

106TH CONGRESS
2^D SESSION

H. R. 5561

To require foreign countries to meet certain requirements relating to political freedom, transparency, accountability, and good governance in order to be eligible to receive cancellation or reduction of debt owed to the United States.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 25, 2000

Mr. WOLF introduced the following bill; which was referred to the Committee on International Relations, and in addition to the Committee on Banking and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To require foreign countries to meet certain requirements relating to political freedom, transparency, accountability, and good governance in order to be eligible to receive cancellation or reduction of debt owed to the United States.

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 “Responsible Debt Re-
5 lief and Democracy Reform Act”.

1 **SEC. 2. ADDITIONAL REQUIREMENTS FOR CANCELLATION**
2 **OR REDUCTION OF DEBT OWED TO THE**
3 **UNITED STATES.**

4 The Foreign Assistance Act of 1961 (22 U.S.C. 2151
5 et seq.) is amended by adding at the end the following:

6 **“PART VI—ADDITIONAL REQUIREMENTS FOR**
7 **CANCELLATION OR REDUCTION OF DEBT**
8 **OWED TO THE UNITED STATES**

9 **“SEC. 901. CANCELLATION OR REDUCTION OF DEBT.**

10 “Beginning on and after the date of the enactment
11 of this part, the President may cancel or reduce amounts
12 owed to the United States (or any agency of the United
13 States) by foreign countries as a result of concessional or
14 nonconcessional loans made, guarantees issued, or credits
15 extended under any other provision of law only if, in addi-
16 tion to the requirements contained under the applicable
17 provisions of law providing authority for the debt cancella-
18 tion or reduction, the requirements contained in section
19 902 are satisfied.

20 **“SEC. 902. ADDITIONAL REQUIREMENTS.**

21 “(a) IN GENERAL.—A foreign country shall be eligi-
22 ble for cancellation or reduction of debt under any other
23 provision of law only if the government of the country—

24 “(1) ensures freedom of the press;

25 “(2) ensures freedom of association;

1 “(3) has established an independent and non-
2 discriminatory judiciary;

3 “(4) provides for the reduction or elimination of
4 corruption relating to public officials, including—

5 “(A) the promulgation of laws to prohibit
6 bribery of and by public officials, including dis-
7 closure of assets by such officials upon taking
8 office, periodically while in office, and upon
9 leaving office;

10 “(B) the establishment of an independent
11 anti-corruption commission—

12 “(i) to receive and verify the dislo-
13 cature of assets by public officials in accord-
14 ance with subparagraph (A); and

15 “(ii) to investigate allegations or cor-
16 ruption or misconduct by public officials
17 and to make all findings available to the
18 appropriate administrative or judicial enti-
19 ties; and

20 “(C) the establishment of an independent
21 agency—

22 “(i) to audit the financial activities of
23 public officials and agencies; and

1 “(ii) to make all audits under clause
2 (i) available to the appropriate administra-
3 tive or judicial entities;

4 “(5) is elected through free and fair elections;

5 “(6) does not engage in a consistent pattern of
6 gross violations of internationally recognized human
7 rights; and

8 “(7) does not repeatedly provided support for
9 acts of international terrorism, as determined by the
10 Secretary of State under section 6(j)(1) of the Ex-
11 port Administration Act of 1979 (50 U.S.C. App.
12 2405(j)(1)) or section 620A(a) of the Foreign As-
13 sistance Act of 1961 (22 U.S.C. 2371(a)).

14 “(b) EXCEPTIONS.—The President may waive the ap-
15 plication of 1 or more of the requirements of subsection
16 (a) with respect to the cancellation or reduction of debt
17 owed to the United States by a foreign country—

18 “(1) for emergency humanitarian relief pur-
19 poses;

20 “(2) if the President determines that it is in the
21 national security interests of the United States to do
22 so; or

23 “(3) if the President determines that the for-
24 eign country is making demonstrable progress in
25 meeting the requirements of paragraphs (1) through

1 (7) of subsection (a) by adopting appropriate legal
2 and other related reforms.

3 “(c) CONGRESSIONAL NOTIFICATION.—Not later
4 than 7 days prior to the cancellation or reduction of debt
5 in accordance with section 901, the President shall trans-
6 mit to the Congress a report that contains a justification
7 for the determination by the President that—

8 “(1) the requirements contained in each of
9 paragraphs (1) through (7) of subsection (a) have
10 been satisfied with respect to the foreign country in-
11 volved; or

12 “(2) the requirement of paragraph (1), (2), or
13 (3) of subsection (b) has been satisfied with respect
14 to the foreign country involved.”.

15 **SEC. 3. SENSE OF THE CONGRESS RELATING TO CAN-**
16 **CELLATION OR REDUCTION OF MULTILAT-**
17 **ERAL DEBT.**

18 It is the sense of the Congress that the President
19 should instruct the United States Executive Director at
20 each international financial institution to which the
21 United States is a member to use the voice, vote, and in-
22 fluence of the United States to urge that the cancellation
23 or reduction of debt owed to the institution by a country
24 may be provided only if the country meets the same re-
25 quirements applicable to the cancellation or reduction of

1 amounts owed to the United States under paragraphs (1)
2 through (7) of section 902(b) of the Foreign Assistance
3 Act of 1961 (as added by section 2).

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