multilateral development bank with training in environmental or social impact analysis or natural science, including—
(A) recruitment of additional permanent professional staff; and
(B) training programs for existing staff members in those subject areas.

(4) With respect to the International Bank for Reconstruction and Development, the establishment of a program for policy-based lending to promote the sustainable use of renewable resources and the protection of the environment in borrowing countries.

(5) An increase in the length of any review period established by any multilateral development bank for board review of staff recommendations by such time as would be sufficient to allow the governments of member countries to review and comment on the staff recommendations before any action is taken by the board of directors of such bank on the recommendations.

(b) The Secretary of the Treasury shall instruct the United States Executive Director of each multilateral development bank to request the management of such bank to prepare an annual report which identifies and describes the most exemplary lending practices or loan components implemented during the preceding year with respect to each of the following lending policy goals for each major borrowing country or country group:

(1) Benefit to the poor.

(2) Involvement of nongovernmental organizations and local and indigenous populations in loan design, implementation, planning, and monitoring.

(3) Integration of, consideration of, and concern for environmental quality and the sustainable use of natural resources into loan design, implementation, planning, and monitoring.

(4) Recognition of and support for the economic and social development of women.

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

§ 262o-1. Military spending by recipient countries; military involvement in economies of recipient countries

(a) Consideration of commitment to achieving certain goals

(1) In general

The Secretary of the Treasury shall instruct the United States Executive Directors of the international financial institutions (as defined

1 So in original. No par. (2) has been enacted.
in section 262r(c)(2) of this title) to promote growth in the international economy by taking into account, when considering whether to support or oppose loan proposals at these institutions, the extent to which the recipient government has demonstrated a commitment to achieving the following goals:

(A) to provide accurate and complete data on the annual expenditures and receipts of the armed forces;

(B) to establish good and publicly accountable governance, including an end to excessive military involvement in the economy; and

(C) to make substantial reductions in excessive military spending and forces.

(b) Steps to achieve goals required

The Secretary of the Treasury shall instruct the United States Executive Directors of the international financial institutions (as so defined) to promote a policy at each institution under which—

(1) the respective institution monitors closely and, through regular policy consultations with recipient governments, seeks to influence the composition of public expenditure in favor of funding growth and development priorities and away from unproductive expenditure, including excessive military expenditures;

(2) the respective institution supports lending operations which assist efforts of recipient governments to promote good governance, including public participation, and reduce military expenditures; and

(3) the allocation of resources and the extension of credit by the respective institution takes into account the performance of recipient governments in the areas of good governance, ending excessive military involvement in the economy and reducing excessive military expenditures.


DEFINITIONS

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

§ 262o–2. Advocacy of policies to enhance general effectiveness of International Monetary Fund

(a) In general

The Secretary of the Treasury shall instruct the United States Executive Director of the International Monetary Fund to use aggressively the voice and vote of the Executive Director to do the following:

(1) Vigorously promote policies to increase the effectiveness of the International Monetary Fund in structuring programs and assistance so as to promote policies and actions that will contribute to exchange rate stability and avoid competitive devaluations that will further destabilize the international financial and trading systems.

(2) Vigorously promote policies to increase the effectiveness of the International Monetary Fund in promoting market-oriented reform, trade liberalization, economic growth, democratic governance, and social stability through—

(A) establishing an independent monetary authority, with full power to conduct monetary policy, that provides for a non-inflationary domestic currency that is fully convertible in foreign exchange markets;

(B) opening domestic markets to fair and open internal competition among domestic enterprises by eliminating inappropriate favoritism for small or large businesses, eliminating elite monopolies, creating and effectively implementing anti-trust and anti-monopoly laws to protect free competition, and establishing fair and accessible legal procedures for dispute settlement among domestic enterprises;

(C) privatizing industry in a fair and equitable manner that provides economic opportunities to a broad spectrum of the population, eliminating government and elite monopolies, closing lose-making enterprises, and reducing government control over the factors of production;

(D) economic deregulation by eliminating inefficient and overly burdensome regulations and strengthening the legal framework supporting private contract and intellectual property rights;

(E) establishing or strengthening key elements of a social safety net to cushion the effects on workers of unemployment and dislocation; and

(F) encouraging the opening of markets for agricultural commodities and products by requiring recipient countries to make efforts to reduce trade barriers.

(3) Vigorously promote policies to increase the effectiveness of the International Monetary Fund, in concert with appropriate international authorities and other international financial institutions (as defined in section 262r(c)(2) of this title), in strengthening financial systems in developing countries, and encouraging the adoption of sound banking principles and practices, including the development of laws and regulations that will help to ensure that domestic financial institutions meet strong standards regarding capital reserves, regulatory oversight, and transparency.

(4) Vigorously promote policies to increase the effectiveness of the International Monetary Fund, in concert with appropriate international authorities and other international financial institutions (as defined in section 262r(c)(2) of this title), in facilitating the development and implementation of internationally acceptable domestic bankruptcy laws and regulations in developing countries, including the provision of technical assistance as appropriate.

(5) Vigorously promote policies that aim at appropriate burden-sharing by the private sector so that investors and creditors bear more fully the consequences of their decisions, and accordingly advocate policies which include—

(A) strengthening crisis prevention and early warning signals through improved and more effective surveillance of the national economic policies and financial market de-