term “IDB” means all of the
7 current and former institutions in the IDB Group,
8 including the Inter-American Development Bank,
9 IDB Invest, IDB lab, and any related predecessor
10 entities.

11 (4) PRC.—The term “PRC”—

12 (A) means the People’s Republic of China;
13 and

14 (B) includes any and all Special Adminis-
15 trative Regions of China, including Hong Kong
16 and Macau but not including Taiwan.

17 (5) PRC COMPANIES.—The term “PRC compa-
18 nies” means any corporation, company, limited li-
19 ability company, limited partnership, business trust,
20 business association, or other similar entity owned
21 by, controlled by, or subject to the jurisdiction or di-
22 rection of the Government of the PRC.

23 (6) SECRETARY.—The term “Secretary” means
24 the Secretary of the Treasury.

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