

AMENDMENT NO. \_\_\_\_\_ Calendar No. \_\_\_\_\_

Purpose: In the nature of a substitute.

**IN THE SENATE OF THE UNITED STATES—117th Cong., 1st Sess.**

**S. 1041**

To advance the strategic alignment of United States diplomatic tools toward the realization of free, fair, and transparent elections in Nicaragua and to reaffirm the commitment of the United States to protect the fundamental freedoms and human rights of the people of Nicaragua, and for other purposes.

Referred to the Committee on \_\_\_\_\_ and  
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT IN THE NATURE OF A SUBSTITUTE intended  
to be proposed by Mr. MENENDEZ

Viz:

1 Strike all after the enacting clause and insert the fol-  
2 lowing:

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Reinforcing Nicaragua’s Adherence to Conditions for  
6 Electoral Reform Act of 2021” or the “RENACER Act”.

7 (b) TABLE OF CONTENTS.—The table of contents for  
8 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Sense of Congress.

- Sec. 3. Review of participation of Nicaragua in Dominican Republic-Central America-United States Free Trade Agreement.
- Sec. 4. Restrictions on international financial institutions relating to Nicaragua.
- Sec. 5. Targeted sanctions to advance democratic elections.
- Sec. 6. Developing and implementing a coordinated sanctions strategy with diplomatic partners.
- Sec. 7. Inclusion of Nicaragua in list of countries subject to certain sanctions relating to corruption.
- Sec. 8. Classified report on the involvement of Ortega family members and Nicaraguan government officials in corruption.
- Sec. 9. Classified report on the activities of the Russian Federation in Nicaragua.
- Sec. 10. Report on human rights abuses in Nicaragua.
- Sec. 11. Supporting independent news media and freedom of information in Nicaragua.
- Sec. 12. Amendment to short title of Public Law 115–335.
- Sec. 13. Definition.

1 **SEC. 2. SENSE OF CONGRESS.**

2 It is the sense of Congress that—

3 (1) ongoing efforts by the government of Presi-  
4 dent Daniel Ortega in Nicaragua to suppress the  
5 voice and actions of political opponents, civil society,  
6 and independent news media violate the fundamental  
7 freedoms and basic human rights of the people of  
8 Nicaragua;

9 (2) Congress unequivocally condemns the pas-  
10 sage of the Foreign Agents Regulation Law, the  
11 Special Cybercrimes Law, the Self-Determination  
12 Law, and the Consumer Protection Law by the Na-  
13 tional Assembly of Nicaragua, which represent clear  
14 attempts by the Ortega government to curtail the  
15 fundamental freedoms and basic human rights of the  
16 people of Nicaragua;

1           (3) Congress recognizes that free, fair, and  
2 transparent elections predicated on robust reform  
3 measures and the presence of domestic and inter-  
4 national observers represent the best opportunity for  
5 the people of Nicaragua to restore democracy and  
6 reach a peaceful solution to the political and social  
7 crisis in Nicaragua;

8           (4) the United States should align the use of  
9 diplomatic engagement and all other foreign policy  
10 tools, including the use of targeted sanctions, in sup-  
11 port of efforts by democratic political actors and  
12 civil society in Nicaragua to advance the necessary  
13 conditions for free, fair, and transparent elections in  
14 Nicaragua;

15           (5) the United States, in order to maximize the  
16 effectiveness of efforts described in paragraph (4),  
17 should—

18           (A) coordinate with diplomatic partners,  
19 including the Government of Canada, the Euro-  
20 pean Union, and partners in Latin America and  
21 the Caribbean;

22           (B) advance diplomatic initiatives in con-  
23 sultation with the Organization of American  
24 States and the United Nations; and

1 (C) thoroughly investigate the assets and  
2 holdings of the Nicaraguan Armed Forces in  
3 the United States and consider appropriate ac-  
4 tions to hold such forces accountable for gross  
5 violations of human rights; and

6 (6) pursuant to section 6(b) of the Nicaragua  
7 Investment Conditionality Act of 2018, the Presi-  
8 dent should waive the application of restrictions  
9 under section 4 of that Act and the sanctions under  
10 section 5 of that Act if the Secretary of State cer-  
11 tifies that the Government of Nicaragua is taking  
12 the steps identified in section 6(a) of that Act, in-  
13 cluding taking steps to “to hold free and fair elec-  
14 tions overseen by credible domestic and international  
15 observers”.

16 **SEC. 3. REVIEW OF PARTICIPATION OF NICARAGUA IN DO-**  
17 **MINICAN REPUBLIC-CENTRAL AMERICA-**  
18 **UNITED STATES FREE TRADE AGREEMENT.**

19 (a) FINDINGS.—Congress makes the following find-  
20 ings:

21 (1) On November 27, 2018, the President  
22 signed Executive Order 13851 (50 U.S.C. 1701  
23 note; relating to blocking property of certain persons  
24 contributing to the situation in Nicaragua), which  
25 stated that “the situation in Nicaragua, including

1 the violent response by the Government of Nica-  
2 ragua to the protests that began on April 18, 2018,  
3 and the Ortega regime’s systematic dismantling and  
4 undermining of democratic institutions and the rule  
5 of law, its use of indiscriminate violence and repres-  
6 sive tactics against civilians, as well as its corruption  
7 leading to the destabilization of Nicaragua’s econ-  
8 omy, constitutes an unusual and extraordinary  
9 threat to the national security and foreign policy of  
10 the United States”.

11 (2) Article 21.2 of the Dominican Republic-  
12 Central America-United States Free Trade Agree-  
13 ment approved by Congress under section 101(a)(1)  
14 of the Dominican Republic-Central America-United  
15 States Free Trade Agreement Implementation Act  
16 (19 U.S.C. 4011(a)(1)) states, “Nothing in this  
17 Agreement shall be construed . . . to preclude a  
18 Party from applying measures that it considers nec-  
19 essary for the fulfillment of its obligations with re-  
20 spect to the maintenance or restoration of inter-  
21 national peace or security, or the protection of its  
22 own essential security interests.”.

23 (b) SENSE OF CONGRESS.—It is the sense of Con-  
24 gress that the President should review the continued par-  
25 ticipation of Nicaragua in the Dominican Republic-Central

1 America-United States Free Trade Agreement if the Gov-  
2 ernment of Nicaragua continues to tighten its authori-  
3 tarian rule in an attempt to subvert democratic elections  
4 in November 2021 and undermine democracy and human  
5 rights in Nicaragua.

6 **SEC. 4. RESTRICTIONS ON INTERNATIONAL FINANCIAL IN-**  
7 **STITUTIONS RELATING TO NICARAGUA.**

8 Section 4 of the Nicaragua Investment Conditionality  
9 Act of 2018 is amended—

10 (1) by redesignating subsections (a), (b), and  
11 (c) as subsections (b), (c), and (d), respectively;

12 (2) by inserting before subsection (b), as reded-  
13 icated by paragraph (1), the following:

14 “(a) SENSE OF CONGRESS.—It is the sense of Con-  
15 gress that the Secretary of the Treasury should take all  
16 possible steps, including through the full implementation  
17 of the exceptions set forth in subsection (c), to ensure that  
18 the restrictions required under subsection (b) do not nega-  
19 tively impact the basic human needs of the people of Nica-  
20 ragua.”;

21 (3) in subsection (c), as so redesignated, by  
22 striking “subsection (a)” and inserting “subsection  
23 (b)”;

24 (4) by striking subsection (d), as so reded-  
25 icated, and inserting the following:

1 “(d) INCREASED OVERSIGHT.—

2 “(1) IN GENERAL.—The United States Execu-  
3 tive Director at each international financial institu-  
4 tion of the World Bank Group, the United States  
5 Executive Director at the Inter-American Develop-  
6 ment Bank, and the United States Executive Direc-  
7 tor at each other international financial institution,  
8 including the International Monetary Fund, shall  
9 take all practicable steps—

10 “(A) to increase scrutiny of any loan or fi-  
11 nancial or technical assistance provided for a  
12 project in Nicaragua; and

13 “(B) to ensure that the loan or assistance  
14 is administered through an entity with full tech-  
15 nical, administrative, and financial independ-  
16 ence from the Government of Nicaragua.

17 “(2) MECHANISMS FOR INCREASED SCRU-  
18 TINY.—The United States Executive Director at  
19 each international financial institution described in  
20 paragraph (1) shall use the voice, vote, and influence  
21 of the United States to encourage that institution to  
22 increase oversight mechanisms for new and existing  
23 loans or financial or technical assistance provided  
24 for a project in Nicaragua.

1           “(e) INTERAGENCY CONSULTATION.—Before imple-  
2     menting the restrictions described in subsection (b), or be-  
3     fore exercising an exception under subsection (c), the Sec-  
4     retary of the Treasury shall consult with the Secretary of  
5     State and with the Administrator of the United States  
6     Agency for International Development to ensure that all  
7     loans and financial or technical assistance to Nicaragua  
8     are consistent with United States foreign policy objectives  
9     as defined in section 3.

10          “(f) REPORT.—Not later than 180 days after the  
11     date of the enactment of the RENACER Act, and annu-  
12     ally thereafter until the termination date specified in sec-  
13     tion 10, the Secretary of the Treasury, in coordination  
14     with the Secretary of State and the Administrator of the  
15     United States Agency for International Development, shall  
16     submit to the appropriate congressional committees a re-  
17     port on the implementation of this section, which shall in-  
18     clude—

19                 “(1) summary of any loans and financial and  
20     technical assistance provided by international finan-  
21     cial institutions for projects in Nicaragua;

22                 “(2) a description of the implementation of the  
23     restrictions described in subsection (b);

24                 “(3) an identification of the occasions in which  
25     the exceptions under subsection (c) are exercised



1 and an assessment of how the loan or assistance  
2 provided with each such exception may address basic  
3 human needs or promote democracy in Nicaragua;  
4 and

5 “(4) a description of the results of the in-  
6 creased oversight conducted under subsection (d).”.

7 **SEC. 5. TARGETED SANCTIONS TO ADVANCE DEMOCRATIC**  
8 **ELECTIONS.**

9 (a) COORDINATED STRATEGY.—

10 (1) IN GENERAL.—The Secretary of State and  
11 the Secretary of the Treasury, in consultation with  
12 the intelligence community (as defined in section 3  
13 of the National Security Act of 1947 (50 U.S.C.  
14 3003)), shall develop and implement a coordinated  
15 strategy to align diplomatic engagement efforts with  
16 the implementation of targeted sanctions in order to  
17 support efforts to facilitate the necessary conditions  
18 for free, fair, and transparent elections in Nica-  
19 ragua.

20 (2) BRIEFING REQUIRED.—Not later than 90  
21 days after the date of the enactment of this Act, and  
22 every 90 days thereafter until December 31, 2022,  
23 the Secretary of State and the Secretary of the  
24 Treasury shall brief the Committee on Foreign Rela-  
25 tions of the Senate and the Committee on Foreign

1 Affairs of the House of Representatives on steps to  
2 be taken by the United States Government to de-  
3 velop and implement the coordinated strategy re-  
4 quired by paragraph (1).

5 (b) TARGETED SANCTIONS PRIORITIZATION.—

6 (1) IN GENERAL.—Pursuant to the coordinated  
7 strategy required by subsection (a), the President  
8 shall prioritize the implementation of the targeted  
9 sanctions required under section 5 of the Nicaragua  
10 Investment Conditionality Act of 2018.

11 (2) TARGETS.—In carrying out paragraph (1),  
12 the President—

13 (A) shall examine whether foreign persons  
14 involved in directly or indirectly obstructing the  
15 establishment of conditions necessary for the  
16 realization of free, fair, and transparent elec-  
17 tions in Nicaragua are subject to sanctions  
18 under section 5 of the Nicaragua Investment  
19 Conditionality Act of 2018; and

20 (B) should, in particular, examine whether  
21 the following persons have engaged in conduct  
22 subject to such sanctions:

23 (i) Officials in the government of  
24 President Daniel Ortega.

1 (ii) Family members of President  
2 Daniel Ortega.

3 (iii) High-ranking members of the Na-  
4 tional Nicaraguan Police.

5 (iv) High-ranking members of the  
6 Nicaraguan Armed Forces.

7 (v) Members of the Supreme Electoral  
8 Council of Nicaragua.

9 (vi) Party members and elected offi-  
10 cials from the Sandinista National Libera-  
11 tion Front and their family members.

12 (vii) Individuals or entities affiliated  
13 with businesses engaged in corrupt finan-  
14 cial transactions with officials in the gov-  
15 ernment of President Daniel Ortega, his  
16 party, or his family.

17 (viii) Individuals identified in the re-  
18 port required by section 8 as involved in  
19 significant acts of public corruption in  
20 Nicaragua.

21 **SEC. 6. DEVELOPING AND IMPLEMENTING A COORDINATED**  
22 **SANCTIONS STRATEGY WITH DIPLOMATIC**  
23 **PARTNERS.**

24 (a) FINDINGS.—Congress makes the following find-  
25 ings:

1           (1) On June 21, 2019, the Government of Can-  
2           ada, pursuant to its Special Economic Measures Act,  
3           designated 9 officials of the Government of Nica-  
4           ragua for the imposition of sanctions in response to  
5           gross and systematic human rights violations in  
6           Nicaragua.

7           (2) On May 4, 2020, the European Union im-  
8           posed sanctions with respect to 6 officials of the  
9           Government of Nicaragua identified as responsible  
10          for serious human rights violations and for the re-  
11          pression of civil society and democratic opposition in  
12          Nicaragua.

13          (3) On October 12, 2020, the European Union  
14          extended its authority to impose restrictive measures  
15          on “persons and entities responsible for serious  
16          human rights violations or abuses or for the repres-  
17          sion of civil society and democratic opposition in  
18          Nicaragua, as well as persons and entities whose ac-  
19          tions, policies or activities otherwise undermine de-  
20          mocracy and the rule of law in Nicaragua, and per-  
21          sons associated with them”.

22          (b) SENSE OF CONGRESS.—It is the sense of Con-  
23          gress that the United States should encourage the Govern-  
24          ment of Canada, the European Union and governments  
25          of members countries of the European Union, and govern-

1 ments of countries in Latin America and the Caribbean  
2 to use targeted sanctions with respect to persons involved  
3 in human rights violations and the obstruction of free,  
4 fair, and transparent elections in Nicaragua.

5 (c) COORDINATING INTERNATIONAL SANCTIONS.—

6 The Secretary of State, working through the head of the  
7 Office of Sanctions Coordination established by section  
8 1(h) of the State Department Basic Authorities Act of  
9 1956 (22 U.S.C. 2651a(h)), and in consultation with the  
10 Secretary of the Treasury, shall engage in diplomatic ef-  
11 forts with governments of countries that are partners of  
12 the United States, including the Government of Canada,  
13 governments of countries in the European Union, and gov-  
14 ernments of countries in Latin America and the Carib-  
15 bean, to impose targeted sanctions with respect to the per-  
16 sons described in section 5(b) in order to advance demo-  
17 cratic elections in Nicaragua.

18 (d) BRIEFING REQUIREMENT.—Not later than 90

19 days after the date of the enactment of this Act, and every  
20 90 days thereafter until December 31, 2022, the Secretary  
21 of State, in consultation with the Secretary of the Treas-  
22 ury, shall brief the Committee on Foreign Relations of the  
23 Senate and the Committee on Foreign Affairs of the  
24 House of Representatives on the implementation of this  
25 section.

1 **SEC. 7. INCLUSION OF NICARAGUA IN LIST OF COUNTRIES**  
2 **SUBJECT TO CERTAIN SANCTIONS RELATING**  
3 **TO CORRUPTION.**

4 Section 353 of title III of division FF of the Consoli-  
5 dated Appropriations Act, 2021 (Public Law 116–260) is  
6 amended—

7 (1) in the section heading, by striking “**AND**  
8 **HONDURAS**” and inserting “**, HONDURAS, AND**  
9 **NICARAGUA**”; and

10 (2) by striking “and Honduras” each place it  
11 appears and inserting “, Honduras, and Nicaragua”.

12 **SEC. 8. CLASSIFIED REPORT ON THE INVOLVEMENT OF OR-**  
13 **TEGA FAMILY MEMBERS AND NICARAGUAN**  
14 **GOVERNMENT OFFICIALS IN CORRUPTION.**

15 (a) REPORT REQUIRED.—Not later than 90 days  
16 after the date of the enactment of this Act, the Secretary  
17 of State, acting through the Bureau of Intelligence and  
18 Research of the Department of State, and in coordination  
19 with the Director of National Intelligence, shall submit a  
20 classified report to the appropriate congressional commit-  
21 tees on significant acts of public corruption in Nicaragua  
22 that—

23 (1) involve—

24 (A) the President of Nicaragua, Daniel Or-  
25 tega;

1 (B) members of the family of Daniel Or-  
2 tega; and

3 (C) senior officials of the Ortega govern-  
4 ment, including—

5 (i) members of the Supreme Electoral  
6 Council, the Nicaraguan Armed Forces,  
7 and the National Nicaraguan Police; and

8 (ii) elected officials from the Sandi-  
9 nista National Liberation Front party;

10 (2) pose challenges for United States national  
11 security and regional stability;

12 (3) impede the realization of free, fair, and  
13 transparent elections in Nicaragua; and

14 (4) violate the fundamental freedoms of civil so-  
15 ciety and political opponents in Nicaragua.

16 (b) APPROPRIATE CONGRESSIONAL COMMITTEES.—

17 In this section, the term “appropriate congressional com-  
18 mittees” means—

19 (1) the Committee on Foreign Relations and  
20 the Select Committee on Intelligence of the Senate;  
21 and

22 (2) the Committee on Foreign Affairs and the  
23 Permanent Select Committee on Intelligence of the  
24 House of Representatives.

1 **SEC. 9. CLASSIFIED REPORT ON THE ACTIVITIES OF THE**  
2 **RUSSIAN FEDERATION IN NICARAGUA.**

3 (a) REPORT REQUIRED.—Not later than 90 days  
4 after the date of the enactment of this Act, the Secretary  
5 of State, acting through the Bureau of Intelligence and  
6 Research of the Department of State, and in coordination  
7 with the Director of National Intelligence, shall submit a  
8 classified report to the appropriate congressional commit-  
9 tees on activities of the Government of the Russian Fed-  
10 eration in Nicaragua, including—

11 (1) cooperation between Russian and Nica-  
12 raguean military personnel, intelligence services, secu-  
13 rity forces, and law enforcement, and private Rus-  
14 sian security contractors;

15 (2) cooperation related to telecommunications  
16 and satellite navigation;

17 (3) other political and economic cooperation, in-  
18 cluding with respect to banking, disinformation, and  
19 election interference; and

20 (4) the threats and risks that such activities  
21 pose to United States national interests and national  
22 security.

23 (b) APPROPRIATE CONGRESSIONAL COMMITTEES.—

24 In this section, the term “appropriate congressional com-  
25 mittees” means—



1 (1) the Committee on Foreign Relations and  
2 the Select Committee on Intelligence of the Senate;  
3 and

4 (2) the Committee on Foreign Affairs and the  
5 Permanent Select Committee on Intelligence of the  
6 House of Representatives.

7 **SEC. 10. REPORT ON HUMAN RIGHTS ABUSES IN NICA-**  
8 **RAGUA.**

9 (a) FINDINGS.—Congress finds that, since the June  
10 2018 initiation of “Operation Clean-up”, an effort of the  
11 government of Daniel Ortega to dismantle barricades con-  
12 structed throughout Nicaragua during social demonstra-  
13 tions in April 2018, the Ortega government has increased  
14 its abuse of campesinos and members of indigenous com-  
15 munities, including arbitrary detentions, torture, and sex-  
16 ual violence as a form of intimidation.

17 (b) REPORT REQUIRED.—Not later than 90 days  
18 after the date of the enactment of this Act, the Secretary  
19 of State shall submit to the appropriate congressional  
20 committees a report that documents the perpetration of  
21 gross human rights violations by the Ortega government  
22 against the citizens of Nicaragua, including campesinos  
23 and indigenous communities in the interior of Nicaragua.

24 (c) ELEMENTS.—The report required by subsection  
25 (b) shall—

1           (1) include a compilation of human rights viola-  
2           tions committed by the Ortega government against  
3           the citizens of Nicaragua, with a focus on such viola-  
4           tions committed since April 2018, including human  
5           rights abuses and extrajudicial killings in—

6                   (A) the cities of Managua, Carazo, and  
7           Masaya between April and June of 2018; and

8                   (B) the municipalities of Wiwili, El Cuá,  
9           San Jose de Bocay, and Santa Maria de  
10          Pantasma in the Department of Jinotega,  
11          Esquipulas in the Department of Rivas, and  
12          Bilwi in the North Caribbean Coast Autono-  
13          mous Region between 2018 and 2021;

14          (2) outline efforts by the Ortega government to  
15          intimidate and disrupt the activities of civil society  
16          organizations attempting to hold the government ac-  
17          countable for infringing on the fundamental rights  
18          and freedoms of the people of Nicaragua; and

19          (3) provide recommendations on how the United  
20          States, in collaboration with international partners  
21          and Nicaraguan civil society, should leverage bilat-  
22          eral and regional relationships to curtail the gross  
23          human rights violations perpetrated by the Ortega  
24          government and better support the victims of human  
25          rights violations in Nicaragua.

1 (d) APPROPRIATE CONGRESSIONAL COMMITTEES  
2 DEFINED.—In this section, the term “appropriate con-  
3 gressional committees” means—

4 (1) the Committee on Foreign Relations of the  
5 Senate; and

6 (2) the Committee on Foreign Affairs of the  
7 House of Representatives.

8 **SEC. 11. SUPPORTING INDEPENDENT NEWS MEDIA AND**  
9 **FREEDOM OF INFORMATION IN NICARAGUA.**

10 (a) REPORT REQUIRED.—Not later than 90 days  
11 after the date of the enactment of this Act, the Secretary  
12 of State, the Administrator for the United States Agency  
13 for International Development, and the Chief Executive  
14 Officer of the United States Agency for Global Media,  
15 shall submit to Congress a report that includes—

16 (1) an evaluation of the governmental, political,  
17 and technological obstacles faced by the people of  
18 Nicaragua in their efforts to obtain accurate, objec-  
19 tive, and comprehensive news and information about  
20 domestic and international affairs; and

21 (2) a list of all TV channels, radio stations, on-  
22 line news sites, and other media platforms operating  
23 in Nicaragua that are directly or indirectly owned or  
24 controlled by President Daniel Ortega, members of

1 the Ortega family, or known allies of the Ortega gov-  
2 ernment.

3 (b) ELEMENTS.—The report required by subsection  
4 (a) shall include—

5 (1) an assessment of the extent to which the  
6 current level and type of news and related program-  
7 ming and content provided by the Voice of America  
8 and other sources is addressing the informational  
9 needs of the people of Nicaragua;

10 (2) a description of existing United States ef-  
11 forts to strengthen freedom of the press and freedom  
12 of expression in Nicaragua, including recommenda-  
13 tions to expand upon those efforts; and

14 (3) a strategy for strengthening independent  
15 broadcasting, information distribution, and media  
16 platforms in Nicaragua.

17 **SEC. 12. AMENDMENT TO SHORT TITLE OF PUBLIC LAW**

18 **115–335.**

19 Section 1(a) of the Nicaragua Human Rights and  
20 Anticorruption Act of 2018 (Public Law 115–335; 50  
21 U.S.C. 1701 note) is amended to read as follows:

22 “(a) SHORT TITLE.—This Act may be cited as the  
23 ‘Nicaragua Investment Conditionality Act of 2018’ or the  
24 ‘NICA Act’.”.

1 **SEC. 13. DEFINITION.**

2       In this Act, the term “Nicaragua Investment Condi-  
3 tionality Act of 2018” means the Public Law 115–335 (50  
4 U.S.C. 1701 note), as amended by section 12.