

## CODIFICATION

Section 1607 of Pub. L. 95-118 is based on section 7 of H.R. 4645, One Hundredth Congress, as reported Sept. 28, 1988, and enacted into law by Pub. L. 100-461.

## DEFINITIONS

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

**§ 262p-4c. Initiation of discussions to facilitate debt-for-development swaps for human welfare and environmental conservation**

**(a) Findings**

The Congress finds that—

(1) voluntary debt-for-development swaps in heavily indebted developing nations can simultaneously facilitate reduction of the burden of external indebtedness and increase the resources available within the country for charitable, educational, and scientific purposes, including environmental conservation, education, human welfare, health, agricultural research and development, microenterprise credit, and development of indigenous non-profit organizations; and

(2) heavily indebted developing countries may desire to facilitate such swaps to the maximum extent consistent with sound domestic economic management and minimization of inflationary impact.

**(b) Initiation of discussions to facilitate debt-for-development swaps for human welfare and environmental conservation**

**(1) In general**

The Secretary of the Treasury shall instruct the United States Executive Director of the International Bank for Reconstruction and Development to initiate discussions with the directors of such bank, the International Development Association, and the International Finance Corporation and propose that such institutions provide advice and assistance, as appropriate, to borrowing country governments desiring to facilitate debt-for-development swaps, on mechanisms (including trust funds) to accomplish this purpose, particularly in the context of debt rescheduling, which mechanisms result in sound management of the macroeconomic impact of such swaps on such countries, and preserve the value of the capital obtained through such swaps.

**(2) Definitions**

As used in this section:

**(A) Debt-for-development swap**

The term “debt-for-development swap” means the purchase of qualified debt by, or the donation of such debt to, an organization described in section 501(c)(3) of title 26 which is exempt from taxation under section 501(a) of title 26, and the subsequent transfer of such debt to an organization located in such foreign country in exchange for an undertaking by such tax-exempt organization, such foreign government, or such foreign organization to engage in a charitable, educational, or scientific activity.

**(B) Qualified debt**

The term “qualified debt” means—

(i) sovereign debt issued by a foreign government;

(ii) debt owed by private institutions in the country governed by such foreign government; and

(iii) debt owed by institutions in the country governed by such foreign government, which are owned, in part, by private persons and, in part, by public institutions.

(Pub. L. 95-118, title XVI, § 1608, as added Pub. L. 100-461, title V, § 555, Oct. 1, 1988, 102 Stat. 2268-36.)

## CODIFICATION

Section 1608 of Pub. L. 95-118 is based on section 8 of H.R. 4645, One Hundredth Congress, as reported Sept. 28, 1988, and enacted into law by Pub. L. 100-461.

## DEFINITIONS

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

**§ 262p-4d. Initiation of discussions to facilitate financing of human welfare and natural resource programs in sub-Saharan Africa in connection with debt reduction and conversion**

**(a) Findings**

The Congress finds that—

(1) the heavy burden of debt borne by sub-Saharan governments undermines efforts by such governments to finance projects and programs designed to promote charitable, educational, and scientific purposes, including education, human welfare, health, agricultural research and development, and conservation, restoration and enhancement of the natural resource base; and

(2) the financing of programs to promote such charitable, educational, and scientific purposes should be facilitated in the context of reducing and converting sovereign debt of sub-Saharan governments, as encouraged in the final communique of the June 1988 economic summit conference in Toronto, Canada, through such means as—

(A) concessional interest rates;

(B) extended repayment periods; or

(C) partial or complete write-offs of debt service obligations.

**(b) Initiation of discussions to facilitate financing of human welfare and natural resource programs in sub-Saharan Africa in connection with debt reduction and conversion**

The Secretary of the Treasury shall instruct the United States Executive Director of the African Development Bank and the African Development Fund to initiate discussions with the directors of such institutions and propose that such institutions, jointly with the International Bank for Reconstruction and Development, the International Development Association, and the International Finance Corporation, as appropriate, provide advice and assistance to government creditors holding sovereign debt of any sub-Saharan government, and to sub-Saharan governments which desire to finance programs with local currencies obtained through debt reduction and conversion to promote charitable,