

(1) the illicit narcotics epidemic currently afflicting the United States represents a direct threat to the well-being of every United States citizen;

(2) every effective means must be pursued to reduce the foreign production and subsequent importation into the United States of illicit narcotics;

(3) the multilateral development banks can play an integral role in efforts to control the production of illicit narcotics;

(4) producer country narcotics eradication programs will not be effective unless such programs provide an economic alternative to the production of narcotics;

(5) efforts to address the illicit narcotics epidemic through production control are doomed to failure unless greater effort is applied to curb use of and demand for illicit narcotics; and

(6) the appropriate role for the multilateral development banks in the “War Against Drugs” is through coordinating and financing alternative economic opportunities in producer and trafficking countries.

(b) Loan programs to reduce economic dependence on illicit narcotics

The Secretary of the Treasury shall instruct the United States Executive Director of the International Bank for Reconstruction and Development and the United States Executive Director of the Inter-American Development Bank to initiate discussions with other executive directors of such institutions and to advocate and support the creation, within such institutions, of specific country lending programs and policies (including crop substitution, creation of roads conducive to the expansion of markets for licit goods, other infrastructure development measures such as development projects generating employment, agricultural extension assistance, and region-specific development plans) which are particularly oriented to reducing or eliminating the economic dependence of regions of borrowing countries known to be areas in which illicit narcotics are produced or trafficked, on such production and trafficking.

(c) Coordination among assistance programs designed to reduce economic dependency on illicit narcotics

In addition, the Secretary of the Treasury should instruct the United States Executive Director of the International Bank for Reconstruction and Development and the United States Executive Director of the Inter-American Development Bank to encourage such institutions to provide coordination among other multilateral and bilateral assistance programs designed to reduce the economic dependence of regions of borrowing countries known to be areas in which illicit narcotics are produced or trafficked, on such production and trafficking.

(Pub. L. 95–118, title XVI, § 1606, as added Pub. L. 100–461, title V, § 555, Oct. 1, 1988, 102 Stat. 2268–36.)

Editorial Notes

CODIFICATION

Section 1606 of Pub. L. 95–118 is based on section 6 of H.R. 4645, One Hundredth Congress, as reported Sept. 28, 1988, and enacted into law by Pub. L. 100–461.

PRIOR PROVISIONS

A prior section 1606 of Pub. L. 95–118 was renumbered section 1622 and is classified to section 262p–5 of this title.

Statutory Notes and Related Subsidiaries

DEFINITIONS

The definitions in section 262p–5 of this title apply to this section.

§ 262p–4b. Directives regarding government-owned enterprises in countries receiving World Bank loans

(a) Finding

The Congress finds that a principal focus of United States Government policy in the multilateral development banks has been and should be to foster greater development of the private sector in member borrowing countries of such banks.

(b) Technical assistance to transform government-owned enterprises into privately owned enterprises

In order to assist and strengthen the advancement of ongoing efforts to have the International Bank for Reconstruction and Development play a key role in building a viable private sector in member borrowing countries of such bank, and to further assist such bank in its determination to facilitate the transfer of government-owned enterprises in such countries to private ownership, the Secretary of the Treasury shall instruct the United States Executive Director of such bank to vigorously encourage the provision of technical assistance to such countries (relying, where appropriate, on the expertise of the International Finance Corporation or the Multilateral Investment Guarantee Agency) to transform enterprises owned, in whole or part, by the governments of such countries into privately owned, self-sufficient enterprises. Such technical assistance may involve the valuation of the assets of such government-owned enterprises, the assessment of tender offers, and the creation or strengthening of market-based mechanisms to facilitate such a transfer of ownership.

(c) Reports

(1) In general

The United States Executive Director of the International Bank for Reconstruction and Development shall submit 3 reports to the Congress on—

(A) the progress made in transforming government-owned enterprises into privately owned enterprises as described in subsection (b);

(B) the performance of the privately owned enterprises resulting from such transformation; and

(C) the contributions of development finance companies toward strengthening the

private sector in member borrowing countries.

(2) Timing

The United States Executive Director of the International Bank for Reconstruction and Development shall submit to the Congress the first report required by paragraph (1) within 1 year after October 1, 1988, and shall submit additional reports 12 months, and 24 months, after the date the first report is submitted.

(Pub. L. 95-118, title XVI, § 1607, as added Pub. L. 100-461, title V, § 555, Oct. 1, 1988, 102 Stat. 2268-36.)

Editorial Notes

CODIFICATION

Section 1607 of Pub. L. 95-118 is based on section 7 of H.R. 4645, One Hundredth Congress, as reported Sept. 28, 1988, and enacted into law by Pub. L. 100-461.

Statutory Notes and Related Subsidiaries

DEFINITIONS

The definitions in section 262p-5 of this title apply to this section.

§ 262p-4c. Initiation of discussions to facilitate debt-for-development swaps for human welfare and environmental conservation

(a) Findings

The Congress finds that—

(1) voluntary debt-for-development swaps in heavily indebted developing nations can simultaneously facilitate reduction of the burden of external indebtedness and increase the resources available within the country for charitable, educational, and scientific purposes, including environmental conservation, education, human welfare, health, agricultural research and development, microenterprise credit, and development of indigenous non-profit organizations; and

(2) heavily indebted developing countries may desire to facilitate such swaps to the maximum extent consistent with sound domestic economic management and minimization of inflationary impact.

(b) Initiation of discussions to facilitate debt-for-development swaps for human welfare and environmental conservation

(1) In general

The Secretary of the Treasury shall instruct the United States Executive Director of the International Bank for Reconstruction and Development to initiate discussions with the directors of such bank, the International Development Association, and the International Finance Corporation and propose that such institutions provide advice and assistance, as appropriate, to borrowing country governments desiring to facilitate debt-for-development swaps, on mechanisms (including trust funds) to accomplish this purpose, particularly in the context of debt rescheduling, which mechanisms result in sound management of the macroeconomic impact of such swaps on such countries, and preserve the value of the capital obtained through such swaps.

(2) Definitions

As used in this section:

(A) Debt-for-development swap

The term “debt-for-development swap” means the purchase of qualified debt by, or the donation of such debt to, an organization described in section 501(c)(3) of title 26 which is exempt from taxation under section 501(a) of title 26, and the subsequent transfer of such debt to an organization located in such foreign country in exchange for an undertaking by such tax-exempt organization, such foreign government, or such foreign organization to engage in a charitable, educational, or scientific activity.

(B) Qualified debt

The term “qualified debt” means—

(i) sovereign debt issued by a foreign government;

(ii) debt owed by private institutions in the country governed by such foreign government; and

(iii) debt owed by institutions in the country governed by such foreign government, which are owned, in part, by private persons and, in part, by public institutions.

(Pub. L. 95-118, title XVI, § 1608, as added Pub. L. 100-461, title V, § 555, Oct. 1, 1988, 102 Stat. 2268-36.)

Editorial Notes

CODIFICATION

Section 1608 of Pub. L. 95-118 is based on section 8 of H.R. 4645, One Hundredth Congress, as reported Sept. 28, 1988, and enacted into law by Pub. L. 100-461.

Statutory Notes and Related Subsidiaries

DEFINITIONS

The definitions in section 262p-5 of this title apply to this section.

§ 262p-4d. Initiation of discussions to facilitate financing of human welfare and natural resource programs in sub-Saharan Africa in connection with debt reduction and conversion

(a) Findings

The Congress finds that—

(1) the heavy burden of debt borne by sub-Saharan governments undermines efforts by such governments to finance projects and programs designed to promote charitable, educational, and scientific purposes, including education, human welfare, health, agricultural research and development, and conservation, restoration and enhancement of the natural resource base; and

(2) the financing of programs to promote such charitable, educational, and scientific purposes should be facilitated in the context of reducing and converting sovereign debt of sub-Saharan governments, as encouraged in the final communique of the June 1988 economic summit conference in Toronto, Canada, through such means as—

(A) concessional interest rates;