

(July 31, 1945, ch. 339, §48, as added Pub. L. 98-181, title I [title VIII, §810], Nov. 30, 1983, 97 Stat. 1274.)

§ 286gg. Elimination of trade restrictions

(a) Promotion of fair trade as financial assistance policy

(1) The Secretary of the Treasury shall instruct the United States Executive Director of each of the multilateral development banks (in this section referred to as the “banks”) and of the Fund to initiate a wide consultation with the Managing Director of each of the banks and of the Fund and the other directors of the banks and of the Fund with regard to the development of financial assistance policies which, to the maximum feasible extent—

(A) reduce obstacles to and restrictions upon international trade and investment in goods and services;

(B) eliminate unfair trade and investment practices; and

(C) promote mutually advantageous economic relations.

(2) The Secretary of the Treasury shall work closely in this effort with the Trade Policy Committee.

(3) As part of this effort, the Secretary of the Treasury shall also instruct the United States Executive Director of each of the banks and of the Fund to encourage close cooperation between their staff and the Secretariat of the World Trade Organization (as the term “World Trade Organization” is defined in section 3501(8) of title 19).

(b) Agreement to eliminate unfair trade practices as condition of financial assistance

(1) The Secretary of the Treasury shall instruct the United States Executive Director of each of the banks and of the Fund, prior to the extension to any country of financial assistance by the banks and by the Fund, to work to have the banks and the Fund obtain the agreement of such country to eliminate, in a manner consistent with its balance of payments adjustment program, unfair trade and investment practices with respect to goods and services which the United States Trade Representative, after consultation with the Trade Policy Committee, has determined to have a significant deleterious effect on the international trading system.

(2) Such practices include—

(A) the provision of predatory export subsidies, employed in connection with the exporting of agricultural commodities and products thereof to foreign countries;

(B) the provision of other export subsidies, such as government subsidized below-market interest rate financing for commodities or manufactured goods;

(C) unreasonable import restrictions;

(D) the imposition of trade-related performance requirements on foreign investment; and

(E) practices which are inconsistent with international agreements.

(c) United States position on requests for loans or drawing under bank and Fund programs; progress made in eliminating unfair trade practices

(1) In determining the United States position on requests for loans or periodic drawing under

bank and Fund programs, the Secretary of the Treasury shall take full account of the progress countries have made in achieving targets for eliminating or phasing out the practices referred to in subsection (b) of this section.

(2) In the event that the United States supports a request for loans or drawing by a country that has not achieved the bank and Fund targets relating to such practices specified in its program, the Secretary of the Treasury shall report to the appropriate committees of the Congress the reasons for the United States position.

(d) “Multilateral development banks” defined

For purposes of this section, the term “multilateral development banks” means the International Bank for Reconstruction and Development, the Inter-American Development Bank, the African Development Bank, and the Asian Development Bank.

(July 31, 1945, ch. 339, §49, as added Pub. L. 98-181, title I [title VIII, §812], Nov. 30, 1983, 97 Stat. 1275; amended Pub. L. 99-500, §101(f) [title V, §555], Oct. 18, 1986, 100 Stat. 1783-213, 1783-240, and Pub. L. 99-591, §101(f) [title V, §555], Oct. 30, 1986, 100 Stat. 3341-214, 3341-240; Pub. L. 106-36, title I, §1002(c), June 25, 1999, 113 Stat. 133.)

CODIFICATION

Pub. L. 99-591 is a corrected version of Pub. L. 99-500.

AMENDMENTS

1999—Subsec. (a)(3). Pub. L. 106-36 substituted “Secretariat of the World Trade Organization (as the term ‘World Trade Organization’ is defined in section 3501(8) of title 19)” for “GATT Secretariat”.

1986—Subsec. (a)(1). Pub. L. 99-500 and Pub. L. 99-591, §101(f) [title V, §555(b)], inserted “each of the multilateral development banks (in this section referred to as the ‘banks’) and of”, “each of the banks and of”, and “banks and of the”, and substituted “development of financial” for “development of Fund financial”.

Subsec. (a)(3). Pub. L. 99-500 and Pub. L. 99-591, §101(f) [title V, §555(c)], inserted “each of the banks and of” and substituted “their staff” for “Fund staff”.

Subsec. (b)(1). Pub. L. 99-500 and Pub. L. 99-591, §101(f) [title V, §555(d)], inserted “each of the banks and of”, “the banks and by”, and “the banks and”.

Subsec. (c). Pub. L. 99-500 and Pub. L. 99-591, §101(f) [title V, §555(e), (f)], inserted “bank and” and “loans or” in pars. (1) and (2).

Subsec. (d). Pub. L. 99-500 and Pub. L. 99-591, §101(f) [title V, §555(a)], added subsec. (d).

§ 286hh. Policy based lending for debt reduction

(a) Criteria

The Secretary of the Treasury shall instruct the United States Executive Director of the International Bank for Reconstruction and Development to initiate discussions with other directors of such bank and to advocate and support the facilitation of voluntary market-based programs for the reduction of sovereign debt and the promotion of sustainable economic development, which, if implemented, would—

(1) not require any organization or government to participate in such a program;

(2) result in debt reduction for each participating country tailored to the particular situation of each country;

(3) provide assistance to participating countries conditioned on the implementation of economic reforms, and the preservation of eco-