

117TH CONGRESS
2D SESSION

H. R. 6549

To provide support for international initiatives to provide debt relief to developing countries with unsustainable levels of debt, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 1, 2022

Ms. OCASIO-CORTEZ introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To provide support for international initiatives to provide debt relief to developing countries with unsustainable levels of debt, and for other purposes.

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. SUPPORT FOR INTERNATIONAL INITIATIVES**
4 **TO PROVIDE DEBT RELIEF TO DEVELOPING**
5 **COUNTRIES WITH UNSUSTAINABLE LEVELS**
6 **OF DEBT.**

7 (a) DEBT RELIEF.—The Secretary of the Treasury,
8 in consultation with the Secretary of State, shall—

9 (1) engage with international financial institu-
10 tions and official and commercial creditors to ad-

1 vance support for prompt and effective implementa-
2 tion and improvement of the Common Framework
3 for Debt Treatments beyond the Debt Service Sus-
4 pension Initiative (in this section referred to as the
5 “Common Framework”), and any successor frame-
6 work or similar coordinated international debt treat-
7 ment process through the establishment and publica-
8 tion of clear and accountable—

9 (A) debt treatment benchmarks designed
10 to achieve debt sustainability for each partici-
11 pating debtor;

12 (B) standards for equitable burden sharing
13 among all creditors with material claims on
14 each participating debtor, without regard for
15 their official, private, or hybrid status;

16 (C) robust debt disclosure, including but
17 not limited to inter-creditor data sharing and a
18 broad presumption in favor of public disclosure
19 of material terms and conditions of claims on
20 participating debtors;

21 (D) expanded eligibility criteria to include
22 all countries with unsustainable levels of sov-
23 ereign debt;

24 (E) standards for comprehensive creditor
25 participation consistent with robust application

1 of the policies of the International Monetary
2 Funds relating to lending into arrears; and

3 (F) consistent enforcement and improve-
4 ment of the policies of multilateral institutions
5 relating to asset-based and revenue-based bor-
6 rowing by participating debtors, and coordi-
7 nated standards on restructuring collateralized
8 debt;

9 (2) engage with international financial institu-
10 tions and official and commercial creditors to ad-
11 vance support for a comprehensive and effective debt
12 payment standstill for each participating debtor
13 from the time of its application for, and until the
14 completion of its negotiations under, the Common
15 Framework, or any successor framework or similar
16 coordinated international debt treatment process:
17 provided, however, that any such standstill should
18 incentivize prompt and comprehensive debt restruc-
19 turing agreement and provide temporary cash flow
20 relief for the debtor, without exacerbating its vulner-
21 ability to debt distress; and

22 (3) instruct the United States Executive Direc-
23 tor at the International Monetary Fund and the
24 United States Executive Director at the World Bank
25 to use the voice and vote of the United States to ad-

1 vance the efforts described in paragraphs (1) and
2 (2), including by urging international financial insti-
3 tutions to participate in debt relief, without under-
4 mining their ability to continue to provide new and
5 additional flows of aid and assistance.

6 (b) REPORTING REQUIREMENT.—Not later than 120
7 days after the date of the enactment of this Act, and annu-
8 ally thereafter until the end of the COVID–19 pandemic,
9 as determined by the World Health Organization, the Sec-
10 retary of the Treasury, in coordination with the Secretary
11 of State, shall submit to the Committees on Banking,
12 Housing, and Urban Affairs and Foreign Relations of the
13 Senate and the Committees on Financial Services and
14 Foreign Affairs of the House of Representatives a report
15 that describes—

16 (1) actions that have been taken, in coordina-
17 tion with international financial institutions, by offi-
18 cial creditors, including the government of, and
19 state-owned enterprises in, the People’s Republic of
20 China, and relevant commercial creditor groups to
21 advance debt relief for countries with unsustainable
22 debt that have sought relief under the Common
23 Framework, any successor framework or mechanism,
24 or under any other coordinated international ar-
25 rangement for sovereign debt restructuring;

1 (2) any implementation challenges that hinder
2 the ability of the Common Framework to provide
3 timely debt restructuring for any country with
4 unsustainable debt that seeks debt relief or debt
5 payment relief, including any refusal of any creditors
6 to participate in equitable burden sharing, including
7 but not limited to failure to share (or publish, as ap-
8 propriate) all material information needed to assess
9 debt sustainability and inter-creditor equity;

10 (3) recommendations on how to address chal-
11 lenges identified in paragraph (2);

12 (4) any United States policy concerns with re-
13 spect to providing debt relief to specific countries;
14 and

15 (5) the transparency and accountability meas-
16 ures established or proposed to ensure that resources
17 freed up by the debt relief described in paragraph
18 (1) are used for activities that respond to the health,
19 economic, and social effects of the COVID–19 pan-
20 demic, climate change resiliency, or help ensure eq-
21 uitable recoveries and growth.

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