

The World Bank Integrity Preservation Act: Stand up to China in the World Bank

China continues to take advantage of World Bank lending intended for poorer countries, providing it with low-cost loans and added legitimacy for questionable projects.

Countries borrowing from the World Bank are expected to reduce their portfolios once they reach a certain level of income (graduation threshold). China reached this threshold in 2016, yet remains one of the Bank's top borrowers. It borrows about \$2 billion a year despite being the world's second-largest economy and a major global lender itself. In its own lending to other countries, China seeks to exert geopolitical influence and control. Through the Belt and Road Initiative (BRI), China has sparked concerns about debt sustainability in recipient countries.

Additionally, China has come under increasing public scrutiny for its human rights abuses in Xinjiang, and China has consistently infringed on the religious freedom of its citizens throughout China. Reports of the shocking persecution of Uighurs, Kazakhs, and other Muslims in internment camps have only gotten worse recently. These camps are centers for social control, political indoctrination, and torture.

Senator Grassley is deeply concerned that the World Bank has funded projects in Xinjiang, like the *Technical and Vocational Education and Training Project*. Given how widespread the repression has become in Xinjiang, any investment in this region runs a very high risk of becoming associated with human rights abuses. Moreover, since the name of this project is so close to the Chinese Communist Party's euphemism for its concentration camps, the reputation of the World Bank is being used to lend legitimacy to the CCP's propaganda campaign to cover for its atrocities. Institutions like the World Bank have a responsibility to fully assess risks related to human rights and religious freedom, such as those exhibited in Xinjiang, in any region where it lends money.

Despite these concerns, and despite having far exceeded the graduation threshold, the World Bank adopted a plan last year, over U.S. objections, for lending more than \$1 billion annually to China. This plan also highlights China as an example of successful development for other countries. Donor institutions, using American tax dollars, should not be lending to wealthy countries that violate human rights. We should not let China seek legitimacy through international institutions for its bad practices, nor should China be considered an example that developing countries should follow. It has been the practice of the United States in recent years to vote against all World Bank projects in China and to try to convince other countries to do the same. Congress should make this practice official and by codifying it as U.S. policy.

The World Bank Integrity Preservation Act would direct the U.S. Executive Director at the World Bank to vote against and use their best efforts to deny any project in a country that 1) has reached the "graduation threshold" and 2) is listed as a Tier 1 country or on the special watch list for religious freedom abuses under section 402(b)(1)(A) of the International Religious Freedom Act of 1998 (22 U.S.C. 14 6442(b)(1)(A)). This would only impact China and Russia.