

106TH CONGRESS
1ST SESSION

H. R. 2232

To provide bilateral and multilateral debt relief to countries in sub-Saharan Africa.

IN THE HOUSE OF REPRESENTATIVES

JUNE 15, 1999

Ms. WATERS (for herself, Mr. FRANK of Massachusetts, Ms. LEE, and Ms. SCHAKOWSKY) introduced the following bill; which was referred to the Committee on International Relations, and in addition to the Committee on Banking and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide bilateral and multilateral debt relief to countries in sub-Saharan Africa.

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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Debt Relief and Development in Africa Act of 1999”.

6 (b) TABLE OF CONTENTS.—The table of contents of
7 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Actions to provide bilateral debt relief and procedures for new loans, credits, and guarantees.

Sec. 3. Assistance for development of natural resources in sub-Saharan African poor countries.

Sec. 4. Export-Import Bank assistance not available to companies that develop natural resources in sub-Saharan African poor countries unless contracts to do so are publicly available.

Sec. 5. Ensuring burdensharing by other creditor countries.

Sec. 6. Actions to improve the provision of multilateral debt relief and procedures for new lending.

1 **SEC. 2. ACTIONS TO PROVIDE BILATERAL DEBT RELIEF**
 2 **AND PROCEDURES FOR NEW LOANS, CRED-**
 3 **ITS, AND GUARANTEES.**

4 The Foreign Assistance Act of 1961 (22 U.S.C. 2151
 5 et seq.) is amended by adding at the end the following:

6 **“PART VI—CANCELLATION AND REDUCTION OF**
 7 **DEBT OWED TO THE UNITED STATES BY SUB-**
 8 **SAHARAN AFRICAN POOR COUNTRIES AND**
 9 **PROCEDURES FOR NEW LOANS, CREDITS,**
 10 **AND GUARANTEES TO DEVELOPING COUN-**
 11 **TRIES**

12 **“SEC. 901. CANCELLATION AND REDUCTION OF DEBT.**

13 **“(a) CANCELLATION OF DEBT.—**

14 **“(1) IN GENERAL.—**Subject to amounts pro-
 15 vided in advance in an appropriations Act, the Presi-
 16 dent shall, prior to September 30, 2001, cancel all
 17 amounts owed to the United States (or any agency
 18 of the United States) by heavily indebted poor coun-
 19 tries described in section 902 as a result of
 20 concessional loans made or credits extended prior to

1 January 1, 1996, under any of the provisions of law
2 described in paragraph (2).

3 “(2) PROVISIONS OF LAW.—The provisions of
4 law described in this paragraph are the following:

5 “(A) Part I of this Act, chapter 4 of part
6 II of this Act, or predecessor foreign economic
7 assistance legislation.

8 “(B) Title I of the Agricultural Trade De-
9 velopment and Assistance Act of 1954 (7
10 U.S.C. 1701 et seq.).

11 “(b) REDUCTION OF DEBT.—

12 “(1) IN GENERAL.—Subject to amounts pro-
13 vided in advance in an appropriations Act, the Presi-
14 dent shall, prior to September 30, 2001, reduce, by
15 not less than 95 percent, amounts owed to the
16 United States (or any agency of the United States)
17 by each heavily indebted poor country described in
18 section 902 as a result of nonconcessional loans
19 made, guarantees issued, or credits extended prior to
20 January 1, 1996, under any of the provisions of law
21 described in paragraph (2).

22 “(2) PROVISIONS OF LAW.—The provisions of
23 law described in this paragraph are the following:

24 “(A) Sections 221 and 222 of this Act.

1 “(B) The Arms Export Control Act (22
2 U.S.C. 2751 et seq.).

3 “(C) Section 5(f) of the Commodity Credit
4 Corporation Charter Act.

5 “(D)(i) Section 201 of the Agricultural
6 Trade Act of 1978 (7 U.S.C. 5621).

7 “(ii) Section 202 of such Act (7 U.S.C.
8 5622).

9 “(E) The Export-Import Bank Act of
10 1945 (12 U.S.C. 635 et seq.).

11 **“SEC. 902. ELIGIBLE COUNTRIES.**

12 “(a) HEAVILY INDEBTED POOR COUNTRIES.—Ex-
13 cept as provided in subsection (b) and subject to the fulfill-
14 ment of the additional requirement in subsection (c), a
15 country shall be considered to be a heavily indebted poor
16 country and eligible for cancellation or reduction of debt
17 under section 901 if the country is a country in sub-Saha-
18 ran Africa and the country—

19 “(1) is eligible to borrow from the International
20 Development Association;

21 “(2) is not eligible to borrow from the Inter-
22 national Bank for Reconstruction and Development;
23 and

24 “(3) has outstanding public and publicly guar-
25 anteed debt, the net present value of which on De-

1 cember 31, 1996, was at least 100 percent of the av-
2 erage annual value of the exports of the country for
3 the period 1994 through 1996.

4 “(b) EXCEPTIONS.—A country shall not be eligible
5 for cancellation or reduction of debt under section 901 if
6 the government of the country—

7 “(1) supports or condones the practice of slav-
8 ery or there is documented evidence of the existence
9 of slavery in the country and the government is not
10 making a concerted effort to eradicate the practice;
11 or

12 “(2) (including its military or other security
13 forces) engages in a consistent pattern of gross vio-
14 lations of internationally recognized human rights.

15 “(c) ADDITIONAL REQUIREMENT.—A country which
16 is otherwise eligible to receive cancellation or reduction of
17 debt under section 901 may receive such cancellation or
18 reduction, as the case may be, only if the government of
19 the country has established, through transparent and
20 participatory processes, including participation of civil
21 society—

22 “(1) a human development fund (hereinafter re-
23 ferred to as the ‘Human Development Fund’)—

24 “(A) the resources of which shall be dedi-
25 cated to reducing the number of persons living

1 in poverty, expanding access of the poorest
2 members of society to basic social services, in-
3 cluding education, health, clean water and sani-
4 tation, and preventing the degradation of the
5 environment; and

6 “(B) into which shall be deposited all sav-
7 ings generated by debt reduction received under
8 the Heavily Indebted Poor Countries (HIPC)
9 Initiative of the International Bank for Recon-
10 struction and Development and the Inter-
11 national Monetary Fund and other debt reduc-
12 tion programs;

13 “(2) arrangements to ensure that all expendi-
14 tures from the Human Development Fund during a
15 year will be used to increase annual expenditures for
16 human development by the government above the
17 greater of—

18 “(A) the total amount of annual expendi-
19 tures for human development by the govern-
20 ment for the preceding year; or

21 “(B) the average total amount of such ex-
22 penditures for the 3 years immediately pre-
23 ceding the year in which such fund is estab-
24 lished; and

1 “(3) arrangements for monitoring the oper-
2 ations and financial transactions and accounts of the
3 Human Development Fund by an oversight body
4 which includes representatives of civil society.

5 **“SEC. 903. PRIORITY.**

6 “In canceling or reducing debt under section 901, the
7 President—

8 “(1) shall give priority to—

9 “(A) heavily indebted poor countries that
10 have demonstrated a sustained commitment to
11 poverty alleviation or have recently suffered a
12 major natural disaster; or

13 “(B) the poorest heavily indebted poor
14 countries, as determined by the countries’ per
15 capita income, the United Nations’ Human De-
16 velopment Index, or another relevant measure
17 of poverty; and

18 “(2) shall give the highest priority to those
19 countries that meet the requirements of both sub-
20 paragraphs (A) and (B) of paragraph (1).

21 **“SEC. 904. SPECIAL PROVISIONS.**

22 “(a) CANCELLATION OR REDUCTION OF DEBT NOT
23 CONSIDERED TO BE ASSISTANCE.—Except as the Presi-
24 dent may otherwise determine for reasons of national se-
25 curity, a cancellation or reduction of debt under section

1 901 shall not be considered to be assistance for purposes
2 of any provision of law limiting assistance to a country.

3 “(b) INAPPLICABILITY OF CERTAIN PROHIBITIONS
4 RELATING TO CANCELLATION OR REDUCTION OF
5 DEBT.—The authority to provide for cancellation or re-
6 duction of debt under section 901 may be exercised not-
7 withstanding section 620(r) of this Act.

8 **“SEC. 905. ANNUAL REPORTS TO THE CONGRESS.**

9 “(a) IN GENERAL.—Not later than December 31 of
10 each year, the President shall prepare and transmit to the
11 appropriate congressional committees a report, which shall
12 be made available to the public, concerning the cancella-
13 tion and reduction of debt under section 901, and deter-
14 minations made under section 904(a) for the prior fiscal
15 year. The report shall also include a list of the countries
16 that have received debt cancellation or reduction under
17 section 901 and a list of the countries that have been de-
18 nied debt cancellation or reduction under section 902 and
19 the reasons therefor.

20 “(b) DEFINITION.—In this section, the term ‘appro-
21 priate congressional committees’ means—

22 “(1) the Committee on Banking and Financial
23 Services and the Committee on International Rela-
24 tions of the House of Representatives; and

1 “(2) the Committee on Foreign Relations of the
2 Senate.

3 **“SEC. 906. SENSE OF THE CONGRESS.**

4 “‘It is the sense of the Congress that the amounts
5 that would otherwise be provided by the United States for
6 development aid or other debt relief should not be reduced
7 on account of any appropriations made pursuant to sec-
8 tion 907.

9 **“SEC. 907. AUTHORIZATION OF APPROPRIATIONS.**

10 “‘For the cost (as defined in section 502(5) of the
11 Federal Credit Reform Act of 1990) of the cancellation
12 or reduction of any debt under section 901 of this Act,
13 there are authorized to be appropriated to the President
14 such sums as may be necessary for each of the fiscal years
15 2000 and 2001.

16 **“SEC. 908. PROCEDURES FOR NEW LOANS, CREDITS, AND**
17 **GUARANTEES.**

18 “‘The President shall, to the extent appropriate, en-
19 sure that all decisions by the Government of the United
20 States (or any agency of the United States) to make new
21 loans, extend new credits or issue new guarantees to the
22 governments (or any agency of the governments) of, or
23 private parties in, any developing country shall be subject
24 to transparent and participatory processes, including giv-
25 ing due notice to the public in advance of such decisions

1 of the proposed purposes, terms, and conditions of such
2 loans, credits, and guarantees.”.

3 **SEC. 3. ASSISTANCE FOR DEVELOPMENT OF NATURAL RE-**
4 **SOURCES IN SUB-SAHARAN AFRICAN POOR**
5 **COUNTRIES.**

6 The Foreign Assistance Act of 1961 (22 U.S.C. 2151
7 et seq.), as amended by this Act, is further amended by
8 adding at the end the following:

9 **“PART VII—ASSISTANCE FOR DEVELOPMENT OF**
10 **NATURAL RESOURCES IN SUB-SAHARAN AF-**
11 **RICAN POOR COUNTRIES**

12 **“SEC. 921. AUTHORIZATION OF ASSISTANCE.**

13 “The Administrator of the United States Agency for
14 International Development, in consultation with the Sec-
15 retary of the Treasury, the Administrator of the Environ-
16 mental Protection Agency, and the Secretary of Labor,
17 shall establish and carry out a program to provide assist-
18 ance, including technical assistance, to countries described
19 in section 902 of this Act (except subsection (a)(3) of such
20 section) for the purpose of—

21 “(1) establishing plans in such countries,
22 through transparent and participatory processes, in-
23 cluding the participation of civil society, for the de-
24 velopment of the countries’ natural resources in a

1 manner that will benefit the population of the coun-
2 try; and

3 “(2) in negotiating or renegotiating equitable
4 contracts with foreign or multinational corporations
5 for the development of natural resources.

6 **“SEC. 922. ADDITIONAL REQUIREMENTS.**

7 “(a) IN GENERAL.—Plans described in section 921
8 should include the following:

9 “(1) The natural resources that are being devel-
10 oped or will be developed in the country.

11 “(2) The profits and other benefits that the
12 government estimates will accrue to the companies
13 involved in the development of such natural re-
14 sources.

15 “(3) The corporate tax revenues, land use fees,
16 resource extraction fees, export tariffs, and other
17 revenues that the government estimates will be
18 raised as a result of the development and extraction
19 of such natural resources.

20 “(4) The plans of the government for the use
21 of the revenues so raised.

22 “(5) The plans of the government to conserve
23 such natural resources and protect the environment
24 of the country.

1 “(6) The plans of the government to protect
2 public health and safety and the rights of workers.

3 “(7) The plans of the government to provide for
4 the training and education of the local population
5 and to ensure that the companies involved in the de-
6 velopment of such natural resources provide mem-
7 bers of the local population opportunities for employ-
8 ment and advancement.

9 “(8) Any other plans of the government to en-
10 sure a fair return to the country and its people for
11 the development of such natural resources.

12 “(b) TRANSPARENCY.—The Administrator shall en-
13 courage each government to make available to the public
14 all contracts between the government (including any enter-
15 prise owned or controlled by the government) and a for-
16 eign or multinational corporation for the development of
17 natural resources of the country.

18 **“SEC. 923. AUTHORIZATION OF APPROPRIATIONS.**

19 “There are authorized to be appropriated to the Sec-
20 retary of the Treasury such sums as may be necessary
21 for each of the fiscal years 2000 through 2006 to carry
22 out this part.”.

1 **SEC. 4. EXPORT-IMPORT BANK ASSISTANCE NOT AVAIL-**
 2 **ABLE TO COMPANIES THAT DEVELOP NAT-**
 3 **URAL RESOURCES IN SUB-SAHARAN AFRICAN**
 4 **POOR COUNTRIES UNLESS CONTRACTS TO**
 5 **DO SO ARE PUBLICLY AVAILABLE.**

6 Section 2(b) of the Export-Import Bank Act of 1945
 7 (12 U.S.C. 635(b)) is amended by adding at the end the
 8 following:

9 “(12) The Bank shall not insure, guarantee, extend
 10 credit, or participate in an extension of credit to any pri-
 11 vate entity that is involved in developing natural resources
 12 in any country described in section 902(a) of the Foreign
 13 Assistance Act of 1961 (except subsection (a)(3) of such
 14 section), unless the entity has made a copy of each con-
 15 tract in effect between the entity and the government of
 16 any such country (including any enterprise owned or con-
 17 trolled by any such government) available to the public.”.

18 **SEC. 5. ENSURING BURDENSARING BY OTHER CREDITOR**
 19 **COUNTRIES.**

20 In order to accelerate bilateral debt relief and pro-
 21 mote economic and human development and poverty allevi-
 22 ation in heavily indebted sub-Saharan African poor coun-
 23 tries, the Congress urges the President, immediately after
 24 the date of the enactment of this Act, to establish diplo-
 25 matic efforts with countries that are members of the Paris
 26 Club of Official Creditors, and, if necessary, with other

1 creditors, to accomplish the following by September 30,
2 2001:

3 (1) The cancellation of all amounts owed to
4 each such member country by heavily indebted poor
5 countries described in section 902 of the Foreign As-
6 sistance Act of 1961 (as added by section 2) as a
7 result of concessional loans made or credits extended
8 prior to January 1, 1996, by each such country.

9 (2) The reduction, by not less than 95 percent,
10 of amounts owed to each such country by heavily in-
11 debted poor countries described in section 902 of the
12 Foreign Assistance Act of 1961 (as added by section
13 2) as a result of nonconcessional loans made, guar-
14 antees issued, or credits extended prior to January
15 1, 1996, by each such country.

16 (3) The establishment of procedures by the
17 Club to ensure greater transparency in the decision-
18 making process, including publication of each deci-
19 sion and its rationale, on all applications to the Club
20 for debt reduction by heavily indebted poor countries
21 described in section 902 of the Foreign Assistance
22 Act of 1961 (as added by section 2).

1 **SEC. 6. ACTIONS TO IMPROVE THE PROVISION OF MULTI-**
2 **LATERAL DEBT RELIEF AND PROCEDURES**
3 **FOR NEW LENDING.**

4 (a) MODIFICATIONS TO THE HIPC INITIATIVE.—
5 Title XVI of the International Financial Institutions Act
6 (22 U.S.C. 262p–262p–5) is amended by adding at the
7 end the following:

8 **“SEC. 1623. IMPROVEMENT OF THE HEAVILY INDEBTED**
9 **POOR COUNTRIES INITIATIVE; ENSURING EQ-**
10 **UITABLE BURDEN SHARING.**

11 “(a) IMPROVEMENT OF THE HIPC INITIATIVE.—In
12 order to accelerate multilateral debt relief and promote
13 economic and human development and poverty alleviation
14 in heavily indebted poor countries in sub-Saharan Africa,
15 the Congress urges the President to commence imme-
16 diately diplomatic efforts, within the Paris Club of Official
17 Creditors, as well as the International Bank for Recon-
18 struction and Development (World Bank), the Inter-
19 national Monetary Fund (IMF), the African Development
20 Bank, and other appropriate multilateral development in-
21 stitutions to accomplish the following modifications in the
22 Heavily Indebted Poor Countries (HIPC) Initiative with
23 respect to countries in sub-Saharan Africa:

24 “(1) PROHIBITION ON STRUCTURAL ADJUST-
25 MENT PROGRAMS.—The provision of debt reduction
26 under the HIPC Initiative shall not be conditioned

1 on any country adopting or implementing any struc-
2 tural adjustment program, but may be conditioned
3 on good governance, transparency, or the elimination
4 of economic corruption.

5 “(2) REVISION OF COUNTRY ELIGIBILITY RE-
6 QUIREMENT.—A country shall be regarded as having
7 an unsustainable debt burden for purposes of quali-
8 fying for debt reduction (or for further debt reduc-
9 tion) under the HIPC Initiative if the net present
10 value of the outstanding public and publicly guaran-
11 teed debt of the country at the end of 1996 was at
12 least 100 percent of the average annual value of the
13 exports of the country for the period 1994 through
14 1996.

15 “(3) REQUIREMENT FOR A HUMAN DEVELOP-
16 MENT FUND.—Debt reduction under the HIPC Ini-
17 tiative shall not be provided for the benefit of a
18 country unless the government of the country has
19 established, through transparent and participatory
20 processes, including the participation of civil
21 society—

22 “(A) a plan of action for human develop-
23 ment (in this section referred to as the ‘Action
24 Plan’) which includes policies, programs, and
25 projects designed to reduce the number of per-

1 sons living in poverty, expand access of the
2 poorest members of society to basic social serv-
3 ices, including health, education, clean water,
4 and sanitation, and prevent the degradation of
5 the environment;

6 “(B) a human development fund (in this
7 section referred to as the ‘Human Development
8 Fund’)—

9 “(i) the resources of which are dedi-
10 cated to achieving the purposes of the Ac-
11 tion Plan; and

12 “(ii) into which are required to be de-
13 posited all savings generated by debt re-
14 duction provided for the benefit of the
15 country under the Heavily Indebted Poor
16 Countries (HIPC) Initiative and under
17 other debt reduction programs;

18 “(C) arrangements to ensure that all ex-
19 penditures from the Human Development Fund
20 during a year will be used to increase annual
21 expenditures for human development by the
22 government above the greater of—

23 “(i) the total amount of annual ex-
24 penditures for human development by the
25 government for the preceding year; or

1 “(ii) the average total amount of such
2 expenditures for the 3 years immediately
3 preceding the year in which such fund is
4 established; and

5 “(D) arrangements for monitoring the op-
6 erations, financial transactions, and accounts of
7 the Human Development Fund by an oversight
8 body which includes representatives of civil soci-
9 ety.

10 “(4) REQUIREMENT FOR A NATURAL RE-
11 SOURCES DEVELOPMENT PLAN.—

12 “(A) IN GENERAL.—Debt reduction under
13 the HIPC Initiative shall not be provided for
14 the benefit of a country unless the government
15 of the country has established through trans-
16 parent and participatory processes (including
17 the participation of civil society) a plan (in this
18 section referred to as the ‘Natural Resources
19 Development Plan’), covering at least a 5-year
20 period, for the development of the country’s
21 natural resources in a manner that will benefit
22 the population of the country. The plan shall
23 specify at least the following:

1 “(i) The natural resources that are
2 being developed or will be developed in the
3 country.

4 “(ii) The profits and other benefits
5 that the government estimates will accrue
6 to the companies involved in the develop-
7 ment of such natural resources.

8 “(iii) The corporate tax revenues, land
9 use fees, resource extraction fees, export
10 tariffs, and other revenues that the govern-
11 ment estimates will be raised as a result of
12 the development and extraction of such
13 natural resources.

14 “(iv) The plans of the government for
15 the use of the revenues so raised.

16 “(v) The plans of the government to
17 conserve such natural resources and pro-
18 tect the environment of the country.

19 “(vi) The plans of the government to
20 protect public health and safety and the
21 rights of workers.

22 “(vii) The plans of the government to
23 provide for the training and education of
24 the local population and to ensure that the
25 companies involved in the development of

1 such natural resources provide members of
2 the local population opportunities for em-
3 ployment and advancement.

4 “(viii) Any other plans of the govern-
5 ment to ensure a fair return to the country
6 and its people for the development of such
7 natural resources.

8 “(B) TRANSPARENCY.—All contracts be-
9 tween the government (including any enterprise
10 owned or controlled by the government) and a
11 foreign or multinational corporation for the de-
12 velopment of natural resources of the country
13 shall be made available to the public.

14 “(C) ASSISTANCE.—The World Bank, the
15 African Development Bank, the IMF, or other
16 appropriate multilateral development institu-
17 tions shall, under the HIPC Initiative, provide
18 assistance to countries in developing their Nat-
19 ural Resources Development Plans and in nego-
20 tiating or renegotiating equitable contracts with
21 foreign or multinational corporations for the de-
22 velopment of natural resources.

23 “(5) TIMING OF PROVISION OF DEBT REDUC-
24 TION.—As soon as a country has complied with the
25 requirements described in paragraphs (2), (3), and

1 (4), the country shall be considered eligible for im-
2 mediate debt reduction under the HIPC Initiative.

3 “(6) AMOUNT OF DEBT REDUCTION.—The
4 amount of the debt reduction provided under the
5 HIPC Initiative for the benefit of a country with an
6 unsustainable debt burden shall be sufficient to
7 reduce—

8 “(A) the net present value of the out-
9 standing public and publicly guaranteed debt of
10 the country to less than 100 percent of the
11 value of the annual exports of the country; and

12 “(B) the amount of annual payments due
13 on such public and publicly guaranteed debt to
14 not more than 5 percent of the amount of an-
15 nual current revenue received by the govern-
16 ment of the country from internal sources.

17 “(7) TRANSPARENCY AND PARTICIPATION IN
18 HIPC DECISION MAKING.—All decisions under the
19 HIPC Initiative concerning the amount, terms and
20 conditions, and timing of debt relief for a country,
21 and the processes by which such decisions are made,
22 shall be subject to procedures which are—

23 “(A) transparent, including publication of
24 the content of the decisions and of all relevant
25 analytical, legal, and policy documents, includ-

ing Debt Sustainability Analyses, Policy Framework Papers, debt relief agreements, and national development programs and budgets; and

“(B) participatory, including the participation of civil society.

“(8) EVALUATION OF DEBT RELIEF ELIGIBILITY BY THE AFRICAN DEVELOPMENT BANK.—The African Development Bank shall be responsible for—

“(A) determining the eligibility of sub-Saharan African countries to receive debt reduction under the HIPC Initiative;

“(B) evaluating proposals of the governments of such countries for Human Development Funds, Natural Resources Development Plans, and for meeting all other requirements imposed as a condition of receiving such debt reduction; and

“(C) evaluating the compliance of such countries with all requirements imposed as a condition of receiving such debt reduction.

“(9) MONITORING PANELS.—

“(A) ESTABLISHMENT.—The African Development Bank shall establish a Monitoring

1 Panel for each country that is eligible to receive
2 debt reduction under the HIPC Initiative.

3 “(B) DUTIES.—The Monitoring Panel for
4 a country—

5 “(i) shall review all proposed condi-
6 tions for the receipt of such debt reduction,
7 including proposals for a Natural Re-
8 sources Development Plan and the estab-
9 lishment of a Human Development Fund;

10 “(ii) shall issue a report when the Af-
11 rican Development Bank and the country
12 reach an agreement on the conditions for
13 debt relief, and thereafter at least every 6
14 months, which shall be made available to
15 the public;

16 “(iii) shall meet at least once per
17 month to evaluate and report on the
18 progress of the country’s debt relief pro-
19 gram;

20 “(iv) shall review all actions by the
21 country’s government, the African Develop-
22 ment Bank, and other creditor govern-
23 ments and institutions affecting the
24 progress of the country’s debt relief pro-
25 gram; and

1 “(v) shall review the implementation
2 of the country’s Natural Resources Devel-
3 opment Plan and the use of the funds de-
4 posited in the Human Development Fund.

5 “(C) COMPOSITION.—

6 “(i) IN GENERAL.—The Monitoring
7 Panel for a country—

8 “(I) shall include individuals who
9 represent the government of the coun-
10 try, individuals who represent civil so-
11 ciety in the country, representatives of
12 creditor governments and multilateral
13 institutions, and representatives of
14 civil society in creditor countries; and

15 “(II) may include a representa-
16 tive of UNICEF and a representative
17 of the United Nations.

18 For purposes of this clause, the term ‘civil
19 society’ includes individuals representing
20 labor unions, environmental organizations,
21 human rights organizations, religious orga-
22 nizations, farmers’ organizations, women’s
23 organizations, indigenous people’s organi-
24 zations, students’ organizations, opposition

1 political parties, and other community or-
2 ganizations.

3 “(ii) REPRESENTATIVES FROM THE
4 COUNTRY INVOLVED.—At least half of the
5 members of the Monitoring Panel for a
6 country shall be citizens of the country.

7 “(D) TRAVEL AND ADMINISTRATIVE EX-
8 PENSES.—The African Development Bank shall
9 provide all funds necessary for travel and ad-
10 ministrative expenses for each Monitoring Panel
11 to fulfill its functions.

12 “(10) SPECIAL PROVISIONS.—

13 “(A) In providing debt reduction under the
14 HIPC Initiative, priority shall be given to the
15 poorest countries, as determined by the coun-
16 tries’ per capita income, the United Nations’
17 Human Development Index, or another relevant
18 measure of poverty.

19 “(B) Debt reduction under the HIPC Ini-
20 tiative for the benefit of a country that has
21 demonstrated a sustained commitment to pov-
22 erty alleviation or has recently suffered a major
23 natural disaster shall be provided in a greater
24 amount or more quickly than would otherwise
25 be the case under the HIPC Initiative.

1 “(11) HIPC REVIEW.—The Secretary of the
2 Treasury shall make every effort (including instruct-
3 ing the United States Executive Directors at the
4 IMF, the World Bank, and the African Development
5 Bank) to ensure that a comprehensive external as-
6 sessment of the HIPC Initiative shall take place by
7 December 31, 2001, shall incorporate the views of
8 debtor governments and civil society, shall be made
9 public, and shall include—

10 “(A) an analysis of the contribution of the
11 HIPC Initiative to the poverty reduction and
12 social development goals for the 21st century
13 established by the Development Assistance
14 Committee of the Organization for Economic
15 Cooperation and Development; and

16 “(B) recommendations to the IMF, the
17 World Bank, the African Development Bank,
18 and the governments of the United States and
19 other creditor countries that may be necessary
20 to strengthen the contribution of the HIPC Ini-
21 tiative to the poverty reduction and social goals
22 referred to in subparagraph (A).

23 “(12) TERMINATION OF THE HIPC INITIA-
24 TIVE.—The HIPC Initiative shall not terminate

1 until all the debt reduction contemplated by this sec-
2 tion has been carried out.

3 “(b) PROMOTION OF EQUITABLE BURDEN SHAR-
4 ING.—In order to promote equitable burden-sharing by bi-
5 lateral, multilateral, and private creditors under the HIPC
6 initiative, the Congress urges the President to commence
7 immediately diplomatic efforts to ensure that such credi-
8 tors draw upon their own resources to finance debt reduc-
9 tion under the HIPC Initiative to the extent possible with-
10 out diverting funds from other high priority poverty allevi-
11 ation programs.

12 “(c) CONTRIBUTIONS TO THE HIPC TRUST FUND.—
13 For payment to the Heavily Indebted Poor Countries
14 Trust Fund of the International Bank for Reconstruction
15 and Development, there are authorized to be appropriated
16 to the President such sums as may be necessary for fiscal
17 years 2000, 2001, and 2002, except that if, with respect
18 to fiscal year 2001 or 2002, the President has not deter-
19 mined that, during the then preceding fiscal year, satisfac-
20 tory progress was made in accomplishing the improve-
21 ments in the HIPC initiative described in subsections (a)
22 and (b), then no sums are authorized to be appropriated
23 for such purpose for the fiscal year.

24 “(d) SENSE OF CONGRESS.—It is the sense of Con-
25 gress that the amounts that would otherwise be provided

1 by the United States for development aid or other debt
2 relief should not be reduced on account of any appropria-
3 tions pursuant to subsection (c).

4 “(e) REPORT TO THE CONGRESS.—Not later than
5 December 31 of each year, the President shall submit to
6 the Committees on Banking and Financial Services and
7 on International Relations of the House of Representa-
8 tives and the Committee on Foreign Relations of the Sen-
9 ate a report, which shall be made available to the public,
10 on the activities undertaken under this section, and on the
11 progress made in accomplishing the purposes of this sec-
12 tion, for the prior fiscal year. The report shall include a
13 list of the countries that have received debt relief under
14 the HIPC Initiative, a list of the countries whose request
15 for such debt relief has been denied and the reasons there-
16 for, and a list of the countries whose requests for such
17 debt relief are under consideration.

18 **“SEC. 1624. IMPROVEMENT OF PROCEDURES FOR NEW**
19 **LENDING.**

20 “The President, acting through the Secretary of the
21 Treasury, shall work with the member countries of the
22 international financial institutions (as defined in section
23 1701(c)(2)) to ensure transparency and public participa-
24 tion in decisions to make new loans, and the terms and

1 conditions of such loans, to developing countries,
2 including—

3 “(1) disclosure of Policy Framework Papers,
4 Public Expenditure Reviews, Country Assistance
5 Strategies, International Monetary Fund Letters of
6 Intent, appraisal documents, and other reports rel-
7 evant to proposed lending operations;

8 “(2) participation of civil society in the design
9 of national development programs and in decisions
10 to borrow from such institutions in support of such
11 programs; and

12 “(3) provision of detailed information to the
13 Board of Directors of such an institution and to the
14 public, prior to the approval of a lending operation
15 for a developing country, as to the nature and extent
16 of civil society participation in the design of, and ap-
17 proval process for, such operation.”.

18 (b) FUNDING OF DEBT REDUCTION UNDER THE
19 HIPC INITIATIVE.—Section 5 of the Bretton Woods
20 Agreements Act (22 U.S.C. 286c) is amended by adding
21 at the end the following: “No director appointed to rep-
22 resent the United States at the Fund shall vote for any
23 proposal to sell or otherwise convert or liquidate gold, un-
24 less there are in effect such laws and procedures as may
25 be necessary to ensure that all of the proceeds obtained

1 from any such sale, conversion, or liquidation are depos-
2 ited in the HIPC Trust Fund administered by the Inter-
3 national Bank for Reconstruction and Development, and
4 that such funds are used only for the provision of debt
5 reduction under the Heavily Indebted Poor Countries
6 (HIPC) Initiative.”.

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