

# Union Calendar No. 188

107<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

## S. 494

**[Report No. 107-312, Part I]**

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### IN THE HOUSE OF REPRESENTATIVES

AUGUST 2, 2001

Referred to the Committee on Financial Services, and in addition to the Committee on International Relations, 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

DECEMBER 4, 2001

Reported from the Committee on International Relations with an amendment  
[Strike out all after the enacting clause and insert the part printed in *italic*]

DECEMBER 4, 2001

Referral to the Committee on Financial Services extended for a period ending not later than December 4, 2001

DECEMBER 4, 2001

The Committee on Financial Services discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[For text of Senate passed bill, see copy of bill as printed in the House of Representatives on August 2, 2001]

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## AN ACT

To provide for a transition to democracy and to promote economic recovery in Zimbabwe.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2       *This Act may be cited as the “Zimbabwe Democracy*  
 3 *and Economic Recovery Act of 2001”.*

4 **SEC. 2. STATEMENT OF POLICY.**

5       *It is the policy of the United States to support the peo-*  
 6 *ple of Zimbabwe in their struggle to effect peaceful, demo-*  
 7 *cratic change, achieve broad-based and equitable economic*  
 8 *growth, and restore the rule of law.*

9 **SEC. 3. DEFINITIONS.**

10       *In this Act:*

11               (1) *INTERNATIONAL FINANCIAL INSTITUTIONS.—*

12       *The term “international financial institutions”*  
 13 *means the multilateral development banks and the*  
 14 *International Monetary Fund.*

15               (2) *MULTILATERAL DEVELOPMENT BANKS.—The*

16 *term “multilateral development banks” means the*  
 17 *International Bank for Reconstruction and Develop-*  
 18 *ment, the International Development Association, the*  
 19 *International Finance Corporation, the Inter-Amer-*  
 20 *ican Development Bank, the Asian Development*  
 21 *Bank, the Inter-American Investment Corporation,*  
 22 *the African Development Bank, the African Develop-*  
 23 *ment Fund, the European Bank for Reconstruction*  
 24 *and Development, and the Multilateral Investment*  
 25 *Guaranty Agency.*

1 **SEC. 4. SUPPORT FOR DEMOCRATIC TRANSITION AND ECO-**  
2 **NOMIC RECOVERY.**

3 (a) *FINDINGS.*—Congress makes the following findings:

4 (1) *Through economic mismanagement, undemo-*  
5 *cratic practices, and the costly deployment of troops*  
6 *to the Democratic Republic of the Congo, the Govern-*  
7 *ment of Zimbabwe has rendered itself ineligible to*  
8 *participate in International Bank for Reconstruction*  
9 *and Development and International Monetary Fund*  
10 *programs, which would otherwise be providing sub-*  
11 *stantial resources to assist in the recovery and mod-*  
12 *ernization of Zimbabwe's economy. The people of*  
13 *Zimbabwe have thus been denied the economic and*  
14 *democratic benefits envisioned by the donors to such*  
15 *programs, including the United States.*

16 (2) *In September 1999 the IMF suspended its*  
17 *support under a "Stand By Arrangement", approved*  
18 *the previous month, for economic adjustment and re-*  
19 *form in Zimbabwe.*

20 (3) *In October 1999, the International Develop-*  
21 *ment Association (in this section referred to as the*  
22 *"IDA") suspended all structural adjustment loans,*  
23 *credits, and guarantees to the Government of*  
24 *Zimbabwe.*

25 (4) *In May 2000, the IDA suspended all other*  
26 *new lending to the Government of Zimbabwe.*

1           (5) *In September 2000, the IDA suspended dis-*  
2           *bursement of funds for ongoing projects under pre-*  
3           *viously-approved loans, credits, and guarantees to the*  
4           *Government of Zimbabwe.*

5           (b) *SUPPORT FOR DEMOCRATIC TRANSITION AND ECO-*  
6           *NOMIC RECOVERY.—*

7           (1) *BILATERAL DEBT RELIEF.—Upon receipt by*  
8           *the appropriate congressional committees of a certifi-*  
9           *cation described in subsection (d), the Secretary of the*  
10          *Treasury shall undertake a review of the feasibility of*  
11          *restructuring, rescheduling, or eliminating the sov-*  
12          *ereign debt of Zimbabwe held by any agency of the*  
13          *United States Government.*

14          (2) *MULTILATERAL DEBT RELIEF AND OTHER FI-*  
15          *NANCIAL ASSISTANCE.—It is the sense of Congress*  
16          *that, upon receipt by the appropriate congressional*  
17          *committees of a certification described in subsection*  
18          *(d), the Secretary of the Treasury should—*

19                (A) *direct the United States executive direc-*  
20                *tor of each multilateral development bank to pro-*  
21                *pose that the bank should undertake a review of*  
22                *the feasibility of restructuring, rescheduling, or*  
23                *eliminating the sovereign debt of Zimbabwe held*  
24                *by that bank; and*

1                   (B) *direct the United States executive direc-*  
 2                   *tor of each international financial institution to*  
 3                   *which the United States is a member to propose*  
 4                   *to undertake financial and technical support for*  
 5                   *Zimbabwe, especially support that is intended to*  
 6                   *promote Zimbabwe's economic recovery and de-*  
 7                   *velopment, the stabilization of the Zimbabwean*  
 8                   *dollar, and the viability of Zimbabwe's demo-*  
 9                   *cratic institutions.*

10           (c) *MULTILATERAL FINANCING RESTRICTION.—Until*  
 11           *the President makes the certification described in subsection*  
 12           *(d), and except as may be required to meet basic human*  
 13           *needs or for good governance, the Secretary of the Treasury*  
 14           *shall instruct the United States executive director to each*  
 15           *international financial institution to oppose and vote*  
 16           *against—*

17                   (1) *any extension by the respective institution of*  
 18                   *any loan, credit, or guarantee to the Government of*  
 19                   *Zimbabwe; or*

20                   (2) *any cancellation or reduction of indebtedness*  
 21                   *owed by the Government of Zimbabwe to the United*  
 22                   *States or any international financial institution.*

23           (d) *PRESIDENTIAL CERTIFICATION THAT CERTAIN*  
 24           *CONDITIONS ARE SATISFIED.—A certification under this*  
 25           *subsection is a certification transmitted to the appropriate*

1 congressional committees of a determination made by the  
 2 President that the following conditions are satisfied:

3 (1) *RESTORATION OF THE RULE OF LAW.*—The  
 4 rule of law has been restored in Zimbabwe, including  
 5 respect for ownership and title to property, freedom of  
 6 speech and association, and an end to the lawlessness,  
 7 violence, and intimidation sponsored, condoned, or  
 8 tolerated by the Government of Zimbabwe, the ruling  
 9 party, and their supporters or entities.

10 (2) *ELECTION OR PRE-ELECTION CONDITIONS.*—  
 11 Either of the following two conditions is satisfied:

12 (A) *PRESIDENTIAL ELECTION.*—Zimbabwe  
 13 has held a presidential election that is widely ac-  
 14 cepted as free and fair by independent inter-  
 15 national monitors, and the president-elect is free  
 16 to assume the duties of the office.

17 (B) *PRE-ELECTION CONDITIONS.*—In the  
 18 event the certification is made before the presi-  
 19 dential election takes place, the Government of  
 20 Zimbabwe has sufficiently improved the pre-elec-  
 21 tion environment to a degree consistent with ac-  
 22 cepted international standards for security and  
 23 freedom of movement and association.

24 (3) *COMMITMENT TO EQUITABLE, LEGAL, AND*  
 25 *TRANSPARENT LAND REFORM.*—The Government of

1        *Zimbabwe has demonstrated a commitment to an eq-*  
 2        *uitable, legal, and transparent land reform program*  
 3        *consistent with agreements reached at the Inter-*  
 4        *national Donors' Conference on Land Reform and Re-*  
 5        *settlement in Zimbabwe held in Harare, Zimbabwe,*  
 6        *in September 1998.*

7            (4) *FULFILLMENT OF AGREEMENT ENDING WAR*  
 8        *IN DEMOCRATIC REPUBLIC OF CONGO.—The Govern-*  
 9        *ment of Zimbabwe is making a good faith effort to*  
 10       *fulfill the terms of the Lusaka, Zambia, agreement on*  
 11       *ending the war in the Democratic Republic of Congo.*

12           (5) *MILITARY AND NATIONAL POLICE SUBORDI-*  
 13       *NATE TO CIVILIAN GOVERNMENT.—The Zimbabwean*  
 14       *Armed Forces, the National Police of Zimbabwe, and*  
 15       *other state security forces are responsible to and serve*  
 16       *the elected civilian government.*

17           (e) *WAIVER.—The President may waive the provisions*  
 18       *of subsection (b)(1) or subsection (c), if the President deter-*  
 19       *mines that it is in the national interest of the United States*  
 20       *to do so.*

1 **SEC. 5. SUPPORT FOR DEMOCRATIC INSTITUTIONS, THE**  
 2 **FREE PRESS AND INDEPENDENT MEDIA, AND**  
 3 **THE RULE OF LAW.**

4 (a) *IN GENERAL.*—*The President is authorized to pro-*  
 5 *vide assistance under part I and chapter 4 of part II of*  
 6 *the Foreign Assistance Act of 1961 to—*

7 (1) *support an independent and free press and*  
 8 *electronic media in Zimbabwe;*

9 (2) *support equitable, legal, and transparent*  
 10 *mechanisms of land reform in Zimbabwe, including*  
 11 *the payment of costs related to the acquisition of land*  
 12 *and the resettlement of individuals, consistent with*  
 13 *the International Donors' Conference on Land Reform*  
 14 *and Resettlement in Zimbabwe held in Harare,*  
 15 *Zimbabwe, in September 1998, or any subsequent*  
 16 *agreement relating thereto; and*

17 (3) *provide for democracy and governance pro-*  
 18 *grams in Zimbabwe.*

19 (b) *FUNDING.*—*Of the funds authorized to be appro-*  
 20 *priated to carry out part I and chapter 4 of part II of*  
 21 *the Foreign Assistance Act of 1961 for fiscal year 2002—*

22 (1) *\$20,000,000 is authorized to be available to*  
 23 *provide the assistance described in subsection (a)(2);*  
 24 *and*

25 (2) *\$6,000,000 is authorized to be available to*  
 26 *provide the assistance described in subsection (a)(3).*



1       (c) *SUPERSEDES OTHER LAWS.*—*The authority in*  
 2 *this section supersedes any other provision of law.*

3 **SEC. 6. SENSE OF CONGRESS ON THE ACTIONS TO BE**  
 4 **TAKEN AGAINST INDIVIDUALS RESPONSIBLE**  
 5 **FOR VIOLENCE AND THE BREAKDOWN OF**  
 6 **THE RULE OF LAW IN ZIMBABWE.**

7       *It is the sense of Congress that the President should*  
 8 *begin immediate consultation with the governments of Eu-*  
 9 *ropean Union member states, Canada, and other appro-*  
 10 *priate foreign countries on ways in which to—*

11           (1) *identify and share information regarding in-*  
 12 *dividuals responsible for the deliberate breakdown of*  
 13 *the rule of law, politically motivated violence, and in-*  
 14 *timidation in Zimbabwe;*

15           (2) *identify assets of those individuals held out-*  
 16 *side Zimbabwe;*

17           (3) *implement travel and economic sanctions*  
 18 *against those individuals and their associates and*  
 19 *families; and*

20           (4) *provide for the eventual removal or amend-*  
 21 *ment of those sanctions.*

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