

Calendar No. 90

107TH CONGRESS
1ST SESSION**S. 494**

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

IN THE SENATE OF THE UNITED STATES

MARCH 8, 2001

Mr. FRIST (for himself, Mr. FEINGOLD, Mr. HELMS, Mrs. CLINTON, and Mr.
BIDEN) introduced the following bill; which was read twice and referred
to the Committee on Foreign Relations

JULY 16, 2001

Reported by Mr. BIDEN, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Zimbabwe Democracy
5 and Economic Recovery Act of 2001”.

1 **SEC. 2. STATEMENT OF POLICY.**

2 It is the policy of the United States to support the
3 people of Zimbabwe in their struggle to effect peaceful,
4 democratic change, achieve broad-based and equitable eco-
5 nomic growth, and restore the rule of law.

6 **SEC. 3. DEFINITIONS.**

7 In this Act:

8 (1) ~~INTERNATIONAL FINANCIAL INSTITU-~~
9 ~~TIONS.~~—The term “international financial institu-
10 tions” means the multilateral development banks
11 and the International Monetary Fund.

12 (2) ~~MULTILATERAL DEVELOPMENT BANKS.~~—
13 The term “multilateral development banks” means
14 the International Bank for Reconstruction and De-
15 velopment, the International Development Associa-
16 tion, the International Finance Corporation, the
17 Inter-American Development Bank, the Asian Devel-
18 opment Bank, the Inter-American Investment Cor-
19 poration, the African Development Bank, the Afri-
20 can Development Fund, the European Bank for Re-
21 construction and Development, and the Multilateral
22 Investment Guaranty Agency.

23 **SEC. 4. SUPPORT FOR DEMOCRATIC TRANSITION AND ECO-**
24 **NOMIC RECOVERY.**

25 (a) ~~FINDINGS.~~—Congress makes the following find-
26 ings:

1 (1) Through economic mismanagement, un-
2 democratic practices, and the costly deployment of
3 troops to the Democratic Republic of the Congo, the
4 Government of Zimbabwe has rendered itself ineli-
5 gible to participate in International Bank for Recon-
6 struction and Development and International Mone-
7 tary Fund programs, which would otherwise be pro-
8 viding substantial resources to assist in the recovery
9 and modernization of Zimbabwe's economy. The peo-
10 ple of Zimbabwe have thus been denied the economic
11 and democratic benefits envisioned by the donors to
12 such programs, including the United States.

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

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

22 (4) In May 2000, the IDA suspended all other
23 new lending to the Government of Zimbabwe.

24 (5) In September 2000, the IDA suspended dis-
25 bursement of funds for ongoing projects under pre-

1 viously-approved loans, credits, and guarantees to
 2 the Government of Zimbabwe.

3 ~~(b) SUPPORT FOR DEMOCRATIC TRANSITION AND~~
 4 ~~ECONOMIC RECOVERY.~~—Upon receipt by the appropriate
 5 congressional committees of a certification described in
 6 subsection (d), the following shall apply:

7 ~~(1) DEBT RELIEF AND OTHER FINANCIAL AS-~~
 8 ~~SISTANCE.~~—The Secretary of the Treasury shall—

9 ~~(A) undertake a review of the feasibility of~~
 10 ~~restructuring, rescheduling, or eliminating the~~
 11 ~~sovereign debt of Zimbabwe held by any agency~~
 12 ~~of the United States Government;~~

13 ~~(B) direct the United States executive di-~~
 14 ~~rector of each multilateral development bank to~~
 15 ~~propose that the bank should undertake a re-~~
 16 ~~view of the feasibility of restructuring, resched-~~
 17 ~~uling, or eliminating the sovereign debt of~~
 18 ~~Zimbabwe held by that bank; and~~

19 ~~(C) direct the United States executive di-~~
 20 ~~rector of each international financial institution~~
 21 ~~to which the United States is a member to pro-~~
 22 ~~pose to undertake financial and technical sup-~~
 23 ~~port for Zimbabwe, especially support that is~~
 24 ~~intended to promote Zimbabwe's economic re-~~
 25 ~~covery and development, the stabilization of the~~

1 Zimbabwean dollar, and the viability of
2 Zimbabwe's democratic institutions.

3 ~~(2) ESTABLISHMENT OF A SOUTHERN AFRICA~~
4 ~~FINANCE CENTER.~~—The President should direct the
5 establishment of a Southern Africa Finance Center
6 located in Zimbabwe that will include regional offices
7 of the Overseas Private Investment Corporation, the
8 Export-Import Bank of the United States, and the
9 Trade and Development Agency for the purpose of
10 facilitating the development of commercial projects
11 in Zimbabwe and the southern Africa region.

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

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

22 (2) any cancellation or reduction of indebted-
23 ness owed by the Government of Zimbabwe to the
24 United States or any international financial institu-
25 tion.

1 (d) ~~PRESIDENTIAL CERTIFICATION THAT CERTAIN~~
 2 ~~CONDITIONS ARE SATISFIED.~~—A certification under this
 3 subsection is a certification transmitted to the appropriate
 4 congressional committees of a determination made by the
 5 President that the following conditions are satisfied:

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

13 (2) ~~ELECTION OR PRE-ELECTION CONDI-~~
 14 ~~TIONS.~~—Either of the following two conditions is
 15 satisfied:

16 (A) ~~PRESIDENTIAL ELECTION.~~—Zimbabwe
 17 has held a presidential election that is widely
 18 accepted as free and fair by independent inter-
 19 national monitors, and the president-elect is
 20 free to assume the duties of the office.

21 (B) ~~PRE-ELECTION CONDITIONS.~~—In the
 22 event the certification is made before the presi-
 23 dential election takes place, the Government of
 24 Zimbabwe has sufficiently improved the pre-
 25 election environment to a degree consistent with

1 accepted international standards for security
2 and freedom of movement and association.

3 ~~(3) COMMITMENT TO EQUITABLE, LEGAL, AND~~
4 ~~TRANSPARENT LAND REFORM.~~—The Government of
5 Zimbabwe has demonstrated a commitment to an
6 equitable, legal, and transparent land reform pro-
7 gram consistent with agreements reached at the
8 International Donors' Conference on Land Reform
9 and Resettlement in Zimbabwe held in Harare,
10 Zimbabwe, in September 1998.

11 ~~(4) FULFILLMENT OF AGREEMENT ENDING~~
12 ~~WAR IN DEMOCRATIC REPUBLIC OF CONGO.~~—The
13 Government of Zimbabwe is making a good faith ef-
14 fort to fulfill the terms of the Lusaka, Zambia,
15 agreement on ending the war in the Democratic Re-
16 public of Congo.

17 ~~(5) MILITARY AND NATIONAL POLICE SUBORDI-~~
18 ~~NATE TO CIVILIAN GOVERNMENT.~~—The Zimbabwean
19 Armed Forces, the National Police of Zimbabwe,
20 and other state security forces are responsible to and
21 serve the elected civilian government.

22 ~~(c) WAIVER.~~—The President may waive the provi-
23 sions of subsection (b) or subsection (c), if the President
24 determines that it is in the national interest of the United
25 States 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
5 provide assistance under part I and chapter 4 of part II
6 of 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
12 land and the resettlement of individuals, consistent
13 with the International Donors' Conference on Land
14 Reform and Resettlement in Zimbabwe held in
15 Harare, Zimbabwe, in September 1998, or any sub-
16 sequent agreement relating thereto; and

17 (3) for democracy and governance programs in
18 Zimbabwe.

19 (b) FUNDING.—Of the funds made available to carry
20 out part I and chapter 4 of part II of the Foreign Assist-
21 ance Act of 1961 for fiscal year 2002—

22 (1) not less than \$20,000,000 is authorized to
23 be available to provide the assistance described in
24 subsection (a)(2); and

1 (2) not less than \$6,000,000 is authorized to be
 2 available to provide the assistance described in sub-
 3 section (a)(3).

4 (c) SUPERSEDES OTHER LAWS.—The authority in
 5 this section supersedes any other provision of law.

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

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

14 (1) identify and share information regarding in-
 15 dividuals responsible for the deliberate breakdown of
 16 the rule of law, politically motivated violence, and in-
 17 timidation in Zimbabwe;

18 (2) identify assets of those individuals held out-
 19 side Zimbabwe;

20 (3) implement travel and economic sanctions
 21 against those individuals and their associates and
 22 families; and

23 (4) provide for the eventual removal or amend-
 24 ment of those sanctions.

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.*—*Upon receipt by the appropriate con-*
 7 *gressional committees of a certification described in sub-*
 8 *section (d), the following shall apply:*

9 (1) *DEBT RELIEF AND OTHER FINANCIAL ASSIST-*
 10 *ANCE.*—*The Secretary of the Treasury shall—*

11 (A) *undertake a review of the feasibility of*
 12 *restructuring, rescheduling, or eliminating the*
 13 *sovereign debt of Zimbabwe held by any agency*
 14 *of the United States Government;*

15 (B) *direct the United States executive direc-*
 16 *tor of each multilateral development bank to pro-*
 17 *pose that the bank should undertake a review of*
 18 *the feasibility of restructuring, rescheduling, or*
 19 *eliminating the sovereign debt of Zimbabwe held*
 20 *by that bank; and*

21 (C) *direct the United States executive direc-*
 22 *tor of each international financial institution to*
 23 *which the United States is a member to propose*
 24 *to undertake financial and technical support for*
 25 *Zimbabwe, especially support that is intended to*

1 *promote Zimbabwe's economic recovery and de-*
 2 *velopment, the stabilization of the Zimbabwean*
 3 *dollar, and the viability of Zimbabwe's demo-*
 4 *cratic institutions.*

5 (2) *ESTABLISHMENT OF A SOUTHERN AFRICA FI-*
 6 *NANCE CENTER.—The President should direct the es-*
 7 *tablishment of a Southern Africa Finance Center lo-*
 8 *cated in Zimbabwe that will include regional offices*
 9 *of the Overseas Private Investment Corporation, the*
 10 *Export-Import Bank of the United States, and the*
 11 *Trade and Development Agency for the purpose of fa-*
 12 *cilitating the development of commercial projects in*
 13 *Zimbabwe and the southern Africa region.*

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

21 (1) *any extension by the respective institution of*
 22 *any loan, credit, or guarantee to the Government of*
 23 *Zimbabwe; or*

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

4 (d) *PRESIDENTIAL CERTIFICATION THAT CERTAIN*
 5 *CONDITIONS ARE SATISFIED.*—*A certification under this*
 6 *subsection is a certification transmitted to the appropriate*
 7 *congressional committees of a determination made by the*
 8 *President that the following conditions are satisfied:*

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

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

18 (A) *PRESIDENTIAL ELECTION.*—*Zimbabwe*
 19 *has held a presidential election that is widely ac-*
 20 *cepted as free and fair by independent inter-*
 21 *national monitors, and the president-elect is free*
 22 *to assume the duties of the office.*

23 (B) *PRE-ELECTION CONDITIONS.*—*In the*
 24 *event the certification is made before the presi-*
 25 *dential election takes place, the Government of*

1 *Zimbabwe has sufficiently improved the pre-election*
 2 *environment to a degree consistent with ac-*
 3 *cepted international standards for security and*
 4 *freedom of movement and association.*

5 (3) *COMMITMENT TO EQUITABLE, LEGAL, AND*
 6 *TRANSPARENT LAND REFORM.—The Government of*
 7 *Zimbabwe has demonstrated a commitment to an eq-*
 8 *uitable, legal, and transparent land reform program*
 9 *consistent with agreements reached at the Inter-*
 10 *national Donors' Conference on Land Reform and Re-*
 11 *settlement in Zimbabwe held in Harare, Zimbabwe,*
 12 *in September 1998.*

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

18 (5) *MILITARY AND NATIONAL POLICE SUBORDI-*
 19 *NATE TO CIVILIAN GOVERNMENT.—The Zimbabwean*
 20 *Armed Forces, the National Police of Zimbabwe, and*
 21 *other state security forces are responsible to and serve*
 22 *the elected civilian government.*

23 (e) *WAIVER.—The President may waive the provisions*
 24 *of subsection (b) or subsection (c), if the President deter-*

1 *mines that it is in the national interest of the United States*
 2 *to do so.*

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

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

9 (1) *support an independent and free press and*
 10 *electronic media in Zimbabwe;*

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

19 (3) *for democracy and governance programs in*
 20 *Zimbabwe.*

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

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

4 (2) \$6,000,000 is authorized to be available to
 5 provide the assistance described in subsection (a)(3).

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

8 **SEC. 6. SENSE OF CONGRESS ON THE ACTIONS TO BE**
 9 **TAKEN AGAINST INDIVIDUALS RESPONSIBLE**
 10 **FOR VIOLENCE AND THE BREAKDOWN OF**
 11 **THE RULE OF LAW IN ZIMBABWE.**

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

16 (1) *identify and share information regarding in-*
 17 *dividuals responsible for the deliberate breakdown of*
 18 *the rule of law, politically motivated violence, and in-*
 19 *timidation in Zimbabwe;*

20 (2) *identify assets of those individuals held out-*
 21 *side Zimbabwe;*

22 (3) *implement travel and economic sanctions*
 23 *against those individuals and their associates and*
 24 *families; and*

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

Calendar No. 90

107TH CONGRESS
1ST SESSION

S. 494

A BILL

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

JULY 16, 2001

Reported with an amendment