

114TH CONGRESS
1ST SESSION

S. 1882

To support the sustainable recovery and rebuilding of Nepal following the recent, devastating earthquakes near Kathmandu.

IN THE SENATE OF THE UNITED STATES

JULY 29, 2015

Mr. CARDIN (for himself and Mr. KIRK) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

A BILL

To support the sustainable recovery and rebuilding of Nepal following the recent, devastating earthquakes near Kathmandu.

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 “Nepal Recovery Act”.

5 **SEC. 2. DEFINITIONS.**

6 In this Act:

7 (1) APPROPRIATE CONGRESSIONAL COMMIT-
8 TEES.—The term “appropriate congressional com-
9 mittees” means—

1 (A) the Committee on Foreign Relations of
2 the Senate;

3 (B) the Committee on Appropriations of
4 the Senate;

5 (C) the Committee on Foreign Affairs of
6 the House of Representatives; and

7 (D) the Committee on Appropriations of
8 the House of Representatives.

9 (2) INTERNATIONAL FINANCIAL INSTITU-
10 TION.—The term “international financial institu-
11 tion” means—

12 (A) each of the institutions listed in sec-
13 tion 1701(c)(2) of the International Financial
14 Institutions Act (22 U.S.C. 262r(c)(2)); and

15 (B) the International Development Fund
16 for Agricultural Development.

17 **SEC. 3. FINDINGS.**

18 Congress makes the following findings:

19 (1) On April 25, 2015, an earthquake meas-
20 uring 7.8 on the Richter scale and a subsequent
21 earthquake on May 12 measuring 7.3 on the Richter
22 scale and numerous aftershocks—

23 (A) devastated Kathmandu, Nepal and the
24 surrounding areas;

25 (B) killed more than 8,700 people;

1 (C) injured hundreds of thousands addi-
2 tional people;

3 (D) destroyed or damaged more than
4 770,000 homes, leaving the families who had
5 been living in those homes without shelter;

6 (E) damaged or destroyed more than
7 47,000 classrooms;

8 (F) damaged or destroyed over 1,000
9 health facilities including primary health care
10 centers and birthing centers;

11 (G) left many people with newly acquired
12 disabilities, including lost limbs and other phys-
13 ical and mental trauma;

14 (H) severely impacted livelihoods and food
15 security for millions of people, including the de-
16 struction of stockpiled grains and the loss of
17 more than 17,000 cattle and 40,000 smaller do-
18 mesticated animals; and

19 (I) disrupted social structures and families
20 through death, injury, and relocation.

21 (2) The earthquake devastated Nepal's infra-
22 structure, including homes, offices, factories, roads,
23 bridges, communications, and other facilities.

24 (3) American citizens were also killed in the
25 widespread destruction caused by the earthquake.

1 (4) Six American service members and 2 mem-
2 bers of the Nepalese Army lost their lives in a heli-
3 copter accident while working to relieve the suffering
4 of the Nepalese people following the earthquake.

5 (5) The World Bank and the Government of
6 Nepal conducted a post disaster needs assessment
7 that estimated almost \$6,700,000,000 in sector spe-
8 cific damage, losses, and recovery needs.

9 (6) In Nepal, which is one of the poorest coun-
10 tries in the world—

11 (A) an estimated 25 percent of the popu-
12 lation lives on less than \$1.25 per day;

13 (B) there is a 46-percent unemployment
14 rate, with the majority of the population en-
15 gaged in subsistence agriculture;

16 (C) only 25 percent of Nepalese participate
17 in the formal banking system, with the majority
18 of Nepalese severely lacking access to credit
19 and financial services, making accessing credit
20 for rebuilding difficult; and

21 (D) has one of the slowest economic
22 growth rates in the region.

23 (7) Nepal bears a significant burden of national
24 debt, which hinders recovery.

1 (8) Some of the investments created from loans
2 to Nepal were lost in the earthquake, but the coun-
3 try is still obligated to pay off the loans.

4 (9) The geography of Nepal poses a significant
5 challenge to relief, reconstruction, and development
6 that requires extraordinary efforts and assets to
7 overcome.

8 (10) The United States Government, the Gov-
9 ernment of Nepal, and civil society organizations
10 have invested in disaster risk reduction efforts for
11 nearly 20 years. Those efforts have reduced suf-
12 fering and prevented greater loss of life and prop-
13 erty.

14 (11) In recent years, the Government and peo-
15 ple of Nepal have taken important steps forward to
16 resolve civil conflict, reconcile, and promote economic
17 growth and development.

18 (12) Nepal has qualified for the Millennium
19 Challenge Corporation Threshold Program and has
20 been selected for a Millennium Challenge Corpora-
21 tion Compact, based on its performance on key se-
22 lection criteria.

23 (13) United States trade preference programs,
24 which extend duty-free tariff treatment, could accel-
25 erate Nepal's efforts to reestablish economic growth.

1 (14) The earthquake has significantly increased
2 the costs and uncertainty of doing business in
3 Nepal.

4 (15) A strong and unequivocal commitment
5 from the United States is needed—

6 (A) to help Nepal offset the costs of doing
7 business in Nepal;

8 (B) to preserve the gains made with
9 United States assistance; and

10 (C) to encourage buyers and investors to
11 stand with Nepal through this crisis.

12 **SEC. 4. STATEMENT OF POLICY.**

13 It is the policy of the United States, in partnership
14 with the Government of Nepal and in coordination with
15 the international community—

16 (1) to support the sustainable recovery and re-
17 building of Nepal in a manner that—

18 (A) encourages greater economic growth;

19 (B) embraces the independence, resilience,
20 and democratic governance of Nepal;

21 (C) supports collaboration with the Gov-
22 ernment of Nepal and consultation with Nepa-
23 lese and international civil society and including
24 the participation of affected communities in

1 planning and implementing recovery and recon-
2 struction;

3 (D) is transparent and equitably reaches
4 the most severely affected communities, particu-
5 larly those in hard-to-reach areas or who are
6 otherwise marginalized;

7 (E) dedicates significant resources to ad-
8 dressing the vulnerability of young girls and
9 boys who are often at much higher risk of traf-
10 ficking, sexual exploitation, child labor, and
11 other forms of abuse during emergencies;

12 (F) prohibits the participation of the
13 United States in any construction effort, which
14 uses forced or child labor, unregistered recruit-
15 ment agencies, or pays wages through means
16 other than directly to the laborer or to their
17 bank account;

18 (G) promotes—

19 (i) the utilization of full-time, Nepa-
20 lese laborers that are paid not less than a
21 living wage; and

22 (ii) compliance with Nepalese labor
23 law and International Labor Organization
24 core labor standards, including workplace
25 health and safety;

1 (H) incorporates the potential of women
2 and men to contribute equally and to their max-
3 imum efficiency;

4 (I) harnesses the energy of youth, who
5 make up 33 percent of Nepal's population, to
6 rebuild Nepal;

7 (J) rebuilds in ways that foster resilience
8 to future earthquakes, landslides, and other
9 natural disasters that threaten Nepal;

10 (K) enables a rapid return to school for
11 children, including the rapid construction and
12 effective utilization of medium term temporary
13 school structures; and

14 (L) coordinates activities with the Millen-
15 nium Challenge Corporation and other agencies
16 to assure the optimal effectiveness of United
17 States efforts.

18 (2) to strongly encourage the completion and
19 ratification of a new constitution that will serve as
20 a strong foundation for Nepal to build back the sys-
21 tems and infrastructure even better than before the
22 disaster;

23 (3) to encourage all international donors to con-
24 tribute and coordinate in a transparent manner and
25 report all contributions through international mecha-

1 nisms to enable the most efficient allocation of all
2 reconstruction resources;

3 (4) to ensure that previously ongoing develop-
4 ment investments in health, education, economic
5 growth, food security, and other areas continue,
6 where appropriate, and are not diverted to other
7 purposes, and additional resources are dedicated for
8 earthquake recovery;

9 (5) to support debt relief for the Government of
10 Nepal in order to expand and hasten government-led
11 reconstruction;

12 (6) to affirm and build a long-term partnership
13 with Nepal in support of providing a foundation for
14 economic growth and sustainability through invest-
15 ments—

16 (A) in essential infrastructure, including
17 transport, financial services, and energy;

18 (B) to rebuild Nepal’s competitiveness and
19 private sector in order to foster employment
20 generation, including policies to encourage in-
21 vestment and open world consumer markets to
22 Nepalese exports;

23 (C) in food security and rural and agricul-
24 tural development, particularly of food staples

1 and other crops that provide economic growth
2 and build lasting food security; and

3 (D) that recognize and address how obsta-
4 cles related to gender limit, hinder, or suppress
5 the economic productivity and gain of women;

6 (7) to reduce barriers to fast and effective re-
7 covery and reconstruction including by limiting or
8 eliminating unnecessary importation duties or re-
9 strictions on relief and recovery commodities that
10 will be provided to Nepalese in need and not sold;

11 (8) to ensure, with the Government of Nepal,
12 that affected children are protected from potential
13 violence, abuse, neglect, and exploitation and have
14 the ability to access child protection services, includ-
15 ing psychosocial support;

16 (9) to support, in coordination with other do-
17 nors—

18 (A) the institutional development and ca-
19 pacity building of the Government of Nepal at
20 the national, local, and community levels so
21 that the Government of Nepal can ensure basic
22 services for its population, including health
23 care, education, and other basic social services;

24 (B) significant contributions to a multilat-
25 eral trust fund that will be established to en-

1 hance the reconstruction and rebuilding of
2 Nepal;

3 (C) the Government and people of Nepal to
4 lead the vision for reconstruction and rebuilding
5 of Nepal; and

6 (D) communities to fully participate in the
7 recovery and reconstruction process, by employ-
8 ing local labor and consulting local leaders, af-
9 fected communities, and civil society for their
10 experience and vision;

11 (10) to address the stateless populations in
12 Nepal displaced by the earthquake including people
13 who—

14 (A) are least likely to receive support
15 through the regular government systems; and

16 (B) may have particularly greater needs;

17 (11) to prioritize the provision of excess defense
18 articles, including small aircraft, to Nepal to assist
19 in search, relief, and rescue efforts related to earth-
20 quakes and future humanitarian crises; and

21 (12) to utilize every regulatory and administra-
22 tive flexibility available to minimize bureaucratic re-
23 quirements and expedite all relief and recovery ac-
24 tions.

1 **SEC. 5. FINANCIAL ASSISTANCE.**

2 (a) DEBT RELIEF FOR NEPAL.—

3 (1) CANCELLATION OF DEBT.—The Secretary
4 of the Treasury should direct the United States Ex-
5 ecutive Director to each international financial insti-
6 tution to advocate, by voice and vote, in such institu-
7 tion—

8 (A) the cancellation of any and all remain-
9 ing debt obligations of Nepal, including debt ob-
10 ligations incurred after the date of the enact-
11 ment of this Act;

12 (B) the provision of debt service relief for
13 all remaining payments of Nepal until the debt
14 can be cancelled; and

15 (C) to the extent practicable, the extension
16 of any new assistance to Nepal primarily in the
17 form of grants instead of loans.

18 (2) SECURING OTHER RELIEF FOR NEPAL.—

19 The Secretary of the Treasury and the Secretary of
20 State should use all appropriate diplomatic influence
21 to secure the cancellation of any and all remaining
22 bilateral debt of Nepal.

23 (b) TRUST FUND FOR INFRASTRUCTURE INVEST-
24 MENT.—The Secretary of the Treasury should support the
25 creation and utilization of a World Bank trust fund for
26 Nepal that would leverage potential United States con-

1 tributions and promote bilateral donations to such a fund
 2 for the purpose of promoting transparency, donor coordi-
 3 nation, and Nepalese ownership, and consultation with
 4 civil society, particularly when making investments in Ne-
 5 pal’s infrastructure, such as—

- 6 (1) electric grids;
- 7 (2) roads;
- 8 (3) water and sanitation facilities;
- 9 (4) agricultural infrastructure,
- 10 (5) historical heritage sites; and
- 11 (6) other critical infrastructure projects.

12 (c) NEPAL RECOVERY PRIVATE INVESTMENT
 13 FUND.—

14 (1) IN GENERAL.—The United States Govern-
 15 ment may establish a Nepal Recovery Private Invest-
 16 ment Fund (referred to in this subsection as the
 17 “Fund”), made available from existing appropria-
 18 tions, to provide loans, equity investments and other
 19 forms of support to small- and medium-sized private
 20 enterprises with the purpose of—

- 21 (A) promoting the development of Nepal’s
 22 private sector, particularly small- and medium-
 23 sized enterprises;

1 (B) promoting and testing innovative poli-
2 cies and practices to strengthen Nepal's private
3 sector;

4 (C) enhancing domestic engineering, con-
5 struction, and accounting capacity;

6 (D) advancing good governance and trans-
7 parency in Nepal, particularly within the pri-
8 vate sector;

9 (E) creating jobs; and

10 (F) fostering greater adherence to Nepal's
11 tax code.

12 (2) SEED CAPITALIZATION.—The United States
13 Agency for International Development may provide a
14 seed investment to capitalize the funds to be
15 matched or exceeded by investments from private eq-
16 uity firms, as well as private funds raised from other
17 limited investors.

18 (3) ADMINISTRATION.—The Fund shall be ad-
19 ministered by an entity, either established or des-
20 ignated by the United States Government for this
21 purpose, which is under the supervision of a board
22 of directors consisting of 4 private citizens from the
23 United States and 3 private citizens from Nepal.

24 (4) DURATION.—The Fund should liquidate its
25 assets and dissolve not later than April 25, 2030,

1 unless the Secretary of State determines that the
2 Fund should be extended. Any long-term profits
3 from the Fund shall be used in Nepal to further the
4 purposes of disaster risk reduction and prepared-
5 ness.

6 (d) FAST-TRACK OF INVESTMENT FEASIBILITY AND
7 ASSESSMENT STUDIES.—

8 (1) IN GENERAL.—The Director of the United
9 States Trade and Development Agency shall
10 proactively explore and may provide accelerated re-
11 sponse in Nepal for—

12 (A) project identification and investment
13 analyses;

14 (B) trade capacity building and sector de-
15 velopment activities, including technical assist-
16 ance and feasibility studies that support invest-
17 ments in infrastructure that contribute to over-
18 seas development; and

19 (C) trade capacity building and sector de-
20 velopment assistance supporting the establish-
21 ment of industry standards, rules, regulations,
22 market liberalization, and other policy reform
23 with a particular focus on engineering and con-
24 struction.

1 **SEC. 6. REPORTS.**

2 (a) REPORT ON IMPACT OF DISASTER RISK REDUC-
3 TION EFFORTS.—Not later than 1 year after the date of
4 the enactment of this Act, the Administrator of the United
5 States Agency for International Development (referred to
6 in this section as the “Administrator”) shall submit a re-
7 port to the appropriate congressional committees that—

8 (1) analyzes how the United States investments
9 in Nepal during the last 20 years in disaster risk re-
10 duction and earthquake resilience saved lives, re-
11 duced suffering, and reduced property damage and
12 economic losses during the earthquake and subse-
13 quent aftershocks; and

14 (2) includes a set of recommendations for how
15 disaster risk and recovery programs can be improved
16 in Nepal and other countries with substantial dis-
17 aster risk and recovery programming.

18 (b) REPORT ON HUMANITARIAN RELIEF EFFORTS.—
19 Not later than 1 year after the date of the enactment of
20 this Act, the Administrator, in consultation with the Sec-
21 retary of Defense, shall submit a report to the appropriate
22 congressional committees that describes the cost, effective-
23 ness, timeliness, and impact of the international humani-
24 tarian assistance provided to Nepal.

1 **SEC. 7. AUTHORIZATION OF APPROPRIATIONS.**

2 (a) AMOUNTS AUTHORIZED.—In addition to funding
3 previously dedicated to development in Nepal and any
4 international disaster assistance resources made available
5 for immediate humanitarian response activities, there are
6 authorized to be appropriated, either as part of the regular
7 appropriation process or as part of supplementary appro-
8 priations, to carry out the policies and objectives set forth
9 in this Act—

10 (1) \$200,000,000 for fiscal year 2016;

11 (2) \$200,000,000 for fiscal year 2017; and

12 (3) \$100,000,000 for fiscal year 2018.

13 (b) TRANSFERS.—Of the amounts appropriated for
14 each fiscal year pursuant to subsection (a)—

15 (1) the Department of the Treasury and the
16 United States Agency for International Development
17 may contribute to a multi-donor trust fund for re-
18 construction and recovery expenses related to Nepal
19 following the earthquake of April 25, 2015, subject
20 to the regular notification procedures of the appro-
21 priate congressional committees; and

22 (2) amounts may be transferred to the “Devel-
23 opment Credit Authority” account of the United
24 States Agency for International Development for the
25 cost of direct loans and loan guarantees, notwith-

1 standing the otherwise applicable dollar limitations
2 on transfers to such account.

3 (c) AVAILABILITY OF FUNDS.—Amounts appro-
4 priated for each fiscal year pursuant to subsection (a)
5 shall remain available until expended.

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