

§ 262p-7. Reform of the Enhanced Structural Adjustment Facility

The Secretary of the Treasury shall instruct the United States Executive Directors at the International Bank for Reconstruction and Development (World Bank) and the International Monetary Fund (IMF) to use the voice and vote of the United States to promote the establishment of poverty reduction strategy policies and procedures at the World Bank and the IMF that support countries' efforts under programs developed and jointly administered by the World Bank and the IMF that have the following components:

(1) The development of country-specific poverty reduction strategies (Poverty Reduction Strategies) under the leadership of such countries that—

(A) will be set out in poverty reduction strategy papers (PRSPs) that provide the basis for the lending operations of the International Development Association (IDA) and the reformed Enhanced Structural Adjustment Facility (ESAF);

(B) will reflect the World Bank's role in poverty reduction and the IMF's role in macroeconomic issues;

(C) will make the IMF's and the World Bank's advice and operations fully consistent with the objectives of poverty reduction through broad-based economic growth; and

(D) should include—

(i) implementation of transparent budgetary procedures and mechanisms to help ensure that the financial benefits of debt relief under the modified Heavily Indebted Poor Countries Initiative (as defined in section 262p-6 of this title) are applied to programs that combat poverty; and

(ii) monitorable indicators of progress in poverty reduction.

(2) The adoption of procedures for periodic comprehensive reviews of reformed ESAF and IDA programs to help ensure progress toward longer-term poverty goals outlined in the Poverty Reduction Strategies and to allow adjustments in such programs.

(3) The publication of the PRSPs prior to Executive Board review of related programs under IDA and the reformed ESAF.

(4) The establishment of a standing evaluation unit at the IMF, similar to the Operations Evaluation Department of the World Bank, that would report directly to the Executive Board of the IMF and that would undertake periodic reviews of IMF operations, including the operations of the reformed ESAF, including—

(A) assessments of experience under the reformed ESAF programs in the areas of poverty reduction, economic growth, and access to basic social services;

(B) assessments of the extent and quality of participation in program design by citizens;

(C) verifications that reformed ESAF programs are designed in a manner consistent with the Poverty Reduction Strategies; and

(D) prompt release to the public of all reviews by the standing evaluation unit.

(5) The promotion of clearer conditionality in IDA and reformed ESAF programs that focuses on reforms most likely to support poverty reduction through broad-based economic growth.

(6) The adoption by the IMF of policies aimed at reforming ESAF so that reformed ESAF programs are consistent with the Poverty Reduction Strategies.

(7) The adoption by the World Bank of policies to help ensure that its lending operations in countries eligible for debt relief under the modified Heavily Indebted Poor Countries Initiative are consistent with the Poverty Reduction Strategies.

(8) Strengthening the linkage between borrower country performance and lending operations by IDA and the reformed ESAF on the basis of clear and monitorable indicators.¹

(9) Full public disclosure of the proposed objectives and financial organization of the successor to the ESAF at least 90 days before any decision by the Executive Board of the IMF to consider its adoption.

(Pub. L. 95-118, title XVI, § 1624, as added Pub. L. 106-113, div. B, § 1000(a)(5) [title V, § 502], Nov. 29, 1999, 113 Stat. 1536, 1501A-314.)

DEFINITIONS

The definitions in section 262p-5 of this title apply to this section.

§ 262p-8. Modification of the Enhanced HIPC Initiative

(a) Authority

(1) In general

The Secretary of the Treasury should immediately commence efforts within the Paris Club of Official Creditors, the International Bank for Reconstruction and Development, the International Monetary Fund, and other appropriate multilateral development institutions to modify the Enhanced HIPC Initiative so that the amount of debt stock reduction approved for a country eligible for debt relief under the Enhanced HIPC Initiative shall be sufficient to reduce, for each of the first 3 years after May 27, 2003, or the Decision Point, whichever is later—

(A) the net present value of the outstanding public and publicly guaranteed debt of the country—

(i) as of the decision point¹ if the country has already reached its decision point;¹ or

(ii) as of May 27, 2003, if the country has not reached its decision point,¹

to not more than 150 percent of the annual value of exports of the country for the year preceding the Decision Point; and

(B) the annual payments due on such public and publicly guaranteed debt to not more than—

(i) 10 percent or, in the case of a country suffering a public health crisis (as defined in subsection (e) of this section), not more

¹ So in original. Probably should be "indicators".

¹ So in original. The words "decision point" probably should be capitalized.