

Calendar No. 934

110TH CONGRESS
2D SESSION

S. 2166

[Report No. 110–438]

To provide for greater responsibility in lending and expanded cancellation of debts owed to the United States and the international financial institutions by low-income countries, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 16, 2007

Mr. CASEY (for himself, Mr. LUGAR, Mr. DODD, Mr. BIDEN, Mr. OBAMA, Mr. SUNUNU, Mr. COLEMAN, Mr. BROWN, Mrs. BOXER, Mr. DURBIN, Ms. MIKULSKI, Ms. COLLINS, Mr. LIEBERMAN, Mr. ISAKSON, Ms. SNOWE, Mrs. CLINTON, Mr. LEAHY, Mr. MENENDEZ, Mr. SMITH, Mr. WYDEN, Mr. SCHUMER, Mr. KERRY, Mrs. MCCASKILL, Mr. HAGEL, Ms. KLOBUCHAR, Mr. FEINGOLD, and Mr. NELSON of Florida) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

AUGUST 1, 2008

Reported by Mr. BIDEN, with amendments

[Omit the part struck through and insert the part printed in *italie*]

A BILL

To provide for greater responsibility in lending and expanded cancellation of debts owed to the United States and the international financial institutions by low-income 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 “Jubilee Act for Re-
 5 sponsible Lending and Expanded Debt Cancellation of
 6 ~~2007~~2008”.

7 **SEC. 2. FINDINGS.**

8 Congress makes the following findings:

9 (1) Many low-income countries have been strug-
 10 gling under the burden of international debts for
 11 many years.

12 (2) Since 1996, when the Heavily Indebted
 13 Poor Countries Initiative (HIPC) was created, more
 14 than 30 countries have seen some form of debt relief
 15 totaling approximately \$80,000,000,000.

16 ~~(3) Congress has demonstrated its support for~~
 17 ~~bilateral and multilateral debt relief through the en-~~
 18 ~~actment of comprehensive debt relief initiatives for~~
 19 ~~heavily indebted low-income countries in—~~

20 ~~(A) title V of H.R. 3425 of the 106th Con-~~
 21 ~~gress, as enacted into law by section 1000(a)(5)~~
 22 ~~of the Act entitled “An Act making consoli-~~
 23 ~~dated appropriations for the fiscal year ending~~
 24 ~~September 30, 2000, and for other purposes”,~~
 25 ~~approved November 29, 1999 (Public Law 106-~~

1 ~~113; 113 Stat. 1501A-311)~~ and the amend-
2 ments made by such title;

3 ~~(B) title II of H.R. 5526 of the 106th~~
4 Congress, as enacted into law by section 101(a)
5 of the Act entitled “An Act making appropria-
6 tions for foreign operations, export financing,
7 and related programs for the fiscal year ending
8 September 30, 2001, and for other purposes”,
9 approved November 6, 2000 (Public Law 106-
10 429; ~~114 Stat. 1900A-5~~); and

11 ~~(C) title V of the United States Leadership~~
12 Against HIV/AIDS, Tuberculosis, and Malaria
13 Act of 2003 (Public Law 108-25; 117 Stat.
14 747) and the amendment made by such title.

15 ~~(4) In 2005, the United States and other G-8~~
16 nations reached an agreement to provide cancellation
17 of 100 percent of the debts owed by eligible poor na-
18 tions to Paris Club members, the IMF, the World
19 Bank, and the African Development Bank. The
20 Inter-American Development Bank reached an
21 agreement in early 2007 to provide similar treat-
22 ment.

23 ~~(5) The 2005 agreement led to the creation of~~
24 the Multilateral Debt Relief Initiative (MDRI). As of
25 April 2007, 22 countries have seen the majority of

1 their debts to the IMF, World Bank, and African
2 Development Bank cancelled under the terms of the
3 MDRI. In March 2007, the Inter-American Develop-
4 ment Bank announced it would provide full debt
5 cancellation to 5 Latin American countries on MDRI
6 terms.

7 (6) Resources released by debt relief efforts to
8 date are reaching the poor. Cameroon is using the
9 \$29,800,000 of savings it will gain from the MDRI
10 in 2006 for national poverty reduction priorities, in-
11 cluding infrastructure, social sector and governance
12 reforms. Uganda is using its \$57,900,000 savings in
13 2006 on improving energy infrastructure to try to
14 ease acute electricity shortages, as well as primary
15 education, malaria control, healthcare and water in-
16 frastructure (specifically targeting the poor and
17 under-served villages). Zambia is using its savings of
18 \$23,800,000 under the MDRI in 2006 to increase
19 spending on agricultural projects, such as
20 smallholder irrigation and livestock disease control,
21 as well as to eliminate fees for healthcare in rural
22 areas.

23 (7)(3) While debt cancellation has a record of
24 success, there remains an unfinished agenda on
25 international debt. There are a number of challenges

1 to the effective implementation of existing commit-
 2 ments, and broader debt cancellation is needed if the
 3 global community is to reach the Millennium Devel-
 4 opment Goals.

5 (8) 2007 marks the halfway point to the dead-
 6 line set by the world's governments to reach the Mil-
 7 lennium Development Goals.

8 (9) A critical issue which needs to be addressed
 9 on debt is the way that non-concessional lenders
 10 stand to gain financially from lending to poor coun-
 11 tries that have benefited from debt relief without
 12 having paid for past debt relief or facing the pros-
 13 pect of paying for the future relief of unsustainable
 14 and irresponsible new lending. In these cases, the
 15 gains of debt relief for poor debtor countries are at
 16 risk of being eroded. This takes the form of new
 17 lending to countries that have received debt cancella-
 18 tion from countries including China, as well as the
 19 threat posed by so-called "vulture funds".

20 (10) It is also essential that all lenders and bor-
 21 rowers accept co-responsibility and learn from past
 22 mistakes—as evidenced by the debt crisis itself—by
 23 making more productive investment choices and en-
 24 gaging in more responsible lending and borrowing in
 25 the future. In October 2006, Norway became the

1 first creditor to accept co-responsibility for past
2 lending mistakes and cancelled the debt of 5 coun-
3 tries on the grounds that the loans reflected poor de-
4 velopment policy.

5 (11) There is also an urgent need to look be-
6 yond the constraints of current debt relief initiatives
7 to address the need for expanded debt cancellation.
8 The current initiatives allow countries to qualify for
9 relief based on economic criteria rather than human
10 needs.

11 (12) The Government of the United Kingdom
12 has proposed that qualification for the MDRI be ex-
13 tended to the 67 countries that qualify for assistance
14 exclusively from the International Development As-
15 sociation. To be eligible for cancellation, countries
16 must meet requirements pertaining to public finan-
17 cial management, anti-corruption measures, and
18 budget transparency.

19 (13)(4) Debt cancellation is an essential compo-
20 nent of the United States development assistance
21 strategy and a required component to facilitate
22 achievement of the Millennium Development Goals.

23 (14)(5) The United States has been a leader in
24 supporting debt relief efforts to date and should con-

1 tinue to work to improve and expand initiatives in
2 this area.

3 **SEC. 3. SENSE OF CONGRESS ON NEED TO FULLY FUND EX-**
4 **ISTING UNITED STATES ARREARS ON UNITED**
5 **STATES COMMITMENTS TO DEBT RELIEF.**

6 (a) *RENEWED COMMITMENT TO FUNDING DEBT RE-*
7 *LIEF.*—*As the United States Government considers extend-*
8 *ing additional debt relief to alleviate the burden of inter-*
9 *national debts for an expanded group of low income coun-*
10 *tries, Congress makes a renewed commitment to funding the*
11 *existing arrears on previous United States commitments to*
12 *debt relief and international financial institutions.*

13 (b) *DEBT CANCELLATION AND DEVELOPMENT ASSIST-*
14 *ANCE.*—*It is the sense of Congress that—*

15 (1) *the provision of United States debt cancella-*
16 *tion to eligible low-income countries should not be fol-*
17 *lowed by a reduction in the provision of any other*
18 *United States development assistance to these coun-*
19 *tries; and*

20 (2) *the United States should seek to ensure that,*
21 *in the course of negotiating a multilateral framework*
22 *of comprehensive debt relief for eligible low-income*
23 *countries, all participating creditors agree to avoid a*
24 *reduction in the provision of any other development*

1 *assistance to those countries in order to fund debt*
 2 *cancellation activities.*

3 **SEC. 34. CANCELLATION OF DEBT OWED BY ELIGIBLE LOW-**
 4 **INCOME COUNTRIES.**

5 Title XVI of the International Financial Institutions
 6 Act (22 U.S.C. 262p—262p-8) is amended by adding at
 7 the end the following:

8 **“SEC. 1626. CANCELLATION OF DEBT OWED BY ELIGIBLE**
 9 **LOW-INCOME COUNTRIES.**

10 “(a) IN GENERAL.—The Secretary of the Treasury
 11 shall commence immediate efforts, within the Paris Club
 12 of Official Creditors, the International Monetary Fund
 13 (IMF), the International Bank for Reconstruction and De-
 14 velopment (World Bank), and the other international fi-
 15 nancial institutions (as defined in section 1701(c)(2)), to
 16 accomplish the following:

17 “(1) Cancellation by each international finan-
 18 cial institution of all existing debts owed to the insti-
 19 tution by eligible low-income countries, and, to the
 20 extent possible, financing the debt cancellation from
 21 the ongoing operations, procedures, and accounts of
 22 the institution.

23 “(2) Cancellation by the United States of all ex-
 24 isting debts owed to it by eligible low-income coun-
 25 tries.

1 “(3) Ensuring that any waiting period for the
2 enhanced debt cancellation is not excessive.

3 “(4) Requiring the government of each eligible
4 low-income country to—

5 “(A) allocate the savings from debt can-
6 cellation towards poverty-reducing expenditures;

7 “(B) engage interested parties, including a
8 broad cross-section of civil society groups, in
9 ~~the~~*that* allocation ~~determination~~ process;

10 “(C) develop and implement effective pol-
11 icy reforms to ensure that savings from debt
12 cancellation are redirected to poverty reduction
13 efforts and that any future borrowing be con-
14 ducted in a responsible fashion; and

15 “(D) produce an annual report ~~dis-~~
16 ~~closing~~*during the period beginning when debt re-*
17 *lief is granted and ending 5 years after the debt*
18 *relief is completed that discloses* how the savings
19 from debt cancellation were used, and ~~make the~~
20 ~~report~~*which is made* publicly available and eas-
21 ily accessible to all interested parties, including
22 civil society groups and the media.

23 ~~“(5) Ensuring that the provision of debt can-~~
24 ~~cellation to eligible low-income countries is not fol-~~
25 ~~lowed by a reduction in the provision of any other~~

1 development assistance to the countries by inter-
 2 national financial institutions and bilateral creditors.

3 “(6)(5) Encouraging the government of each el-
 4 igible low-income country to allocate at least 20 per-
 5 cent of its national budget towards poverty-allevi-
 6 ation programs such as the provision of basic health
 7 care services, education services, and clean water
 8 services to all individuals in the country.

9 “(b) ESTABLISHMENT OF FRAMEWORK FOR CRED-
 10 ITOR TRANSPARENCY.—The Secretary of the Treasury
 11 shall commence immediate efforts, within the Paris Club
 12 of Official Creditors, the International Monetary Fund,
 13 the World Bank, and the other international financial in-
 14 stitutions (as so defined), to ensure that each of the insti-
 15 tutions—

16 “(1) continues to make efforts to promote
 17 greater transparency regarding the activities of the
 18 institution, including credit, grant, guarantee, and
 19 technical assistance operations, following a policy of
 20 maximum disclosure; and

21 “(2) supports continued efforts to allow in-
 22 formed participation and input by affected commu-
 23 nities, including translation of information on pro-
 24 posed projects *into official languages*, provision of in-
 25 formation (including draft documents) through in-

1 formation technology application, oral briefings, and
 2 outreach to and dialogue with community organiza-
 3 tions and institutions in affected areas.

4 “(c) ESTABLISHMENT OF FRAMEWORK FOR RESPON-
 5 SIBLE LENDING.—The Secretary of the Treasury shall
 6 commence immediate efforts to—

7 “(1) develop and promote policies to ensure all
 8 creditors, with no distinction, will contribute to pre-
 9 serving the gains of debt relief for low-income debtor
 10 countries;

11 “(2) collaborate with appropriate government
 12 agencies to *discourage ‘vulture fund’ activity* ~~prevent~~
 13 private investors from profiting from buying low-in-
 14 come country debts at market value and attempting
 15 to recover their original value or more (commonly
 16 known as ‘vulture funds’), including by—

17 “(A) designing legal remedies to curtail or
 18 realign the incentives for this activity;

19 “(B) identifying avenues to provide legal
 20 support to countries being sued by ‘vulture
 21 funds’; and

22 “(C) providing technical assistance to ad-
 23 vise possible targeted governments on measures
 24 to take to prevent ‘vulture funds’ from success-
 25 fully taking them to court;

1 “(A) seeking commitments from non-Paris
 2 Club bilateral creditors not to on-sell their debt
 3 claims on low-income countries to creditors who
 4 do not intend to provide debt relief under the
 5 HIPC initiative, and working with finance min-
 6 isters from other G8 countries to achieve the
 7 same goal; and

8 “(B) providing technical assistance to re-
 9 cipient governments to advise on measures to ad-
 10 dress ‘vulture fund’ activity;

11 “(3) provide that the external financing
 12 needs from official creditors of low-income countries
 13 are met primarily through grant financing rather
 14 than new lending;

15 “(4) seek the international adoption of a bind-
 16 ing legal framework that—

17 “(A) guarantees that no creditor can take
 18 ~~or expect to take undue~~ financial advantage of
 19 ~~acquired or newly awarded~~ debt relief through
 20 the terms and rates of their new lending to ben-
 21 eficiary countries;

22 “(B) is binding on all creditors, whether
 23 multilateral, bilateral or private;

24 “(C) foresees, as a sanction for creditors
 25 who violate it, an equitable share in the burden

1 of the losses from any future debt relief needed
 2 by the sovereign debtor to whom lending was ~~ir-~~
 3 ~~responsibly~~ provided; *and*

4 “~~(D)~~ provides for decisions on irresponsible
 5 lending to be made by an entity independent
 6 from the creditors; and

7 “~~(E)~~(D) enables fair opportunities for the
 8 people of the affected country to be heard; and

9 “(5) support the development of responsible fi-
 10 nancing standards ~~whereby~~ *which* creditors and aid/
 11 *or* loan recipients alike ~~adhere to standards to as-~~
 12 ~~sure~~*promote* transparency, ~~and~~ accountability to citi-
 13 ~~zens~~, human rights, and the avoidance of new ~~odious~~
 14 *unsustainable* debt, while encouraging the develop-
 15 ment of renewable energy ~~and helping countries to~~
 16 ~~transition away from dependence on oil.~~

17 “(d) GAO AUDIT OF DEBT PORTFOLIOS OF COUN-
 18 TRIES WITH QUESTIONABLE LOANS.—~~(1) IN GEN-~~
 19 ~~ERAL.~~—The Comptroller General of the United States
 20 ~~shall~~*should* undertake an audit of the *multilateral* debt
 21 portfolios of previous governments in countries such as the
 22 Democratic Republic of Congo and South Africa where
 23 ~~there are allegations that odious~~*significant concern exists*
 24 *that unsustainable* loans were made to the government.
 25 Each such audit shall—

1 “(A)(1) consider debt owed to the World Bank,
 2 the IMF, and the other international financial insti-
 3 tutions (as so defined); ~~export credit debts owed to~~
 4 ~~governments; and debts owed to commercial credi-~~
 5 ~~tors and debt owed to the United States Government~~
 6 and assess whether or not past investments pro-
 7 duced the intended results; *and*

8 “(B)(2) investigate the process by which the
 9 loans were contracted, how the funds were used, and
 10 determine whether United States or international
 11 laws were violated in the contraction of these loans,
 12 and whether any of the loans were odious or oner-
 13 ous; ~~and.~~

14 “(C) be planned and executed in a transparent
 15 and consultative manner; ~~engaging congressional~~
 16 bodies and civil society groups in the countries.

17 “(2) REPORT.—Within 2 years after the date of
 18 the enactment of this section, the Comptroller Gen-
 19 eral of the United States shall prepare and submit
 20 to the Committees on Financial Services and on
 21 Foreign Affairs of the House of Representatives and
 22 the Committees on Banking, Housing, and Urban
 23 Affairs and on Foreign Relations of the Senate a re-
 24 port that contains the results of the audits under-
 25 taken under paragraph (1).

1 “(e) AVAILABILITY ON TREASURY DEPARTMENT
2 WEBSITE OF REMARKS OF UNITED STATES EXECUTIVE
3 DIRECTORS AT MEETINGS OF INTERNATIONAL FINAN-
4 CIAL INSTITUTIONS’ BOARDS OF DIRECTORS.—The Sec-
5 retary of the Treasury shall make available on the website
6 of the Department of the Treasury the full record of the
7 remarks of the United States Executive Director at meet-
8 ings of the boards of directors of the International Mone-
9 tary Fund, the World Bank, and the other international
10 financial institutions (as so defined), about cancellation or
11 reduction of debts owed to the institution involved, with
12 redaction by the Secretary of the Treasury of material
13 deemed too sensitive for public distribution, but showing
14 the topic, amount of material redacted, and reason for the
15 redaction.

16 “(f) REPORT FROM THE COMPTROLLER GENERAL.—
17 Within 1 year after the date of the enactment of this sec-
18 tion, the Comptroller General of the United States shall
19 prepare and submit to the Committees on Financial Serv-
20 ices and on Foreign Affairs of the House of Representa-
21 tives and the Committees on Banking, Housing, and
22 Urban Affairs and on Foreign Relations of the Senate a
23 report on ~~the availability of~~ the ongoing operations, proce-
24 dures, and accounts of the IMF, the World Bank, and the

1 other international financial institutions (as so defined)
 2 for canceling the debt of eligible low-income countries.

3 “(g) ANNUAL REPORTS FROM THE PRESIDENT.—

4 Not later than December 31, 2008, and annually there-
 5 after for 4 years, the Secretary of the Treasury shall sub-
 6 mit to the Committees on Financial Services and on For-
 7 eign Affairs of the House of Representatives and the Com-
 8 mittees on Foreign Relations and on Banking, Housing,
 9 and Urban Affairs of the Senate a report, which shall be
 10 made available to the public, on the activities undertaken
 11 under this section, and other progress made in accom-
 12 plishing the purposes of this section, for the prior fiscal
 13 year. The report shall include a list of the countries that
 14 have received debt cancellation, a list of the countries
 15 whose request for debt cancellation has been denied and
 16 the reasons therefor, and a list of the countries whose re-
 17 quests for debt cancellation are under consideration.

18 “(h) ELIGIBLE LOW-INCOME COUNTRY DEFINED.—

19 In this section, the term ‘eligible low-income country’
 20 means a country—

21 “(1) that is eligible for financing from the
 22 International Development Association but not the
 23 World Bank;

24 “(2) that has transparent and effective budget
 25 execution and public financial management systems

1 which ensure that the savings from debt relief are
 2 spent on reducing poverty;

3 “(3) *that has demonstrated democratic govern-*
 4 *ance and transparency of decision-making;*

5 “~~(3)~~(4) the government of which does not have
 6 an excessive level of military expenditures;

7 “~~(4)~~(5) the government of which has not re-
 8 peatedly provided support for acts of international
 9 terrorism, as determined by the Secretary of State
 10 under section 6(j)(1) of the Export Administration
 11 Act of 1979 (50 U.S.C. App. 2405(j)(1)), *section 40*
 12 *of the Arms Export Control Act (22 U.S.C. 2780)*, or
 13 section 620A(a) of the Foreign Assistance Act of
 14 1961 (22 U.S.C. 2371(a));

15 “~~(5)~~(6) the government of which is cooperating
 16 on international narcotics control matters;

17 “~~(6)~~(7) the government of which (including its
 18 military or other security forces) does not engage in
 19 a consistent pattern of gross violations of inter-
 20 nationally recognized human rights; and

21 “~~(7)~~(8) the government of which is not engaged
 22 in, and has taken effective action to prevent entities
 23 in its jurisdiction from engaging in, the proliferation
 24 of weapons of mass destruction, related materials
 25 and components, or associated delivery systems.”.

1 **SEC. 45. PROHIBITION OF HARMFUL ECONOMIC AND POL-**
 2 **ICY CONDITIONS.**

3 Title XVI of the International Financial Institutions
 4 Act (22 U.S.C. 262p—262p-8) is further amended by
 5 adding at the end the following:

6 **“SEC. 1627. PROHIBITION OF HARMFUL ECONOMIC AND**
 7 **POLICY CONDITIONS.**

8 “(a) IN GENERAL.—The Secretary of the Treasury
 9 shall commence immediate efforts within the Paris Club
 10 of Official Creditors, the International Monetary Fund
 11 (IMF), the International Bank for Reconstruction and De-
 12 velopment (World Bank), and the other international fi-
 13 nancial institutions (as defined in section 1701(c)(2)), to
 14 ensure that the provision of debt cancellation to eligible
 15 low-income countries (as defined in section 1626(h)) is not
 16 conditioned on any agreement by such a country to imple-
 17 ment or comply with policies that deepen poverty, *signifi-*
 18 *cantly increase the costs of public services for low-income*
 19 *households*, or degrade the environment.; ~~including any pol-~~
 20 ~~icy that—~~

21 ~~“(1) implements or extends user fees on pri-~~
 22 ~~mary education or primary health care, including~~
 23 ~~prevention and treatment efforts for HIV/AIDS, tu-~~
 24 ~~berculosis, malaria, and infant, child, and maternal~~
 25 ~~well-being;~~

1 “(2) provides for increased costs for low-income
2 households to pay for basic public services such as
3 education, health care, drinking water, or sanitation;

4 “(3) undermines workers’ ability to exercise ef-
5 fectively their internationally recognized worker
6 rights, as defined under section 526(e) of the For-
7 eign Operations, Export Financing and Related Pro-
8 grams Appropriations Act, 1995 (22 U.S.C. 262p-
9 4p); or

10 “(4) does not exempt increased government
11 spending on essential healthcare or education ex-
12 penditures from national budget caps or restraints,
13 hiring or wage bill ceilings, or other limits imposed
14 by the IMF.

15 “(b) *REPORT ON PREVIOUS ROUNDS OF DEBT CAN-*
16 *CELLATION.—Not later than December 31, 2009, the Sec-*
17 *retary of the Treasury shall submit to the Committees on*
18 *Financial Services and on Foreign Affairs of the House of*
19 *Representatives and the Committees on Foreign Relations*
20 *and on Banking, Housing, and Urban Affairs of the Senate*
21 *a report, which shall be made available to the public, on*
22 *the degree and extent to which previous rounds of debt can-*
23 *cellation for recipient nations were accompanied by the fol-*
24 *lowing conditions:*

1 “(1) *Implementation or extension of user fees on*
 2 *primary education or primary health care, including*
 3 *prevention and treatment efforts for HIV/AIDS, tu-*
 4 *berculosis, malaria, and infant, child, and maternal*
 5 *well-being.*

6 “(2) *Increased costs for low-income households to*
 7 *pay for basic public services such as education, health*
 8 *care, drinking water, or sanitation.*

9 “(3) *A prohibition on exempting increased gov-*
 10 *ernment spending on essential health care or edu-*
 11 *cation expenditures from required conditions imposed*
 12 *by the IMF, including national budget caps or re-*
 13 *straints and hiring or wage bill ceilings.”.*

14 “(b) ~~ANNUAL REPORTS TO THE CONGRESS.—Not~~
 15 ~~later than December 31, 2008, and annually thereafter for~~
 16 ~~4 years, the Secretary of the Treasury shall submit to the~~
 17 ~~Committees on Financial Services and on International~~
 18 ~~Relations of the House of Representatives and the Com-~~
 19 ~~mittees on Foreign Relations and on Banking, Housing,~~
 20 ~~and Urban Affairs of the Senate a report, which shall be~~
 21 ~~made available to the public, on the activities undertaken~~
 22 ~~under this section, and other progress made in accom-~~
 23 ~~plishing the purposes of this section, for the prior fiscal~~
 24 ~~year.”.~~

1 **SEC. 6. SENSE OF CONGRESS ON CANCELLATION OF HAI-**
 2 **TI'S DEBTS TO INTERNATIONAL FINANCIAL**
 3 **INSTITUTIONS.**

4 (a) *FINDING.*—Congress finds that Haiti is scheduled
 5 to send \$48,700,000 in debt payments to international fi-
 6 nancial institutions in 2008.

7 (b) *SENSE OF CONGRESS.*—It is the sense of Congress
 8 that—

9 (1) *due to the current humanitarian and polit-*
 10 *ical instability in Haiti, including food shortages and*
 11 *political turmoil, the Secretary of the Treasury should*
 12 *use the Secretary's influence to expedite the complete*
 13 *and immediate cancellation of Haiti's debts to all*
 14 *international financial institutions; and*

15 (2) *if Haiti's debt to those institutions cannot be*
 16 *cancelled, the Secretary of the Treasury should urge*
 17 *those institutions to immediately suspend the require-*
 18 *ment that Haiti make further debt service payments*
 19 *on that debt.*

20 **SEC. 7. REPORT ON POTENTIAL FACILITY TO PROVIDE TEM-**
 21 **PORARY FINANCING TO RESPOND TO TEM-**
 22 **PORARY ECONOMIC SHOCKS.**

23 (a) *IN GENERAL.*—Not later than June 30, 2009, the
 24 Secretary of the Treasury shall submit to the Committees
 25 on Financial Services and on Foreign Affairs of the House
 26 of Representatives and the Committees on Foreign Relations

1 *and on Banking, Housing, and Urban Affairs of the Senate*
2 *a report, which shall be made available to the public, on*
3 *the feasibility and design of a potential facility, based at*
4 *the International Monetary Fund or another international*
5 *financial institution, to provide temporary financing to re-*
6 *lieve debt service burdens in the case of shocks to the econo-*
7 *mies of low income countries beyond their control, including*
8 *natural disasters and sharp spikes in commodity prices.*

9 (b) *BASIS FOR FINANCING UNDER POTENTIAL FACIL-*
10 *ITY.—The report required under this section shall assume*
11 *that such a facility would be designed to allow low-income*
12 *countries with good growth prospects to borrow reasonable*
13 *amounts on reasonable terms and thereby minimize the risk*
14 *of the need for additional debt relief in the future.*

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Reported with amendments