

**§ 286mm. Measures to reduce military spending by developing nations**

**(a) Development by Fund of means to measure military spending**

**(1) Position of the United States**

The United States Executive Director of the Fund shall use the voice and vote of the United States to urge the Fund, in consultation with the Bank, to continue to develop an economic methodology to measure the level of military spending by each developing country.

**(2) Progress report to the Congress**

No later than 1 year after October 24, 1992, the Secretary of the Treasury shall submit to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs and the Committee on Foreign Relations of the Senate a report on the status of the development by the Fund of a workable economic methodology to measure military spending by developing countries.

**(b) Annual reports by Fund on levels of military spending**

The United States Executive Director of the Fund shall use the voice and vote of the United States to urge the Fund, beginning with 1994, to provide the Executive Board of the Fund with annual reports stating the estimate by the Fund of the level of military spending by each developing country in the immediately preceding calendar year (or, with respect to developing countries whose fiscal years are not calendar years, in the most recently completed fiscal year of the developing country), not later than the date of the annual fall Interim and Development Committee meetings.

**(c) Analysis and assessment of military spending to be included in article IV consultations by Fund**

The United States Executive Director of the Fund shall use the voice and vote of the United States to urge the Fund, beginning no later than the date of the first report provided as described in subsection (b) of this section, to include in every article IV consultation with a developing country an analysis of the level of military spending by the developing country in the immediately preceding calendar year (or, with respect to developing countries whose fiscal years are not calendar years, in the most recently completed fiscal year of the developing country).

(July 31, 1945, ch. 339, § 60, as added Pub. L. 102-511, title X, § 1003, Oct. 24, 1992, 106 Stat. 3359.)

**CHANGE OF NAME**

Committee on Banking, Finance and Urban Affairs of House of Representatives treated as referring to Committee on Banking and Financial Services of House of Representatives by section 1(a) of Pub. L. 104-14, set out as a note preceding section 21 of Title 2, The Congress. Committee on Banking and Financial Services of House of Representatives abolished and replaced by Committee on Financial Services of House of Representatives, and jurisdiction over matters relating to securities and exchanges and insurance generally trans-

ferred from Committee on Energy and Commerce of House of Representatives by House Resolution No. 5, One Hundred Seventh Congress, Jan. 3, 2001.

**§ 286nn. Approval of contributions for debt reductions for the poorest countries**

For the purpose of mobilizing the resources of the Fund in order to help reduce poverty and improve the lives of residents of poor countries and, in particular, to allow those poor countries with unsustainable debt burdens to receive deeper, broader, and faster debt relief, without allowing gold to reach the open market or otherwise adversely affecting the market price of gold, the Secretary of the Treasury is authorized to instruct the United States Executive Director of the Fund to vote—

(1) to approve an arrangement whereby the Fund—

(A) sells a quantity of its gold at prevailing market prices to a member or members in nonpublic transactions sufficient to generate 2.226 billion Special Drawing Rights in profits on such sales;

(B) immediately after, and in conjunction with each such sale, accepts payment by such member or members of such gold to satisfy existing repurchase obligations of such member or members so that the Fund retains ownership of the gold at the conclusion of such payment; and

(C) uses the earnings on the investment of the profits of such sales through a separate subaccount, only for the purpose of providing debt relief from the Fund under the modified Heavily Indebted Poor Countries (HIPC) Initiative (as defined in section 262p-6 of this title); and

(2) to support a decision that shall terminate the Special Contingency Account 2 (SCA-2) of the Fund so that the funds in the SCA-2 shall be made available to the poorest countries. Any funds attributable to the United States participation in SCA-2 shall be used only for debt relief from the Fund under the modified HIPC Initiative.

(July 31, 1945, ch. 339, § 62, as added Pub. L. 106-113, div. B, § 1000(a)(5) [title V, § 503(a)], Nov. 29, 1999, 113 Stat. 1536, 1501A-316; amended Pub. L. 106-429, § 101(a) [title VIII, § 801(a)], Nov. 6, 2000, 114 Stat. 1900, 1900A-64.)

**AMENDMENTS**

2000—Par. (1)(B), (D). Pub. L. 106-429 inserted “and” at end of subpar. (B) and struck out subpar. (D) which read as follows: “shall not use more than  $\frac{1}{4}$  of the earnings on the investment of the profits of such sales; and”.

**CERTIFICATION TO CONGRESS RELATING TO USE OF PROFITS TO AUGMENT INTERNATIONAL MONETARY FUND**

Pub. L. 106-113, div. B, § 1000(a)(5) [title V, § 503(b)], Nov. 29, 1999, 113 Stat. 1536, 1501A-316, provided that: “Within 15 days after the United States Executive Director casts the votes necessary to carry out the instruction described in section 62 of the Bretton Woods Agreements Act [22 U.S.C. 286nn], the Secretary of the Treasury shall certify to the Congress that neither the profits nor the earnings on the investment of profits from the gold sales made pursuant to the instruction or of the funds attributable to United States participation in SCA-2 will be used to augment the resources of any