

108TH CONGRESS
2D SESSION

H. R. 4793

To provide for the cancellation of debts owed to international financial institutions by poor countries, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 9, 2004

Ms. WATERS (for herself, Mr. LEACH, Mr. FRANK of Massachusetts, Mr. BACHUS, Ms. LEE, and Mrs. MALONEY) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To provide for the cancellation of debts owed to international financial institutions by poor countries, 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 “Justice and Under-
5 standing By International Loan Elimination and Equity
6 Act of 2004” or the “JUBILEE Act of 2004”.

7 **SEC. 2. FINDINGS.**

8 The Congress finds the following:

1 (1) Many poor countries have been struggling
2 under the burden of international debts for many
3 years.

4 (2) Many poor countries have debts that are
5 odious because they were incurred by dictatorships
6 that did not use the funds in ways that benefitted
7 the population of the country.

8 (3) The international Jubilee coalitions have
9 been working to raise awareness of the needs of
10 these impoverished countries for full debt cancella-
11 tion.

12 (4) The International Monetary Fund (IMF)
13 has imposed onerous structural adjustment require-
14 ments on many poor countries as a condition of past
15 loans and of participation in debt relief programs.

16 (5) Justice requires that these countries receive
17 full cancellation of their debts.

18 **SEC. 3. CANCELLATION OF DEBT OWED BY ELIGIBLE POOR**
19 **COUNTRIES.**

20 Title XVI of the International Financial Institutions
21 Act (22 U.S.C. 262p–262p–8) is amended by adding at
22 the end the following:

23 **“SEC. 1626. CANCELLATION OF DEBT OWED BY ELIGIBLE**
24 **POOR COUNTRIES.**

25 “(a) IN GENERAL.—

1 “(1) CANCELLATION OF DEBT.—In order to
2 achieve multilateral debt cancellation and promote
3 human and economic development and poverty alle-
4 viation in eligible poor countries, the Secretary of
5 the Treasury shall commence immediate efforts,
6 within the Paris Club of Official Creditors, the
7 International Monetary Fund (IMF), the Inter-
8 national Bank for Reconstruction and Development
9 (World Bank), and the other international financial
10 institutions (as defined in section 1701(c)(2)), to ac-
11 complish the following:

12 “(A) Each international financial institu-
13 tion shall cancel all debts owed to the institu-
14 tion by eligible poor countries. To the extent
15 possible, each institution shall finance the debt
16 cancellation from their ongoing operations, pro-
17 cedures, and accounts.

18 “(B) Any waiting period before receiving
19 debt cancellation shall not exceed 1 month from
20 the date of an eligible poor country’s applica-
21 tion for debt cancellation.

22 “(C) The government of each eligible poor
23 country shall be encouraged to allocate at least
24 20 percent of its national budget, including the
25 savings from the cancellation of debt, for the

1 provision of basic health care services, edu-
2 cation services, and clean water services to indi-
3 viduals in the country. In providing such serv-
4 ices, the government should seek input from a
5 broad cross-section of members of civil society.

6 “(2) ESTABLISHMENT OF FRAMEWORK FOR
7 CREDITOR TRANSPARENCY.—In order to ensure that
8 creditor activity is known and assessed by all stake-
9 holders, the Secretary of the Treasury shall com-
10 mence immediate efforts, within the Paris Club of
11 Official Creditors, the International Monetary Fund
12 (IMF), the International Bank for Reconstruction
13 and Development (World Bank), and the other inter-
14 national financial institutions (as so defined), to en-
15 sure that each of such institutions—

16 “(A) continues to make efforts to promote
17 greater transparency regarding the activities of
18 the institution, including project design, project
19 monitoring and evaluation, project implementa-
20 tion, resource allocation, and decisionmaking;
21 and

22 “(B) supports continued efforts to allow
23 informed participation and input by affected
24 communities, including translation of informa-
25 tion on proposed projects, provision of informa-

tion through information technology application, oral briefings, and outreach to and dialogue with community organizations and institutions in affected areas.

“(3) AVAILABILITY ON TREASURY DEPARTMENT WEBSITE OF REMARKS OF UNITED STATES EXECUTIVE DIRECTORS AT MEETINGS OF INTERNATIONAL FINANCIAL INSTITUTIONS’ BOARDS OF DIRECTORS.—The Secretary of the Treasury shall make available on the website of the Department of the Treasury the full record of the remarks of the United States Executive Director at meetings of the Board of Directors of the International Monetary Fund (IMF), the International Bank for Reconstruction and Development (World Bank), and the other international financial institutions (as so defined), about cancellation or reduction of debts owed to the institution involved, with redaction by the Secretary of the Treasury of material deemed too sensitive for public distribution, but showing the topic, amount of material redacted, and reason for the redaction.

“(4) REPORT FROM THE COMPTROLLER GENERAL.—Within 1 year after the date of the enactment of this section, the Comptroller General of the

1 United States shall prepare and submit to the Com-
2 mittee on Financial Services of the House of Rep-
3 resentatives and the Committee on Banking, Hous-
4 ing, and Urban Affairs of the Senate a report on the
5 availability of the ongoing operations, procedures,
6 and accounts of the International Monetary Fund
7 (IMF), the International Bank for Reconstruction
8 and Development (World Bank), and the other inter-
9 national financial institutions (as so defined) for
10 canceling the debt of eligible poor countries.

11 “(5) ANNUAL REPORTS FROM THE PRESI-
12 DENT.—Not later than December 31 of each year,
13 the President shall submit to the Committees on Fi-
14 nancial Services and on International Relations of
15 the House of Representatives and the Committees
16 on Foreign Relations and on Banking, Housing, and
17 Urban Affairs of the Senate a report, which shall be
18 made available to the public, on the activities under-
19 taken under this section, and other progress made in
20 accomplishing the purposes of this section, for the
21 prior fiscal year. The report shall include a list of
22 the countries that have received debt cancellation, a
23 list of the countries whose request for such debt can-
24 cellation has been denied and the reasons therefor,

1 and a list of the countries whose requests for such
2 debt cancellation are under consideration.

3 “(b) PROMOTION OF EQUITABLE BURDEN SHAR-
4 ING.—In order to promote equitable burden sharing by bi-
5 lateral, multilateral, and private creditors, the Secretary
6 of the Treasury shall commence immediate efforts to en-
7 sure that such creditors draw upon their own resources
8 to finance debt reduction to the extent possible without
9 diverting funds from other high-priority poverty alleviation
10 programs.

11 “(c) ELIGIBLE POOR COUNTRY DEFINED.—In this
12 section, the term ‘eligible poor country’ means Angola,
13 Bangladesh, Benin, Bolivia, Botswana, Burkina Faso, Bu-
14 rundi, Cambodia, Cameroon, Central African Republic,
15 Chad, Cote d’Ivoire, Democratic Republic of Congo, Ethi-
16 opia, Gambia, Ghana, Guinea, Guinea-Bissau, Guyana,
17 Haiti, Honduras, Jamaica, Kenya, Lao PDR, Liberia,
18 Madagascar, Malawi, Mali, Mauritania, Morocco, Mozam-
19 bique, Namibia, Nepal, Nicaragua, Niger, Nigeria, Peru,
20 Philippines, Republic of Congo, Rwanda, Sao Tome and
21 Principe, Senegal, Sierra Leone, South Africa, Tanzania,
22 Togo, Uganda, Vietnam, Yemen, and Zambia, but not if—
23 “(1) the government of the country has an ex-
24 cessive level of military expenditures;

1 “(2) the government of the country has repeat-
 2 edly provided support for acts of international ter-
 3 rorism, as determined by the Secretary of State
 4 under section 6(j)(1) of the Export Administration
 5 Act of 1979 (50 U.S.C. App. 2405(j)(1)), or section
 6 620A(a) of the Foreign Assistance Act of 1961 (22
 7 U.S.C. 2371(a));

8 “(3) the government of the country is failing to
 9 cooperate on international narcotics control matters;

10 “(4) the government of the country (including
 11 its military or other security forces) engages in a
 12 consistent pattern of gross violations of internation-
 13 ally recognized human rights; or

14 “(5) in the case of Haiti, the government of the
 15 country has not been elected through free and fair
 16 elections.”.

17 **SEC. 4. PROHIBITION OF STRUCTURAL ADJUSTMENT PRO-**
 18 **GRAMS.**

19 Title XVI of the International Financial Institutions
 20 Act (22 U.S.C. 262p–262p–8) is further amended by add-
 21 ing at the end the following:

22 **“SEC. 1627. PROHIBITION OF STRUCTURAL ADJUSTMENT**
 23 **PROGRAMS.**

24 “(a) PROHIBITION OF STRUCTURAL ADJUSTMENT
 25 CONDITIONS.—In order to promote human and economic

1 development and poverty alleviation in eligible poor coun-
2 tries (as defined in section 1626(c)), the Secretary of the
3 Treasury shall commence immediate efforts within the
4 Paris Club of Official Creditors, as well as the Inter-
5 national Monetary Fund (IMF), the International Bank
6 for Reconstruction and Development (World Bank), and
7 the other international financial institutions (as defined
8 in section 1701(c)(2)), to ensure that the provision of debt
9 cancellation to the countries is not conditioned on any
10 agreement by such a country to implement or comply with
11 policies that deepen poverty or degrade the environment,
12 including any policy that—

13 “(1) implements or extends user fees on pri-
14 mary education or primary health care, including
15 prevention and treatment efforts for HIV/AIDS, tu-
16 berculosis, malaria, and infant, child, and maternal
17 well-being;

18 “(2) provides for increased cost recovery from
19 poor people to finance basic public services such as
20 education, health care, or sanitation;

21 “(3) would have the effect of increasing the cost
22 to consumers with incomes of less than \$2 per day
23 for access to clean drinking water through—

1 “(A) decreased public subsidy for water
2 supply, treatment, disposal, distribution, or
3 management;

4 “(B) reduced intrasectoral or intersectoral
5 subsidization of residential water consumers
6 with incomes of less than \$2 per day;

7 “(C) reduced government ability to regu-
8 late; or

9 “(D) mandated privatization of water; or

10 “(4) undermines workers’ ability to exercise ef-
11 fectively their internationally recognized worker
12 rights, as defined under section 526(e) of the For-
13 eign Operations, Export Financing and Related Pro-
14 grams Appropriations Act, 1995 (22 U.S.C. 262p-
15 4p).

16 “(b) ANNUAL REPORTS TO THE CONGRESS.—Not
17 later than December 31 of each year, the President shall
18 submit to the Committees on Financial Services and on
19 International Relations of the House of Representatives
20 and the Committees on Foreign Relations and on Bank-
21 ing, Housing, and Urban Affairs of the Senate a report,
22 which shall be made available to the public, on the activi-
23 ties undertaken under this section, and other progress

1 made in accomplishing the purposes of this section, for
2 the prior fiscal year.”.

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