

107TH CONGRESS  
1ST SESSION

# S. 494

---

## AN ACT

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-  
25bursement 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          (e) 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 authorized to be appro-  
20 priated to carry out part I and chapter 4 of part II of  
21 the Foreign Assistance Act of 1961 for fiscal year 2002—

22 (1) \$20,000,000 is authorized to be available to  
23 provide the assistance described in subsection (a)(2);  
24 and

25 (2) \$6,000,000 is authorized to be available to  
26 provide the assistance described in subsection (a)(3).

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

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

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

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

15           (2) identify assets of those individuals held out-  
16 side Zimbabwe;

17           (3) implement travel and economic sanctions  
18 against those individuals and their associates and  
19 families; and

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

Passed the Senate August 1, 2001.

Attest:

*Secretary.*

107TH CONGRESS  
1ST SESSION

**S. 494**

---

---

**AN ACT**

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