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(Original Signature of Member)

109TH CONGRESS
1ST SESSION

H. R. _____

To provide for the cancellation of debts owed to international financial institutions by poor countries, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Ms. WATERS (for herself, Mr. LEACH, Mr. FRANK of Massachusetts, Mr. BACHUS, Mrs. MALONEY, and Ms. LEE) introduced the following bill; which was referred to the Committee on

A BILL

To provide for the cancellation of debts owed to international financial institutions by poor 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 “Justice and Under-
5 standing By International Loan Elimination and Equity
6 Act of 2005” or the “JUBILEE Act of 2005”.



1 **SEC. 2. FINDINGS.**

2 The Congress finds the following:

3 (1) Many poor countries have been struggling
4 under the burden of international debts for many
5 years.

6 (2) Many poor countries have debts that are
7 odious because they were incurred by dictatorships
8 that did not use the funds in ways that benefitted
9 the population of the country.

10 (3) The international Jubilee coalitions have
11 been working to raise awareness of the needs of
12 these impoverished countries for full debt cancella-
13 tion.

14 (4) The International Monetary Fund (IMF)
15 has imposed onerous structural adjustment require-
16 ments on many poor countries as a condition of past
17 loans and of participation in debt relief programs.

18 (5) Justice requires that these countries receive
19 full cancellation of their debts.

20 **SEC. 3. CANCELLATION OF DEBT OWED BY ELIGIBLE POOR**
21 **COUNTRIES.**

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



1 **“SEC. 1626. CANCELLATION OF DEBT OWED BY ELIGIBLE**
2 **POOR COUNTRIES.**

3 “(a) IN GENERAL.—

4 “(1) CANCELLATION OF DEBT.—In order to
5 achieve multilateral debt cancellation and promote
6 human and economic development and poverty alle-
7 viation in eligible poor countries, the Secretary of
8 the Treasury shall commence immediate efforts,
9 within the Paris Club of Official Creditors, the
10 International Monetary Fund (IMF), the Inter-
11 national Bank for Reconstruction and Development
12 (World Bank), and the other international financial
13 institutions (as defined in section 1701(c)(2)), to ac-
14 complish the following:

15 “(A) Each international financial institu-
16 tion shall cancel all debts owed to the institu-
17 tion by eligible poor countries. To the extent
18 possible, each institution shall finance the debt
19 cancellation from their ongoing operations, pro-
20 cedures, and accounts.

21 “(B) Any waiting period before receiving
22 debt cancellation shall not exceed 1 month from
23 the date of an eligible poor country’s applica-
24 tion for debt cancellation.

25 “(C) The government of each eligible poor
26 country shall be encouraged to allocate at least



1 20 percent of its national budget, including the
2 savings from the cancellation of debt, for the
3 provision of basic health care services, edu-
4 cation services, and clean water services to indi-
5 viduals in the country. In providing such serv-
6 ices, the government should seek input from a
7 broad cross-section of members of civil society.

8 “(2) ESTABLISHMENT OF FRAMEWORK FOR
9 CREDITOR TRANSPARENCY.—In order to ensure that
10 creditor activity is known and assessed by all stake-
11 holders, the Secretary of the Treasury shall com-
12 mence immediate efforts, within the Paris Club of
13 Official Creditors, the International Monetary Fund
14 (IMF), the International Bank for Reconstruction
15 and Development (World Bank), and the other inter-
16 national financial institutions (as so defined), to en-
17 sure that each of such institutions—

18 “(A) continues to make efforts to promote
19 greater transparency regarding the activities of
20 the institution, including project design, project
21 monitoring and evaluation, project implementa-
22 tion, resource allocation, and decisionmaking;
23 and

24 “(B) supports continued efforts to allow
25 informed participation and input by affected



1 communities, including translation of informa-
2 tion on proposed projects, provision of informa-
3 tion through information technology applica-
4 tion, oral briefings, and outreach to and dia-
5 logue with community organizations and insti-
6 tutions in affected areas.

7 “(3) AVAILABILITY ON TREASURY DEPARTMENT
8 WEBSITE OF REMARKS OF UNITED STATES EXECU-
9 TIVE DIRECTORS AT MEETINGS OF INTERNATIONAL
10 FINANCIAL INSTITUTIONS’ BOARDS OF DIREC-
11 TORS.—The Secretary of the Treasury shall make
12 available on the website of the Department of the
13 Treasury the full record of the remarks of the
14 United States Executive Director at meetings of the
15 Board of Directors of the International Monetary
16 Fund (IMF), the International Bank for Recon-
17 struction and Development (World Bank), and the
18 other international financial institutions (as so de-
19 fined), about cancellation or reduction of debts owed
20 to the institution involved, with redaction by the
21 Secretary of the Treasury of material deemed too
22 sensitive for public distribution, but showing the
23 topic, amount of material redacted, and reason for
24 the redaction.



1 “(4) REPORT FROM THE COMPTROLLER GEN-
2 ERAL.—Within 1 year after the date of the enact-
3 ment of this section, the Comptroller General of the
4 United States shall prepare and submit to the Com-
5 mittee on Financial Services of the House of Rep-
6 resentatives and the Committee on Banking, Hous-
7 ing, and Urban Affairs of the Senate a report on the
8 availability of the ongoing operations, procedures,
9 and accounts of the International Monetary Fund
10 (IMF), the International Bank for Reconstruction
11 and Development (World Bank), and the other inter-
12 national financial institutions (as so defined) for
13 canceling the debt of eligible poor countries.

14 “(5) ANNUAL REPORTS FROM THE PRESI-
15 DENT.—Not later than December 31 of each year,
16 the President shall submit to the Committees on Fi-
17 nancial Services and on International Relations of
18 the House of Representatives and the Committees
19 on Foreign Relations and on Banking, Housing, and
20 Urban Affairs of the Senate a report, which shall be
21 made available to the public, on the activities under-
22 taken under this section, and other progress made in
23 accomplishing the purposes of this section, for the
24 prior fiscal year. The report shall include a list of
25 the countries that have received debt cancellation, a



1 list of the countries whose request for such debt can-
2 cellation has been denied and the reasons therefor,
3 and a list of the countries whose requests for such
4 debt cancellation are under consideration.

5 “(b) PROMOTION OF EQUITABLE BURDEN SHAR-
6 ING.—In order to promote equitable burden sharing by bi-
7 lateral, multilateral, and private creditors, the Secretary
8 of the Treasury shall commence immediate efforts to en-
9 sure that such creditors draw upon their own resources
10 to finance debt reduction to the extent possible without
11 diverting funds from other high-priority poverty alleviation
12 programs.

13 “(c) ELIGIBLE POOR COUNTRY DEFINED.—In this
14 section, the term ‘eligible poor country’ means Angola,
15 Bangladesh, Benin, Bolivia, Botswana, Burkina Faso, Bu-
16 rundi, Cambodia, Cameroon, Central African Republic,
17 Chad, Cote d’Ivoire, Democratic Republic of Congo, Ethi-
18 opia, Gambia, Ghana, Guinea, Guinea-Bissau, Guyana,
19 Haiti, Honduras, Jamaica, Kenya, Lao PDR, Liberia,
20 Madagascar, Malawi, Mali, Mauritania, Morocco, Mozam-
21 bique, Namibia, Nepal, Nicaragua, Niger, Nigeria, Peru,
22 Philippines, Republic of Congo, Rwanda, Sao Tome and
23 Principe, Senegal, Sierra Leone, South Africa, Tanzania,
24 Togo, Uganda, Vietnam, Yemen, and Zambia, but not if—



1 “(1) the government of the country has an ex-
2 cessive level of military expenditures;

3 “(2) the government of the country has repeat-
4 edly provided support for acts of international ter-
5 rorism, as determined by the Secretary of State
6 under section 6(j)(1) of the Export Administration
7 Act of 1979 (50 U.S.C. App. 2405(j)(1)), or section
8 620A(a) of the Foreign Assistance Act of 1961 (22
9 U.S.C. 2371(a));

10 “(3) the government of the country is failing to
11 cooperate on international narcotics control matters;

12 “(4) the government of the country (including
13 its military or other security forces) engages in a
14 consistent pattern of gross violations of internation-
15 ally recognized human rights; or

16 “(5) in the case of Haiti, the government of the
17 country has not been elected through free and fair
18 elections.”.

19 **SEC. 4. PROHIBITION OF STRUCTURAL ADJUSTMENT PRO-**
20 **GRAMS.**

21 Title XVI of the International Financial Institutions
22 Act (22 U.S.C. 262p-262p-8) is further amended by add-
23 ing at the end the following:



1 **“SEC. 1627. PROHIBITION OF STRUCTURAL ADJUSTMENT**
2 **PROGRAMS.**

3 “(a) PROHIBITION OF STRUCTURAL ADJUSTMENT
4 CONDITIONS.—In order to promote human and economic
5 development and poverty alleviation in eligible poor coun-
6 tries (as defined in section 1626(c)), the Secretary of the
7 Treasury shall commence immediate efforts within the
8 Paris Club of Official Creditors, as well as the Inter-
9 national Monetary Fund (IMF), the International Bank
10 for Reconstruction and Development (World Bank), and
11 the other international financial institutions (as defined
12 in section 1701(c)(2)), to ensure that the provision of debt
13 cancellation to the countries is not conditioned on any
14 agreement by such a country to implement or comply with
15 policies that deepen poverty or degrade the environment,
16 including any policy that—

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

22 “(2) provides for increased cost recovery from
23 poor people to finance basic public services such as
24 education, health care, or sanitation;



1 “(3) would have the effect of increasing the cost
2 to consumers with incomes of less than \$2 per day
3 for access to clean drinking water through—

4 “(A) decreased public subsidy for water
5 supply, treatment, disposal, distribution, or
6 management;

7 “(B) reduced intrasectoral or intersectoral
8 subsidization of residential water consumers
9 with incomes of less than \$2 per day;

10 “(C) reduced government ability to regu-
11 late; or

12 “(D) mandated privatization of water; or

13 “(4) undermines workers’ ability to exercise ef-
14 fectively their internationally recognized worker
15 rights, as defined under section 526(e) of the For-
16 eign Operations, Export Financing and Related Pro-
17 grams Appropriations Act, 1995 (22 U.S.C. 262p-
18 4p).

19 “(b) ANNUAL REPORTS TO THE CONGRESS.—Not
20 later than December 31 of each year, the President shall
21 submit to the Committees on Financial Services and on
22 International Relations of the House of Representatives
23 and the Committees on Foreign Relations and on Bank-
24 ing, Housing, and Urban Affairs of the Senate a report,
25 which shall be made available to the public, on the activi-



1 ties undertaken under this section, and other progress
2 made in accomplishing the purposes of this section, for
3 the prior fiscal year.”.

