

§ 262p-4b. Directives regarding government-owned enterprises in countries receiving World Bank loans

(a) Finding

The Congress finds that a principal focus of United States Government policy in the multilateral development banks has been and should be to foster greater development of the private sector in member borrowing countries of such banks.

(b) Technical assistance to transform government-owned enterprises into privately owned enterprises

In order to assist and strengthen the advancement of ongoing efforts to have the International Bank for Reconstruction and Development play a key role in building a viable private sector in member borrowing countries of such bank, and to further assist such bank in its determination to facilitate the transfer of government-owned enterprises in such countries to private ownership, the Secretary of the Treasury shall instruct the United States Executive Director of such bank to vigorously encourage the provision of technical assistance to such countries (relying, where appropriate, on the expertise of the International Finance Corporation or the Multilateral Investment Guarantee Agency) to transform enterprises owned, in whole or part, by the governments of such countries into privately owned, self-sufficient enterprises. Such technical assistance may involve the valuation of the assets of such government-owned enterprises, the assessment of tender offers, and the creation or strengthening of market-based mechanisms to facilitate such a transfer of ownership.

(c) Reports

(1) In general

The United States Executive Director of the International Bank for Reconstruction and Development shall submit 3 reports to the Congress on—

(A) the progress made in transforming government-owned enterprises into privately owned enterprises as described in subsection (b);

(B) the performance of the privately owned enterprises resulting from such transformation; and

(C) the contributions of development finance companies toward strengthening the private sector in member borrowing countries.

(2) Timing

The United States Executive Director of the International Bank for Reconstruction and Development shall submit to the Congress the first report required by paragraph (1) within 1 year after October 1, 1988, and shall submit additional reports 12 months, and 24 months, after the date the first report is submitted.

(Pub. L. 95-118, title XVI, § 1607, as added Pub. L. 100-461, title V, § 555, Oct. 1, 1988, 102 Stat. 2268-36.)

Editorial Notes

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.

Statutory Notes and Related Subsidiaries

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.