

109TH CONGRESS
1ST SESSION

H. R. 1996

To amend the Foreign Assistance Act of 1961 to provide for debt relief to developing countries that take action to protect critical coral reef habitats.

IN THE HOUSE OF REPRESENTATIVES

APRIL 28, 2005

Mr. KIRK (for himself, Mr. HASTINGS of Florida, Mr. SAXTON, Ms. BORDALLO, Mr. EHLERS, Mr. MEEKS of New York, Mr. WELLER, and Mr. OWENS) introduced the following bill; which was referred to the Committee on International Relations

A BILL

To amend the Foreign Assistance Act of 1961 to provide for debt relief to developing countries that take action to protect critical coral reef habitats.

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. DEBT REDUCTION FOR DEVELOPING COUN-**

4 **TRIES WITH CORAL REEFS AND OTHER**

5 **COASTAL MARINE RESOURCES.**

6 The Foreign Assistance Act of 1961 (22 U.S.C. 2151

7 et seq.) is amended by adding at the end the following:

1 **“PART VI—DEBT REDUCTION FOR DEVELOPING**
2 **COUNTRIES WITH CORAL REEFS AND OTHER**
3 **COASTAL MARINE RESOURCES**

4 **“SEC. 901. SHORT TITLE.**

5 “This part may be cited as the ‘Coral Reef and
6 Coastal Marine Conservation Act of 2005’.

7 **“SEC. 902. FINDINGS AND PURPOSES.**

8 “(a) FINDINGS.—The Congress finds the following:
9 “(1) It is the established policy of the United
10 States to support and seek the protection and res-
11 toration of natural coastal marine areas, in par-
12 ticular coral reefs and other critically imperiled
13 coastal marine resources around the world, as dem-
14 onstrated by the establishment of the United States
15 Government’s Coral Reef Task Force under Execu-
16 tive Order 13089 (June 11, 1998) and by the em-
17 phasis given to coral reefs at the Conference on
18 Oceans held in Monterey, California.

19 “(2) Coral reefs and other coastal marine re-
20 sources provide a wide range of benefits to mankind
21 by—

22 “(A) harboring a major share of the
23 world’s marine biological diversity, and by act-
24 ing as seed-grounds and nurseries for many
25 deep-sea species; and

1 “(B) serving as the basis for major activi-
2 ties of critical economic, social, and cultural im-
3 portance, including fishing, pharmaceutical re-
4 search, recreation, tourism, and the natural pu-
5 rification and recharge of waters.

6 “(3) International organizations and assistance
7 programs to conserve coral reefs and other coastal
8 marine resources have proliferated in recent years,
9 but the rapid destruction of these resources nonethe-
10 less continues in many countries.

11 “(4) Poverty and economic pressures on many
12 developing countries, including the burden of official
13 debts, has promoted inefficient, unsustainable over-
14 exploitation of coral reefs and other coastal marine
15 resources, while also denying necessary funds to pro-
16 tection efforts.

17 “(5) Reduction of official, government-to-gov-
18 ernment debts can help reduce economic pressures
19 for over-exploitation of coral reefs and other coastal
20 marine resources and can mobilize additional re-
21 sources for their protection.

22 “(b) PURPOSES.—The purposes of this part are—

23 “(1) to recognize the values received by United
24 States citizens from protection of coral reefs and
25 other coastal marine resources;

1 “(2) to facilitate greater protection of remain-
2 ing coral reefs and other coastal marine resources,
3 and the recovery of damaged areas, by providing for
4 the alleviation of debt in countries where these re-
5 sources are located, thus allowing for the use of ad-
6 ditional resources to protect and restore such coral
7 reefs and other coastal marine resources, and to re-
8 duce economic pressures that have led to
9 unsustainable exploitation; and

10 “(3) to ensure that resources freed from debt in
11 such countries are rechanneled to protection of coral
12 reefs and other coastal marine resources.

13 **“SEC. 903. DEFINITIONS.**

14 “In this part:

15 “(1) ADMINISTERING BODY.—The term ‘admin-
16 istering body’ means the entity provided for in sec-
17 tion 908(c).

18 “(2) APPROPRIATE CONGRESSIONAL COMMIT-
19 TEES.—The term ‘appropriate congressional com-
20 mittees’ means—

21 “(A) the Committee on International Rela-
22 tions and the Committee on Appropriations of
23 the House of Representatives; and

1 “(B) the Committee on Foreign Relations
2 and the Committee on Appropriations of the
3 Senate.

4 “(3) BENEFICIARY COUNTRY.—The term ‘bene-
5 ficiary country’ means an eligible country with re-
6 spect to which the authority of section 906(a) or
7 paragraph (1) or (2) of section 907(a) of this part
8 is exercised.

9 “(4) BOARD.—The term ‘Board’ means the
10 board referred to in section 910.

11 “(5) CORAL.—The term ‘coral’ means species
12 of the phylum Cnidaria, including—

13 “(A) all species of the orders Antipatharia
14 (black corals), Scleractinia (stony corals),
15 Alcyonacea (soft corals), Gorgonacea (horny
16 corals), Stolonifera (organpipe corals and oth-
17 ers), and Coenothecalia (blue coral), of the class
18 Anthozoa; and

19 “(B) all species of the order
20 Hydrocorallina (fire corals and hydrocorals) of
21 the class Hydrozoa.

22 “(6) CORAL REEF.—The term ‘coral reef’
23 means any reef or shoal composed primarily of cor-
24 als.

1 “(7) DEVELOPING COUNTRY WITH A CORAL
2 REEF OR OTHER COASTAL MARINE RESOURCE.—The
3 term ‘developing country with a coral reef or other
4 coastal marine resource’ means—

5 “(A)(i) a country that has a per capita in-
6 come of \$725 or less in 1994 United States dol-
7 lars (commonly referred to as ‘low-income coun-
8 try’), as determined and adjusted on an annual
9 basis by the International Bank for Reconstruc-
10 tion and Development in its World Development
11 Report; or

12 “(ii) a country that has a per capita in-
13 come of more than \$725 but less than \$8,956
14 in 1994 United States dollars (commonly re-
15 ferred to as ‘middle-income country’), as deter-
16 mined and adjusted on an annual basis by the
17 International Bank for Reconstruction and De-
18 velopment in its World Development Report;
19 and

20 “(B) a country that contains at least one
21 coral reef or other coastal marine resource that
22 is of conservation concern.

23 “(8) ELIGIBLE COUNTRY.—The term ‘eligible
24 country’ means a country designated by the Presi-
25 dent in accordance with section 905.

1 “(9) CORAL REEF AND OTHER COASTAL MA-
2 RINE RESOURCES AGREEMENT.—The term ‘Coral
3 Reef and Other Coastal Marine Resources Agree-
4 ment’ or ‘Agreement’ means an Coral Reef and
5 Other Coastal Marine Resources Agreement as pro-
6 vided for in section 908.

7 “(10) CORAL REEF AND OTHER COASTAL MA-
8 RINE RESOURCES FACILITY.—The term ‘Coral Reef
9 and Other Coastal Marine Resources Facility’ or
10 ‘Facility’ means the Coral Reef and Other Coastal
11 Marine Resources Facility established in the Depart-
12 ment of the Treasury by section 904.

13 “(11) CORAL REEF AND OTHER COASTAL MA-
14 RINE RESOURCES FUND.—The term ‘Coral Reef and
15 Other Coastal Marine Resources Fund’ or ‘Fund’
16 means a Coral Reef and Other Coastal Marine Re-
17 sources Fund provided for in section 909.

18 **“SEC. 904. ESTABLISHMENT OF THE FACILITY.**

19 “There is established in the Department of the
20 Treasury an entity to be known as the ‘Coral Reef and
21 Other Coastal Marine Resources Facility’ for the purpose
22 of providing for the administration of debt reduction in
23 accordance with this part.

1 **“SEC. 905. ELIGIBILITY FOR BENEFITS.**

2 “(a) IN GENERAL.—To be eligible for benefits from
3 the Facility under this part, a country shall be a devel-
4 oping country with a coral reef or other coastal marine
5 resource—

6 “(1) the government of which meets the re-
7 quirements applicable to Latin American or Carib-
8 bean countries under paragraphs (1) through (5)
9 and (7) of section 703(a) of this Act; and

10 “(2) that has established investment reforms,
11 as evidenced by the conclusion of a bilateral invest-
12 ment treaty with the United States, implementation
13 of an investment sector loan with the Inter-Amer-
14 ican Development Bank, World Bank-supported in-
15 vestment reforms, or other measures, as appropriate.

16 **“(b) ELIGIBILITY DETERMINATIONS.**—

17 “(1) IN GENERAL.—Consistent with subsection
18 (a), the President shall determine whether a country
19 is eligible to receive benefits under this part.

20 “(2) CONGRESSIONAL NOTIFICATION.—The
21 President shall notify the appropriate congressional
22 committees of the intention of the President to des-
23 ignate a country as an eligible country at least 15
24 days in advance of any formal determination.

1 **“SEC. 906. REDUCTION OF DEBT OWED TO THE UNITED**
2 **STATES AS A RESULT OF CONCESSIONAL**
3 **LOANS UNDER THIS ACT.**

4 “(a) AUTHORITY TO REDUCE DEBT.—

5 “(1) AUTHORITY.—The President may reduce
6 the amount owed to the United States (or any agen-
7 cy of the United States) that is outstanding as of
8 January 1, 2005, as a result of concessional loans
9 made to an eligible country by the United States
10 under this Act or predecessor foreign economic as-
11 sistance legislation.

12 “(2) AUTHORIZATION OF APPROPRIATIONS.—
13 For the cost (as defined in section 502(5) of the
14 Federal Credit Reform Act of 1990) for the reduc-
15 tion of any debt pursuant to this section, there are
16 authorized to be appropriated to the President
17 \$10,000,000 for each of the fiscal years 2006
18 through 2009.

19 “(3) CERTAIN PROHIBITIONS INAPPLICABLE.—

20 “(A) IN GENERAL.—A reduction of debt
21 pursuant to this section shall not be considered
22 assistance for purposes of any provision of law
23 limiting assistance to a country.

24 “(B) ADDITIONAL REQUIREMENT.—The
25 authority of this section may be exercised not-
26 withstanding section 620(r) of this Act or sec-

3 (b) IMPLEMENTATION OF DEBT REDUCTION.—

4 “(1) IN GENERAL.—Any debt reduction purs-
5 ant to subsection (a) shall be accomplished at the di-
6 rection of the Facility by the exchange of a new obli-
7 gation for obligations of the type referred to in sub-
8 section (a) outstanding as of the date specified in
9 subsection (a)(1).

10 “(2) EXCHANGE OF OBLIGATIONS.—

11 “(A) IN GENERAL.—The Facility shall no-
12 tify the United States Agency for International
13 Development of an agreement entered into
14 under paragraph (1) with an eligible country to
15 exchange a new obligation for outstanding obli-
16 gations.

1 “(c) ADDITIONAL TERMS AND CONDITIONS.—The
2 following additional terms and conditions shall apply to
3 the reduction of debt under subsection (a)(1) in the same
4 manner as such terms and conditions apply to the reduc-
5 tion of debt under section 704(a)(1) of this Act:

6 “(1) The provisions relating to repayment of
7 principal under section 705 of this Act.

8 “(2) The provisions relating to interest on new
9 obligations under section 706 of this Act.

10 **“SEC. 907. AUTHORITY TO ENGAGE IN DEBT-FOR-NATURE
11 SWAPS AND DEBT BUYBACKS.**

12 “(a) LOANS AND CREDITS ELIGIBLE FOR SALE, RE-
13 DUCTION, OR CANCELLATION.—

14 “(1) DEBT-FOR-NATURE SWAPS.—

15 “(A) IN GENERAL.—Notwithstanding any
16 other provision of law, the President may, in
17 accordance with this section, sell to any eligible
18 purchaser described in subparagraph (B) any
19 concessional loans described in section
20 906(a)(1), or on receipt of payment from an eli-
21 gible purchaser described in subparagraph (B),
22 reduce or cancel such loans or portion thereof,
23 only for the purpose of facilitating a debt-for-
24 nature swap to support eligible activities de-
25 scribed in section 908(d).

1 “(B) ELIGIBLE PURCHASER DESCRIBED.—

2 A loan may be sold, reduced, or canceled under
3 subparagraph (A) only to a purchaser who pre-
4 sents plans satisfactory to the President for
5 using the loan for the purpose of engaging in
6 debt-for-nature swaps to support eligible activi-
7 ties described in section 908(d).

8 “(C) CONSULTATION REQUIREMENT.—Be-
9 fore the sale under subparagraph (A) to any eli-
10 gible purchaser described in subparagraph (B),
11 or any reduction or cancellation under such
12 subparagraph (A), of any loan made to an eli-
13 gible country, the President shall consult with the
14 country concerning the amount of loans to be
15 sold, reduced, or canceled and their uses for
16 debt-for-nature swaps to support eligible activi-
17 ties described in section 908(d).

18 “(D) AUTHORIZATION OF APPROPRIA-
19 TIONS.—For the cost (as defined in section
20 502(5) of the Federal Credit Reform Act of
21 1990) for the reduction of any debt pursuant to
22 subparagraph (A), amounts authorized to be
23 appropriated under section 906(a)(2) shall be
24 made available for such reduction of debt pur-
25 suant to subparagraph (A).

1 “(2) DEBT BUYBACKS.—Notwithstanding any
2 other provision of law, the President may, in accord-
3 ance with this section, sell to any eligible country
4 any concessional loans described in section
5 906(a)(1), or on receipt of payment from an eligible
6 purchaser described in paragraph (1)(B), reduce or
7 cancel such loans or portion thereof, only for the
8 purpose of facilitating a debt buyback by an eligible
9 country of its own qualified debt, only if the eligible
10 country uses an additional amount of the local cur-
11 rency of the eligible country, equal to not less than
12 the lesser of 40 percent of the price paid for such
13 debt by such eligible country, or the difference be-
14 tween the price paid for such debt and the face value
15 of such debt, to support eligible activities described
16 in section 908(d).

17 “(3) LIMITATION.—The authority provided by
18 paragraphs (1) and (2) shall be available only to the
19 extent that appropriations for the cost (as defined in
20 section 502(5) of the Federal Credit Reform Act of
21 1990) of the modification of any debt pursuant to
22 such paragraphs are made in advance.

23 “(4) TERMS AND CONDITIONS.—Notwith-
24 standing any other provision of law, the President
25 shall, in accordance with this section, establish the

1 terms and conditions under which loans may be sold,
2 reduced, or canceled pursuant to this section.

3 “(5) ADMINISTRATION.—

4 “(A) IN GENERAL.—The Facility shall no-
5 tify the Administrator of the United States
6 Agency for International Development of eligi-
7 ble purchasers described in paragraph (1)(B)
8 that the President has determined to be eligible
9 under paragraph (1), and shall direct such
10 agency to carry out the sale, reduction, or can-
11 cellation of a loan pursuant to such paragraph.

12 “(B) ADDITIONAL REQUIREMENT.—Such
13 agency shall make an adjustment in its ac-
14 counts to reflect the sale, reduction, or cancella-
15 tion of such a loan.

16 "(b) DEPOSIT OF PROCEEDS.—The proceeds from
17 the sale, reduction, or cancellation of any loan sold, re-
18 duced or canceled pursuant to this section shall be depos-
19 ited in the United States Government account or accounts
20 established for the repayment of such loan.

21 "SEC. 908. CORAL REEF AND OTHER COASTAL MARINE RE-
22 SOURCES AGREEMENT.

23 "(a) AUTHORITY.—

24 “(1) IN GENERAL.—The Secretary of State is
25 authorized, in consultation with other appropriate

1 officials of the Federal Government, to enter into a
2 Coral Reef and Other Coastal Marine Resources
3 Agreement with any eligible country concerning the
4 operation and use of the Fund for that country.

5 “(2) CONSULTATION.—In the negotiation of
6 such an Agreement, the Secretary shall consult with
7 the Board in accordance with section 910.

8 “(b) CONTENTS OF AGREEMENT.—The requirements
9 contained in section 708(b) of this Act (relating to con-
10 tents of an agreement) shall apply to an Agreement in
11 the same manner as such requirements apply to an Amer-
12 icas Framework Agreement.

13 “(c) ADMINISTERING BODY.—

14 “(1) IN GENERAL.—Amounts disbursed from
15 the Fund in each beneficiary country shall be admin-
16 istered by a body constituted under the laws of that
17 country.

18 “(2) COMPOSITION.—

19 “(A) IN GENERAL.—The administering
20 body shall consist of—

21 “(i) one or more individuals appointed
22 by the United States Government;

23 “(ii) one or more individuals ap-
24 pointed by the government of the bene-
25 ficiary country; and

1 “(iii) individuals who represent a
2 broad range of—

3 “(I) environmental non-govern-
4 mental organizations of, or active in,
5 the beneficiary country;

6 “(II) local community develop-
7 ment non-governmental organizations
8 of the beneficiary country; and

9 “(III) scientific, academic, or for-
10 estry organizations of the beneficiary
11 country.

12 “(B) ADDITIONAL REQUIREMENT.—A ma-
13 jority of the members of the administering body
14 shall be individuals described in subparagraph
15 (A)(iii).

16 “(3) RESPONSIBILITIES.—The requirements
17 contained in section 708(c)(3) of this Act (relating
18 to responsibilities of the administering body) shall
19 apply to an administering body described in para-
20 graph (1) in the same manner as such requirements
21 apply to an administering body described in section
22 708(c)(1) of this Act.

23 “(d) ELIGIBLE ACTIVITIES.—Amounts deposited in a
24 Fund shall be used only to provide grants to conserve,
25 maintain, and restore the coral reefs and other coastal ma-

1. Utilize resources in the beneficiary country, through one or
2. more of the following activities:

3 “(1) Establishment, restoration, protection, and
4 maintenance of parks, protected areas, and reserves.

5 “(2) Development and implementation of sci-
6 entifically sound systems of natural resource man-
7 agement, including ‘ridgeline to reef’ and ecosystem
8 management practices.

9 “(3) Training programs to increase the sci-
10 entific, technical, and managerial capacities of indi-
11 viduals and organizations involved in conservation
12 efforts.

13 “(4) Restoration, protection, or sustainable use
14 of diverse marine animal and plant species.

15 “(5) Development and support of the livelihoods
16 of individuals living near a coral reef or other coast-
17 al marine resource, in a manner consistent with pro-
18 tecting those resources.

19 "(e) GRANT RECIPIENTS.—

20 “(1) IN GENERAL.—Grants made from a Fund
21 shall be made to—

22 “(A) nongovernmental environmental, for-
23 estry, conservation, and indigenous peoples or-
24 ganizations of, or active in, the beneficiary
25 country:

1 “(B) other appropriate local or regional
2 entities of, or active in, the beneficiary country;
3 or

4 “(C) in exceptional circumstances, the gov-
5 ernment of the beneficiary country.

6 “(2) PRIORITY.—In providing grants under
7 paragraph (1), priority shall be given to projects
8 that are run by nongovernmental organizations and
9 other private entities and that involve local commu-
10 nities in their planning and execution.

11 “(f) REVIEW OF LARGER GRANTS.—Any grant of
12 more than \$100,000 from a Fund shall be subject to veto
13 by the Government of the United States or the govern-
14 ment of the beneficiary country.

15 “(g) ELIGIBILITY CRITERIA.—In the event that a
16 country ceases to meet the eligibility requirements set
17 forth in section 905(a), as determined by the President
18 pursuant to section 905(b), then grants from the Fund
19 for that country may only be made to nongovernmental
20 organizations until such time as the President determines
21 that such country meets the eligibility requirements set
22 forth in section 905(a).

1 **“SEC. 909. CORAL REEF AND OTHER COASTAL MARINE RE-**2 **SOURCES FUND.**

3 “(a) ESTABLISHMENT.—Each beneficiary country
4 that enters into a Coral Reef and Other Coastal Marine
5 Resources Agreement under section 908 shall be required
6 to establish a Coral Reef and Other Coastal Marine Re-
7 sources Fund to receive payments of interest on new obli-
8 gations undertaken by the beneficiary country under this
9 part.

10 “(b) REQUIREMENTS RELATING TO OPERATION OF
11 FUND.—The following terms and conditions shall apply
12 to the Fund in the same manner as such terms as condi-
13 tions apply to an Enterprise for the Americas Fund under
14 section 707 of this Act:

15 “(1) The provision relating to deposits under
16 subsection (b) of such section.

17 “(2) The provision relating to investments
18 under subsection (c) of such section.

19 “(3) The provision relating to disbursements
20 under subsection (d) of such section.

21 **“SEC. 910. BOARD.**

22 “(a) ENTERPRISE FOR THE AMERICAS BOARD.—The
23 Enterprise for the Americas Board established under sec-
24 tion 610(a) of the Agricultural Trade Development and
25 Assistance Act of 1954 (7 U.S.C. 1738i(a)) shall, in addi-
26 tion to carrying out the responsibilities of the Board under

1 section 610(c) of such Act, carry out the duties described
2 in subsection (c) of this section for the purposes of this
3 part.

4 “(b) MEMBERSHIP.—

5 “(1) INITIAL MEMBERSHIP.—Of the six mem-
6 bers of the Enterprise for the Americas Board ap-
7 pointed by the President under section 610(b)(1)(A)
8 of the Agricultural Trade Development and Assis-
9 tance Act of 1954 (7 U.S.C. 1738i(b)(1)(A)), at least
10 one shall be a representative of the Department of
11 State, at least one shall be a representative of the
12 Department of the Treasury, and at least one shall
13 be a representative of the Inter-American Founda-
14 tion.

15 “(2) ADDITIONAL MEMBERSHIP.—The Enter-
16 prise for the Americas Board shall be composed of
17 an additional four members appointed by the Presi-
18 dent as follows:

19 “(A) Two representatives from the United
20 States Government, including a representative
21 of the National Oceanographic and Atmospheric
22 Administration (NOAA) and a representative of
23 the United States Geological Survey (USGS).

24 “(B) Two representatives from private
25 nongovernmental environmental, scientific, for-

5 "(c) DUTIES.—The duties described in this sub-
6 section are as follows:

7 “(1) Advise the Secretary of State on the nego-
8 tiations of Coral Reef and Other Coastal Marine Re-
9 sources Agreements.

10 “(2) Ensure, in consultation with—

11 “(A) the government of the beneficiary
12 country;

13 “(B) nongovernmental organizations of the
14 beneficiary country;

15 “(C) nongovernmental organizations of the
16 region (if appropriate);

17 “(D) environmental, scientific, oceano-
18 graphic, and academic leaders of the beneficiary
19 country; and

20 “(E) environmental, scientific, oceano-
21 graphic, and academic leaders of the region (as
22 appropriate),

23 that a suitable administering body is identified for
24 each Fund.

1 “(3) Review the programs, operations, and fis-
2 cal audits of each administering body.

3 **“SEC. 911. CONSULTATIONS WITH THE CONGRESS.**

4 “The President shall consult with the appropriate
5 congressional committees on a periodic basis to review the
6 operation of the Facility under this part and the eligibility
7 of countries for benefits from the Facility under this part.

8 **“SEC. 912. 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 Congress an annual report concerning the operation of the
12 Facility for the prior fiscal year. Such report shall in-
13 clude—

14 “(1) a description of the activities undertaken
15 by the Facility during the previous fiscal year;

16 “(2) a description of any Agreement entered
17 into under this part;

18 “(3) a report on any Funds that have been es-
19 tablished under this part and on the operations of
20 such Funds; and

21 “(4) a description of any grants that have been
22 provided by administering bodies pursuant to Agree-
23 ments under this part.

24 “(b) SUPPLEMENTAL VIEWS IN ANNUAL REPORT.—
25 Not later than December 15 of each year, each member

1 of the Board shall be entitled to receive a copy of the re-
2 port required under subsection (a). Each member of the
3 Board may prepare and submit supplemental views to the
4 President on the implementation of this part by December
5 31 for inclusion in the annual report when it is trans-
6 mitted to Congress pursuant to this section.”.

○